TRANSITION



Melstacorp
RESPONSIBLE DIVERSITY

MELSTACORP PLC ANNUAL REPORT 2025/26

TRANSITION

Our journey at Melstacorp reflects a deliberate process of renewal shaped across industries, markets and communities, and strengthened by experience, discipline, and an enduring entrepreneurial spirit. Built through successive layers of progress, each step has expanded our reach, deepened our capabilities, and reinforced the resilience on which our future continues to rise.

Today, this shift is evident across every facet of the Company, where operational excellence, sound governance, innovation, and agility come together within an integrated system of value creation, delivering enduring value for all stakeholders. The report you hold reflects this defining period, capturing a Company that honours its heritage while embracing the possibilities ahead.

As we move forward, fresh perspectives, emerging opportunities, and new capabilities build upon the principles that have long defined Melstacorp, preserving continuity while giving greater structure and direction to our future.

Origami is the art of transformation through precision, where a single sheet of paper, through a deliberate sequence of folds, takes on a new structure. Each fold is purposeful, and each crease adds definition to the final form.

At Melstacorp, our journey is one of considered transformation. Our established businesses provide a strong foundation, while emerging sectors, innovation, new capabilities, and generational stewardship create fresh dimensions of value. Together, they honour our heritage while shaping a future defined by agility and enduring leadership.

Melstacorp
RESPONSIBLE DIVERSITY

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ABOUT MELSTACORP PLC

MELSTACORP PLC, ONE OF SRI LANKA'S LARGEST LISTED COMPANIES, IS A HIGHLY DIVERSIFIED CONGLOMERATE WITH A SIGNIFICANT PRESENCE ACROSS MULTIPLE SECTORS, INCLUDING BEVERAGES, TOURISM, MARITIME, FREIGHT & LOGISTICS, STRATEGIC INVESTMENTS, FINANCIAL SERVICES, PLANTATIONS AND SERVICES.

The Melstacorp Group includes seven listed Companies within its portfolio:

Distilleries Company of Sri Lanka PLC, Aitken Spence PLC, Aitken Spence Hotels Holdings PLC, Balangoda Plantations PLC, Madulsima Plantations PLC, Elpitiya Plantations PLC, Browns Beach Hotels PLC.



VISION

Pursue excellence.

Make a difference.



MISSION

RESILIENT

We pride ourselves on our ability to adapt quickly, act decisively and maintain operations even in the most difficult times.

RELIABLE

Consistent quality, absolute integrity, and unfailing dependability are at the core of our businesses.

RESPONSIBLE

Our responsibility goes beyond financial success. It includes being one with nature, uplifting the lives of our citizens and looking after the best interests of our stakeholders.

FINANCIAL HIGHLIGHTS



Rs.**16.89**

EARNINGS PER SHARE



11%

RETURN ON EQUITY



Rs.**298.7**billion

TOTAL VALUE ADDED

		GROUP		
		2025/26	2024/25	YoY (%)
Assets				
Group Revenue	Rs.Mn	286,015	260,931	9.61
Profit from Operations	Rs.Mn	45,344	44,677	1.49
Net Finance Expense	Rs.Mn	(2,176)	(5,821)	(62.62)
Share of Profit from Equity Accounted Investees	Rs.Mn	2,300	1,418	62.20
Profit before tax	Rs.Mn	45,467	40,275	12.89
Profit After Tax continuing operations	Rs.Mn	25,234	22,229	13.52
From Discontinued operations				
Profit After Tax	Rs.Mn	1,028	42	2,347.62
Profit After Tax for the year	Rs.Mn	26,262	22,271	17.92
Financial Position				
Non-Current Assets	Rs.Mn	305,655	266,321	14.77
Current Assets	Rs.Mn	122,390	109,244	12.03
Total Assets	Rs.Mn	428,902	376,488	13.92
Total Equity	Rs.Mn	229,755	195,181	17.71
Non-Current Liabilities	Rs.Mn	99,832	81,399	22.65
Current Liabilities	Rs.Mn	99,315	99,907	(0.59)
Total Liabilities	Rs.Mn	199,147	181,306	9.84
Key Ratios				
ROE	%	10.98	11.41	(3.74)
Interest Cover	Times	6.60	5.56	14.95
Dividend Cover	Times	2.072	2.004	3.41
Dividend Pay Out Ratio	%	48.25	49.90	(3.30)
Current Ratio	Times	1.23	1.09	13.06
Debt Equity Ratio	%	31.86	34.59	(7.89)
Share Information				
Market Capitalisation as at 31st March	Bn	195.79	148.01	32.28
Market Price as at 31st March	Rs.	168.00	127.00	32.28
Earnings Per Share	Rs.	16.89	14.67	15.13
Dividends Per Share	Rs.	8.15	7.32	11.34
Net Asset Value per Share	Rs.	134.81	113.51	18.76
Price Earnings Ratio	Times	9.95	8.66	14.86
Manufactured Capital				
PPE as at 31st March	Rs.Mn	162,237	148,041	9.59
Investments during the year	Rs.Mn	9,626	4,274	125.22
Depreciation	Rs.Mn	8,528	8,523	0.06

ABOUT THE REPORT



THIS IS THE THIRD INTEGRATED ANNUAL REPORT OF MELSTACORP PLC, PROVIDING A HOLISTIC OVERVIEW OF THE GROUP'S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026. IT OUTLINES HOW WE DELIVERED LONG-TERM VALUE TO OUR STAKEHOLDERS THROUGH THE EFFECTIVE IMPLEMENTATION OF OUR STRATEGIC PRIORITIES, DEMONSTRATING RESILIENCE AND ADAPTABILITY AMID EVOLVING POLITICAL, SOCIAL, AND ECONOMIC CHALLENGES.

SCOPE AND BOUNDARY

This Integrated Annual Report covers the financial year ended 31 March 2026 and should be read in conjunction with the Group's preceding report for the year ended 31 March 2025. It provides a balanced and comprehensive account of the financial and non-financial performance of Melstacorp PLC (the Parent Company) and its operating entities across seven business sectors, collectively referred to as "the Group." Relevant comparative information is presented where applicable. Consistent reporting boundaries have been applied across the Group for both financial and non-financial disclosures, enhancing the reliability, comparability, and transparency of reported information.

FINANCIAL REPORTING

- Companies Act No.7 of 2007
- Listing Rules of the Colombo Stock Exchange
- Sri Lanka Accounting & Auditing Standards Act No 15 of 1995
- Sri Lanka Accounting Standards (SLFRs / LKASs) issued by Institute of Chartered Accountants of Sri Lanka

CORPORATE GOVERNANCE

- Listing Rules of the Colombo Stock Exchange
- Securities and Exchange Commission of Sri Lanka, Act No. 19 of 2021 and the amendments
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2023)

INTEGRATED & SUSTAINABILITY REPORTING

- SLFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures
- Integrated Reporting Framework of the International Integrated Reporting Council

REPORTING FRAMEWORKS AND PRINCIPLES

Connectivity of Information

The connectivity of information has been improved by the use of the following icons throughout the report.

CAPITALS


Financial Capital


Human Capital


Manufactured Capital


Social and Relationship Capital


Intellectual Capital


Natural Capital

STAKEHOLDERS


Customers


Employees


Business Partners


Investors


Government and Regulators


Community

SECTORS


Beverages


Tourism


Maritime, Freight & Logistics


Plantations


Financial Services


Strategic Investments


Services

STRATEGIC PRIORITIES


Global Expansion and Market Penetration


Operational Excellence and Synergy


Sustainability and Social Responsibility


Talent Development and Leadership


Strategic Investments and Portfolio Optimisation


Innovation & Digital Transformation

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding the Group's future potential and value creation. These statements are based on our current expectations, beliefs, and assumptions, derived from internal and external information. However, such statements are inherently uncertain and subject to risks, future events, outcomes, and impacts beyond our control. These factors, including the fluid nature of markets and volatility of key economic indicators, could cause actual results to differ materially from those projected and affect the process of value creation. Users should not place undue reliance on these statements. We encourage you to consider these uncertainties and form your own judgments based on the latest available information. The Board and report preparers disclaim any liability whatsoever for these forward-looking statements, given the inherent uncertainties.

ABOUT THE REPORT

ASSURANCE

Assurance on Financial Statements has been provided by Messrs KPMG, Chartered Accountants, and their report is set out on pages 247 to 253.

RESTATEMENTS AND COMPARABILITY OF INFORMATION

There were no significant changes requiring restatements of financial or sustainability information during the reporting period.

STATEMENT BY THE BOARD

The Management of Melstacorp PLC has prepared, reviewed, and approved the contents of the Annual Report for the year ended 31 March 2026.

The Board acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value over the short term. The acknowledgment of the Boards' responsibility for the Annual Report and its content are given in the Annual Report of the Board of Directors on page 58-64.

The report was approved by the Board of Directors on 20th August 2026.

Signed on behalf of the Board



D. Hasitha S. Jayawardena
Chairman

20th August 2026

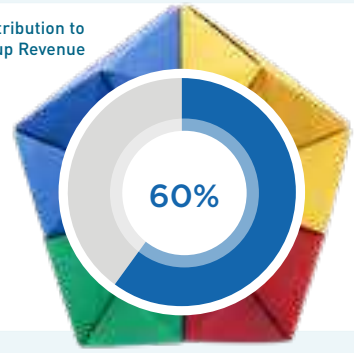


OUR BUSINESSES

BEVERAGES



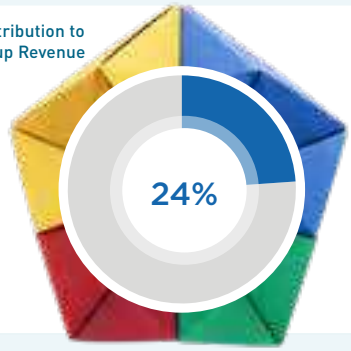
Contribution to Group Revenue



TOURISM



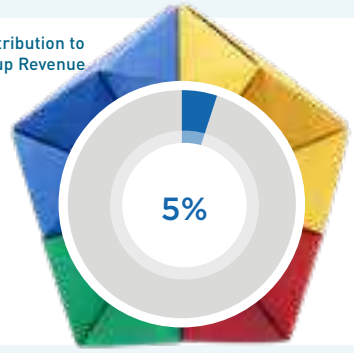
Contribution to Group Revenue



MARITIME, FREIGHT & LOGISTICS



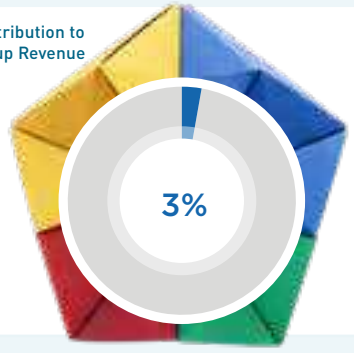
Contribution to Group Revenue



PLANTATIONS



Contribution to Group Revenue



FINANCIAL SERVICES



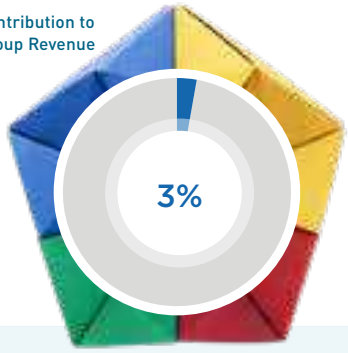
Continental

Continental Life

Money Master

Aitken Spence Insurance

Contribution to Group Revenue



STRATEGIC INVESTMENTS



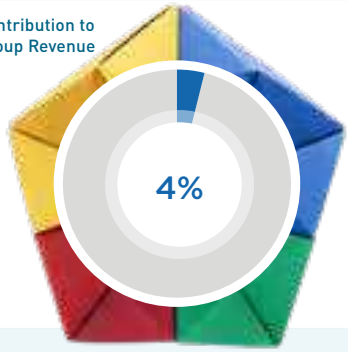
Aitken Spence International

Aitken Spence Printing

Aitken Spence Power

BOGO POWER

Contribution to Group Revenue



SERVICES

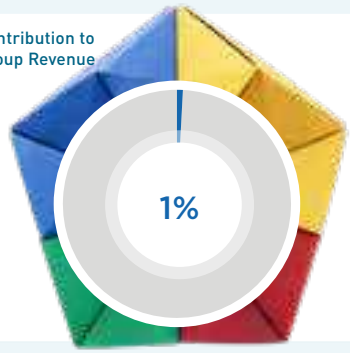


Melsta

Melsta technologies

Aitken Spence Elevators

Contribution to Group Revenue





CHAIRMAN'S MESSAGE

> OUR JOURNEY HAS BEEN ONE OF PURPOSEFUL RENEWAL, SHAPED BY OPPORTUNITIES AND CHALLENGES ACROSS INDUSTRIES, MARKETS, AND COMMUNITIES, AND GUIDED BY DISCIPLINED STEWARDSHIP, ENTREPRENEURIAL VISION, AND A STEADFAST COMMITMENT TO VALUE CREATION



Dear Shareholders,

TRANSITIONING TO THE NEXT PHASE OF GROWTH

The Financial Year 2025/26 marked a defining milestone in Melstacorp's evolution. Our journey has been one of purposeful renewal, shaped by opportunities and challenges across industries, markets, and communities, and guided by disciplined stewardship, entrepreneurial vision, and a steadfast commitment to value creation. Over the years, each phase of growth has broadened our reach, strengthened our capabilities, and reinforced the resilience that underpins the Group's enduring success.

This transition represents a defining moment in our journey, as we build on a proud legacy while positioning the Group for its next phase of growth. As Sri Lanka continued its path towards economic recovery, Melstacorp moved decisively beyond a period of stabilisation and into a new phase of transformation and growth. This progress reflects deliberate efforts to strengthen our portfolio, allocate capital with discipline, enhance governance and risk management, and build the capabilities required to thrive in an increasingly dynamic operating environment.

RESILIENCE AMID A CHANGING MACROECONOMIC ENVIRONMENT

While Sri Lanka's economic environment reflected encouraging signs of stabilisation during much of FY2025/26, supported by easing inflation, lower interest rates, relative exchange rate stability, and improving investor confidence, the broader global landscape remained characterised by heightened uncertainty. Companies worldwide continued to navigate evolving trade dynamics, uneven economic recovery, shifting policy priorities, and persistent geopolitical tensions. Towards the latter part of the year, the escalation of conflict in the Middle East amplified global risk, disrupting energy and shipping markets, and highlighting the interconnected nature of today's operating environment.

Against this backdrop, Melstacorp's diversified portfolio once again demonstrated its resilience and strategic value. Our presence across multiple sectors enabled the Group to navigate changing market conditions, capture opportunities where they emerged, and mitigate the impact of sector-specific challenges.

Group Revenue from continuing operations grew by 10% year-on-year to Rs. 286 billion in FY2025/26, up from Rs. 261 billion in the previous year.

STRONG FINANCIAL PERFORMANCE

The Group delivered a strong financial performance in FY 2025/26, reflecting the resilience of its diversified portfolio, disciplined execution, and the favourable momentum of Sri Lanka's economic recovery. Gross Revenue from continuing operations increased by 10% to Rs. 286 billion, while Profit Before Tax and Profit After Tax from continuing operations grew by 13% and 14%, respectively, to Rs. 45.5 billion and Rs. 25.2 billion. Including discontinued operations, the Group reported Profit After Tax of Rs. 26.2 billion and Total Comprehensive Income of Rs. 45 billion.

The Beverage sector remained the principal contributor to Group earnings, delivering another year of outstanding performance with revenue of Rs. 170.2 billion and profit before tax of Rs. 31.2 billion. The sector's continued success was underpinned by the strength of its market-leading brands, innovation-led growth strategies, and a relentless focus on operational excellence, further reinforcing its leadership position within the industry.

The Tourism sector achieved its highest profitability to date, with profit before tax increasing by 45% to Rs.7 billion. The sustained recovery of Sri Lanka's tourism industry, coupled with strong performances across the Group's hotel, destination management, and aviation businesses, drove another year of impressive growth despite ongoing geopolitical and economic uncertainties in key markets.

The Strategic Investments sector demonstrated resilience amid a challenging operating environment, generating revenue of Rs. 10.6 billion. While the Apparel Manufacturing business continued to face industry-wide pressures, improved contributions from the Power Generation and Printing & Packaging businesses provided stability and highlighted the strength and long-term potential of the sector's diversified portfolio.

The Services sector delivered exceptional growth, with revenue increasing by 18% and profit before tax increasing by 145% to Rs. 1.6 billion. Strong performances from the BPO, elevator, and property management businesses, supported by operational enhancements and strategic expansion initiatives, further strengthened the sector's contribution to Group earnings.

The Maritime & Freight Logistics sector also demonstrated resilience in the face of global trade disruptions and geopolitical challenges, recording revenue of Rs. 15.3 billion and profit before tax of Rs. 4.9 billion. Sustained growth across shipping agency representation, port management, integrated container services, bunkering, and education businesses underscored the benefits of the sector's diversified operating model and its ability to navigate a complex external environment.

STRENGTHENING THE FOUNDATIONS FOR FUTURE GROWTH

Throughout the year, we maintained a strong financial position while investing selectively in opportunities that support sustainable long-term growth. Our capital allocation decisions continued to be guided by financial discipline, prudent risk management, and a clear focus on value creation.

We continued to accelerate our digital transformation journey across the Group, embedding technology, data-driven insights, and innovation more deeply

CHAIRMAN'S MESSAGE

into our operations. Our focus remained on advancing enterprise automation, enhancing customer experiences through seamless digital engagement, leveraging analytics to support more informed decision-making, and strengthening cybersecurity resilience. We view digital transformation as a strategic enabler of operational excellence, agility, and continuous innovation, enhancing our ability to adapt, compete, and create sustainable value in an increasingly digital world.

A key achievement during the year was the establishment of Mels Automobiles (Pvt) Ltd., culminating in its appointment as the authorised importer and dealer for BMW in Sri Lanka in April 2026. Beyond representing a significant milestone for the Group, this investment creates a compelling new avenue for growth and underscores our ability to forge trusted international partnerships that enhance our portfolio and support long-term value creation.

Furthermore, the reaffirmation of Melstacorp's AAA credit rating with a Stable Outlook by Fitch Ratings remains a powerful endorsement of the Group's financial strength, disciplined management, and resilient business model. As one of only a select few corporates in Sri Lanka to hold the highest national-scale credit rating, this distinction enhances our financial flexibility, providing access to capital on competitive terms and a strong platform from which to pursue strategic opportunities, invest for growth, and create sustainable long-term value for shareholders.

Together, these initiatives have strengthened our financial flexibility, enhanced our competitive position, and reinforced our ability to pursue emerging opportunities with confidence and discipline.

REWARDING OUR SHAREHOLDERS

Creating long-term shareholder value remains at the heart of our strategy. In recognition of the Group's strong performance, resilient cash flows, and confidence in the future, the Board declared dividends totalling Rs. 8.15 per share during the year. This reflects our disciplined approach to capital allocation, balancing investment for future growth with the delivery of sustainable returns to shareholders.

STRENGTHENING GOVERNANCE AND SUSTAINABILITY

Strong governance and sustainability remain fundamental to our long-term success and our ability to create sustainable value for stakeholders. During the year, we further strengthened our governance framework, enhanced risk management practices, and deepened the integration of sustainability considerations into strategic decision-making, reinforcing our commitment to governance excellence and responsible leadership across the Group.

Melstacorp benefits from a highly experienced Board whose diverse expertise, independent perspectives, and broad industry knowledge provide robust oversight and strategic guidance across our portfolio of businesses. The breadth of skills represented on the Board, combined with its active engagement in strategy, capital allocation, and risk oversight, strengthens our ability to navigate complexity, seize opportunities, and guide the Group towards its long-term objectives with confidence, accountability, and integrity.

The establishment of the Board Sustainability Sub-Committee and the Board Investment Committee strengthened Board oversight of sustainability priorities, strategic investments, and capital allocation decisions. We also welcomed the appointment of Mr. Jude Fernando as Group Chief Executive Officer with effect from 1 December 2025, further enhancing leadership capability and supporting the execution of the Group's strategic agenda. At the same time, we acknowledge the valuable contribution of Mr. M. A. N. S. Perera, who stepped down as Managing Director during the year.

Sustainability remained a strategic priority as we advanced preparations for compliance with the Sri Lanka Sustainability Disclosure Standards (SLFRS S1 and S2) and strengthened governance structures across the Group. During the year, we enhanced our sustainability framework through materiality assessments, climate risk evaluations, and the deeper integration of sustainability considerations into strategy and risk management. These initiatives have strengthened resilience, improved decision-making, and positioned Melstacorp to create sustainable long-term value in an evolving business environment.

Rs. **16.89**
EARNINGS PER SHARE

Rs. **8.15** per share
DIVIDENDS DECLARED DURING THE YEAR

As we continue our transition journey, we will continue to maintain the highest standards of governance, advance our sustainability agenda, and build a resilient, responsible, and future-ready organisation.

INVESTING IN OUR PEOPLE

Our people continue to be the driving force behind Melstacorp's success. During the year, we strengthened learning and development programmes, succession planning initiatives, and talent management frameworks to build a skilled and future-ready workforce. We also continued to promote diversity and inclusion, recognising that varied perspectives enhance innovation, collaboration, and decision-making.

At the same time, we remained committed to enhancing employee well-being, engagement, and workplace experience through initiatives that support continuous learning, collaboration, and personal growth. As we advance our transition journey, we will continue investing in our people as a critical enabler of long-term success.

Our ambition is clear: to create enduring value, advance responsible leadership, and strengthen Melstacorp's position among the region's leading diversified conglomerates.

LOOKING AHEAD

As we look to 2027 and beyond, we do so with confidence and ambition. The foundations we have strengthened over the past several years have positioned Melstacorp to seize the opportunities of a changing world while remaining anchored by the values, discipline, and resilience that have shaped our success.

Guided by strong governance, empowered by exceptional talent, and driven by an enduring entrepreneurial spirit, we are shaping the next chapter of Melstacorp's journey. As we move forward, we will continue to embrace new opportunities, fresh perspectives, and emerging capabilities while remaining true to the principles that have guided us for generations. Our ambition is clear: to create enduring value, advance responsible leadership, and strengthen Melstacorp's position among the region's leading diversified conglomerates.

ACKNOWLEDGEMENT

The success of Melstacorp is built on the collective contribution of our people and our Group companies. Their expertise, commitment, and resilience, combined with the strength and diversity of our businesses, have been instrumental in navigating a year of transformation, shaping our achievements, and strengthening the foundation for future growth.

I extend my sincere appreciation to the Board of Directors for their stewardship, wise counsel, and unwavering commitment. Their diverse expertise, independent judgment, and strategic insight have provided invaluable guidance in navigating an increasingly complex business environment and positioning the Group for long-term success.

I wish to thank our Executive Directors, Group Chief Executive Officer, management teams, and employees across the Group for their professionalism, commitment, and relentless pursuit of excellence. Their ability to adapt, innovate, and consistently deliver results across a diverse portfolio of businesses remains one of Melstacorp's greatest strengths.

To our more than 32,000 employees, I offer my deepest gratitude. Your dedication, resilience, and belief in our shared vision are the driving force behind our achievements. The pride you take in serving our customers and communities reflects the values that define Melstacorp and gives us confidence in the future we are building together.

I thank our shareholders for their continued trust and confidence. Your support enables us to pursue opportunities with discipline and ambition while maintaining a steadfast focus on sustainable long-term value creation.

My sincere appreciation also extends to our customers, business partners, suppliers, regulators, and the communities we serve. Your continued collaboration, support, and trust strengthen our ability to grow responsibly and create meaningful impact.

Together, we will continue to build on Melstacorp's proud legacy, embrace new opportunities, and create sustainable value for generations to come.



D. Hasitha S. Jayawardena
Chairman

20th August 2026



BOARD OF DIRECTORS



MR. D. HASITHA S. JAYAWARDENA
Chairman



MR. C. R. JANSZ
Deputy Chairman



MR. N. DE S. DEVA ADITYA
Non-Independent Non-Executive Director



CAPT. K. J. KAHANDA
Non-Independent Non-Executive Director



MR. L. U. D. FERNANDO
Executive Director



MS. D. S. T. JAYAWARDENA
Non-Independent Non-Executive Director



MR. M. R. MIHULAR
Senior Independent Non-Executive Director



DR. RAVINDRA A. FERNANDO
Independent Non-Executive Director



MR. ASHOKA GOONESEKERE
Independent Non-Executive Director



MR. L. H. A. LAKSHMAN SILVA
Independent Non-Executive Director

BOARD OF DIRECTORS

MR. D. HASITHA S. JAYAWARDENA
Chairman - Executive Director

Consequent to the demise of Deshamanya D. H. S. Jayawardena, Mr. D. Hasitha S. Jayawardena was appointed as the Executive Chairman on 6th February 2025.

Mr. Jayawardena holds a Bachelor's Degree in Business Administration BBA (Hons) from the University of Kent in the United Kingdom.

He has also worked as an Intern at the Clinton Global Initiative Programme (CGI) in New York in 2007.

Mr. Jayawardena has years of experience in various diversified fields in the Group and is the Chairman & Managing Director of Stassen Group of Companies, the Chairman of DCSL Group. He is also a Director of Lanka Milk Foods Group, Zahra Exports (Pvt) Ltd., McSen Range (Pvt) Ltd. and several other companies.

MR. C. R. JANSZ
Deputy Chairman - Executive Director

Mr. Jansz is the Chairman of Lanka Milk Foods Group and a Director of Stassen Group, DCSL Group and several other companies.

Mr. Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers. He has been the Chairman of DFCC Bank PLC and Sri Lanka Shippers Council.

Mr. Jansz specialises in the movement and finance of international trade.

CAPT. K.J. KAHANDA
Non-Independent Non-Executive Director

Captain Kahanda joined Distilleries Company of Sri Lanka in 1993 as Regional Manager (Central Region) and was appointed a Director in December 2006, He was appointed as the Managing Director of Distilleries Company of Sri Lanka PLC in September 2022. Being a former officer of the Sri Lanka Army, he spearheaded the reorganisation of the operations of the Central Region since privatisation. He specialises in logistics, distribution and security matters, and is also a Director of G4S Security Services (Pvt) Ltd., Pelwatte Sugar Distilleries (Pvt) Ltd and, DCSL Breweries Lanka Limited.

MR. L. U. D. FERNANDO
Non-Independent Executive Director

Mr. Fernando joined the group in 1989 and was a director of DCSL PLC from 2006-2008. He was also a director of Melstacorp PLC from 2010 to 2012. He was reappointed to the Board in September 2022. Mr. Fernando is a Fellow of the Chartered Institute of Management Accountants of the United Kingdom. He was awarded a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, in 1992.

Mr. Fernando is a Non-Executive Director of Distilleries Company of Sri Lanka PLC, HNB Life PLC, HNB General Insurance Ltd, and several other subsidiary entities of Melstacorp PLC. Previously he served as the Executive Director of Sri Lanka Insurance Corporation Limited from 2003 to 2009 and as a non-executive director of HNB PLC from 2012 to 2022. He was a director of The Lanka Hospitals Corporation PLC from 2006-2009 and from 2015 to 2017. He has also held board positions in companies in Food & Beverage, Manufacturing, Healthcare, Telecommunications, Finance, Asset Management, and Unit Trusts.

MR. N. DE S. DEVA ADITYA
Non-Independent Non-Executive Director

Mr. N. de Silva Deva Aditya is a Fellow of the Royal Society of Arts (FRSA) established in 1754, a Research Fellow of Loughborough University of Technology, a Graduate of the Royal Aeronautical Society, and a member of the Institution of Mechanical Engineers. He also holds a Bachelor of Technology (Honours) from the University of Loughborough and is a Professor at the Beijing University.

The Honourable N. de Silva Deva Aditya (Nirj Deva) who is a Fellow of the Royal Society of Arts, Deputy Lieutenant for the Lord Lieutenancy of Greater London representing HM King Charles III, Presidential Envoy of Sri Lanka to the EU and the Commonwealth of 56 Nations and Senior Advisor to the President of Sri Lanka, former Member of Parliament in the British House of Commons, and a Member of the European Parliament, joined the Board of Directors of Aitken Spence in September 2006.

He was the first Post War Asian-born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office after which he was elected as the first Asian-born British Member of the European Parliament representing over 8 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years.

He was the Vice President of the International Development Committee for 15 years, overseeing the annual Euro 25 billion European Budget. He was the Chairman of the EU Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in the EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the UN General Assembly. He is now the President of the Commonwealth Union; the largest cyber community encompassing the Commonwealth.

For his Tsunami Relief work he was made MEP of the Year by the European Parliament, a Chevalier of the Catholic Church, Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka, and

Gaurav Bharat by India. He is the Publisher of http://www.commonwealthunion.com the global media platform, the first Commonwealth wide news and TV media reaching out to 2.6 billion people and seen regularly by 18 million. He was appointed Presidential Envoy and Senior Advisor in August 2022.

Mr. N. de Silva Deva Aditya is a Director of Distilleries Company of Sri Lanka PLC, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC and The Kingsbury PLC.

MR. M. R. MIHULAR
Former Senior Independent Non-Executive Director

Mr. Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives from 1st of April 2012 to 31st March, 2022 and was the Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster during the period 1st October 2018 to 30th September 2021. Mr. Mihular previously served a term as the Chief Operating Officer of the MESA regional office. He also served on KPMG's Europe Middle East & Africa (EMA) Board and on the Global Council of KPMG International.

Mr. Mihular is a Past President and Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK. He also served as the Chairman of the CIMA Sri Lanka. Mr. Mihular has completed International Executive Education programmes at INSEAD, France, Harvard Business School and the London Business School, UK.

Mr. Mihular served as a Board Member of the International Accounting Standards Committee (IASC) from 1996 to 2000. Subsequently he served on the IASC's Standing Interpretations Committee and as a Member of the IFRS Advisory Council of the International Accounting Standards Board. He also served as a Member of the International Ethics Standards Board for Accountants (IESBA) from 2018 to 2021.

Mr. Mihular presently serves as Chairman of Watawala Plantations PLC and Bairaha Farms PLC and as an Independent Non-Executive Director of Sunshine Holdings PLC, Melstacorp PLC, Sunshine Teas (Pvt) Ltd, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Lonach Dairy Ltd, Agility Innovation (Pvt) Ltd, Marino Leisure Holdings (Pvt) Ltd, LTL Holdings Ltd, Balangoda Plantations PLC and Madulsima Plantations PLC.
He also serves as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

DR. RAVINDRA A. FERNANDO
Non-Executive, Independent Director

Dr. Ravi Fernando is an Alumni of the University of Cambridge having completed both a Postgraduate Certificate in Sustainable Business in 2008 and a Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo. He holds a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He is a Member of the Board of Study at the Post Graduate Institute of Management (PIM) since March 2023 and is a Visiting Faculty member.
In April 2020, he created the '21st Century Board Leadership Model MasterClass'© for the Institute of Directors of Luxembourg.

In February 2023, he published the '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser and Smithkline Beecham International covering Africa, the Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011 - 2016. He was the first UN Global Compact Focal point 2007, and set up the UNGC Sri Lanka Network. He serves on the Boards of Global Strategic Corporate Sustainability Pvt. Ltd, Dilmah Ceylon Tea Company PLC, Distilleries Company of Sri Lanka PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, UN Global Compact and Ceylon Graphene Technologies Ltd. In 2007, the "Global Strategy Leadership Award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy Summit.

MR. L. H. A. LAKSHMAN SILVA
Independent Non-Executive Director

Mr. Lakshman Silva started his professional career with the Department of Inland Revenue of Sri Lanka and joined the DFCC Banking Group in 1987. He was seconded to the service of DFCC Vardhana Bank in 2003 and functioned as the Chief Operating Officer until appointment as the Chief Executive Officer/Executive Director in January 2010. He held the position of Deputy Chief Executive Officer/Director of DFCC Bank PLC from October 2015 and was appointed as the Chief Executive Officer/Director in August 2017.
Until his retirement in December 2021, he held the position of Chairman of DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited, subsidiary companies of DFCC Bank PLC, and the Chairman of Lanka Financial Services Bureau Limited as well as Sri Lanka Banks' Association (Guarantee) Limited. Also, he held the position of Chairman / Director of Acuity Partners (Pvt) Limited, the joint venture company of DFCC Bank PLC, Lanka Ventures Limited and LVL Energy Fund PLC. He was also a director at Lanka Clear (Pvt) Ltd until 31st December 2021.

He was a member of the Board of Directors of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), and the Board of Management of the Sri Lanka Sustainable Energy Authority. At present, he serves as Chairman and Independent Non-Executive Director at LankaPay (Pvt) Ltd, an Independent Non-Executive Director at Seylan Bank PLC, an Independent Non-Executive Director at FinTech

BOARD OF DIRECTORS

Consultancy Pvt Ltd, Independent Non-Executive Director at HNB Life PLC and a Non-Executive Director at HNB General Insurance Limited whilst serving as Chairman & Director of Panasian Power PLC & its subsidiary companies. He also serves as a member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka. He holds a B.Com. 2nd class upper degree (Sp.) from the University of Kelaniya and Master of Business Administration (MBA) from the Postgraduate Institute of Management of University of Sri Jayawardenapura. He is an Associate Member of the Association of Development Financial Institutions of Asia & Pacific (ADFIAP).

MR. ASHOKA GOONESEKERE
Independent Non-Executive Director

With a wealth of over 36 years of expertise in the banking industry, Mr. Ashoka Goonesekere brings a distinguished background in financial reporting, financial management, taxation, financial operations, and risk management. Holding an MBA from the University of Sri Jayewardenepura (PIM), he is a fellow member of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Cost and Management Accountants of Sri Lanka.

Mr. Goonesekere has held pivotal roles in corporate management, serving as the Chief Financial Officer of Hatton National Bank PLC and as the Senior Vice President/ Chief Financial Officer, as well as the Senior Vice President Integrated Risk Management/Chief Risk Officer at DFCC Bank PLC.

His extensive experience extends to board positions at Acuity Partners (Pvt) Ltd, Acuity Stockbrokers (Pvt) Ltd, Acuity Securities Ltd, and Sithma Development Ltd. Notably, he has contributed as a board member to the Sri Lanka Accounting and Auditing Standards Monitoring Board, demonstrating his commitment to upholding industry standards. In addition to his board responsibilities, Mr. Goonesekere has chaired and actively participated in various board sub-committees. Currently he is on the Board of HNB Life PLC as the Senior Independent Non-Executive Director, on the Board of Pan Asia Banking Corporation PLC as an Independent Non-Executive Director and on the Board of Distilleries Company of Sri Lanka PLC as an Independent Non-Executive Director.

MS. D.S.T. JAYAWARDENA
Non-Executive Non-Independent Director

Ms. Stasshani Jayawardena is graduate of St. James' & Lucie Clayton College and Keele University in the United Kingdom, Emeritus Institute of Management, Singapore, and an Associate Alumni of University of Cambridge (Judge Business School), United Kingdom.
Appointed to the Board of Melstacorp PLC in 2022, Ms. Jayawardena is also the first female Chairperson in the Aitken Spence Group's 158-year history, and the youngest and first female appointed to the Board of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, and Browns Beach Hotels PLC.

With a career spanning over 15 years at Aitken Spence, she leads and anchors a number of key strategic teams as the Interim Managing Director of Aitken Spence PLC, the Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., the Deputy Chairperson of Lanka Milk Foods (CWE) PLC., and a Member of the Board of Directors of Stassen Group, Distilleries Company of Sri Lanka PLC, Elpitiya Plantations PLC, and CINEC Campus (Pvt) Ltd.

Appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL), Ms. Stasshani Jayawardena represented THASL at the Ceylon Chamber of Commerce Committee from 2019-2025. She is an Executive Committee Member at the International Chamber of Commerce in Sri Lanka and currently serves as Vice Chairman and a Steering Committee Member of the Ceylon Chamber of Commerce, Tourism Sector.

Ms. Jayawardena has served as the Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group, 2020/21, represented Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact, and was appointed to the Board of Directors of the Colombo International Arbitration Centre, Sri Lanka in January 2025.

Throughout her career, she has been recognised with numerous awards, including the Gold Award in the Hotel & Hospitality at The Top 50 Professional & Career Women Awards in Sri Lanka in 2017, the Expatriate Contribution Award – Gold Category – Women in Management Maldives in 2022, the Global CEO Leadership Excellence Awards in 2024 and 2025, the Top50 Professional and Career Women Global Awards 2025, LMD's Emerging Businessperson of the Year for 2025, and for Trailblazing Leadership and Transformational Corporate Stewardship at the CEO of the Year Awards 2025.

HEADS OF GROUP COMPANIES



MR. JUDE FERNANDO
Group Chief Executive Officer
Melstacorp PLC



CAPT.K.J. KAHANDA
Managing Director
Distilleries Company of Sri Lanka PLC



MS. D. S. T. JAYAWARDENA
Chairperson
Aitken Spence PLC
Browns Beach Hotels PLC
Aitken Spence Hotel Holdings PLC



MR. PALITHA RODRIGO
Managing Director
Melsta Technologies (Pvt) Ltd.



DR. K.T. IRAIVAN
Director/CEO
Melsta Health (Pvt) Ltd.
Melsta Hospitals Ragama (Pvt) Ltd.
Director- Melsta Laboratories (Pvt) Ltd.
Melsta Pharmaceuticals (Pvt) Ltd.



MR. DIMUTHU WEKUNAGODA
CEO
Balangoda Plantations PLC

HEADS OF GROUP COMPANIES



MR. SENAKA AMARATHUNGA
Director/General Manager
Periceyl (Pvt) Ltd.



MS. FARZANA SULAIMAN
CEO - Contact Centre
Bellvantage (Pvt) Ltd.

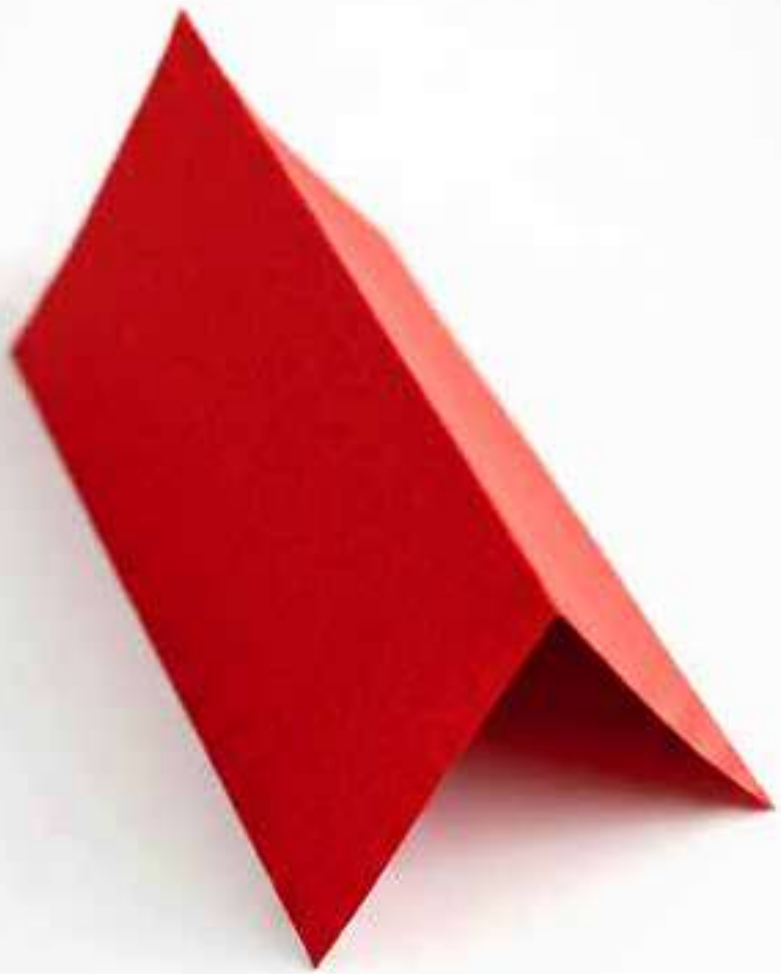


MR. MOHAN FERNANDO
CEO
Madulsima Plantations PLC



MR. ANUSHKA POLONOWITA
CEO
Mels Automobiles Pvt Ltd

TRANSITIONING INTO STRONGER STEWARDSHIP



At Melstacorp, our strong governance has provided defining structure for the Group over decades. Clear accountability, disciplined oversight and responsible leadership strengthen our foundations, enabling us to navigate change with integrity while safeguarding enduring value for each stakeholder we serve.

In origami, the mountain fold creates a defined ridge that gives the form strength and structure . Its precision is critical, determining the stability of the entire structure, and establishes a firm backbone, enabling every subsequent fold to take shape. What begins as a single deliberate crease ultimately becomes the foundation upon which the entire form stands.

GOVERNANCE

CORPORATE GOVERNANCE

STEWARDSHIP REPORT 2025 /26

Corporate governance continues to evolve in response to significant environmental, social, legal, political, and technological developments that influence how businesses operate. These changes extend beyond regulatory requirements and increasingly affect value chains, supply networks, and the social license to operate. To strengthen resilience, organisations must continuously monitor their operating environment, understand stakeholder expectations, and identify emerging risks and vulnerabilities.

In recognition of these dynamics, the Melstacorp Board is enhancing its governance, reporting, and risk management frameworks. This broader approach enables effective oversight of the key areas that drive the Group's performance, sustainable growth, and long-term resilience. A robust corporate governance framework remains central to this effort, providing the Melstacorp PLC Board with the structure needed to guide the Group toward its strategic objectives and oversee the operations of its diverse portfolio. Supporting this framework is a comprehensive set of policies that clearly reflect the Group's values, promote regulatory compliance and best practices, and reinforce the corporate culture across the organisation.

HIGHLIGHTS 2025/26

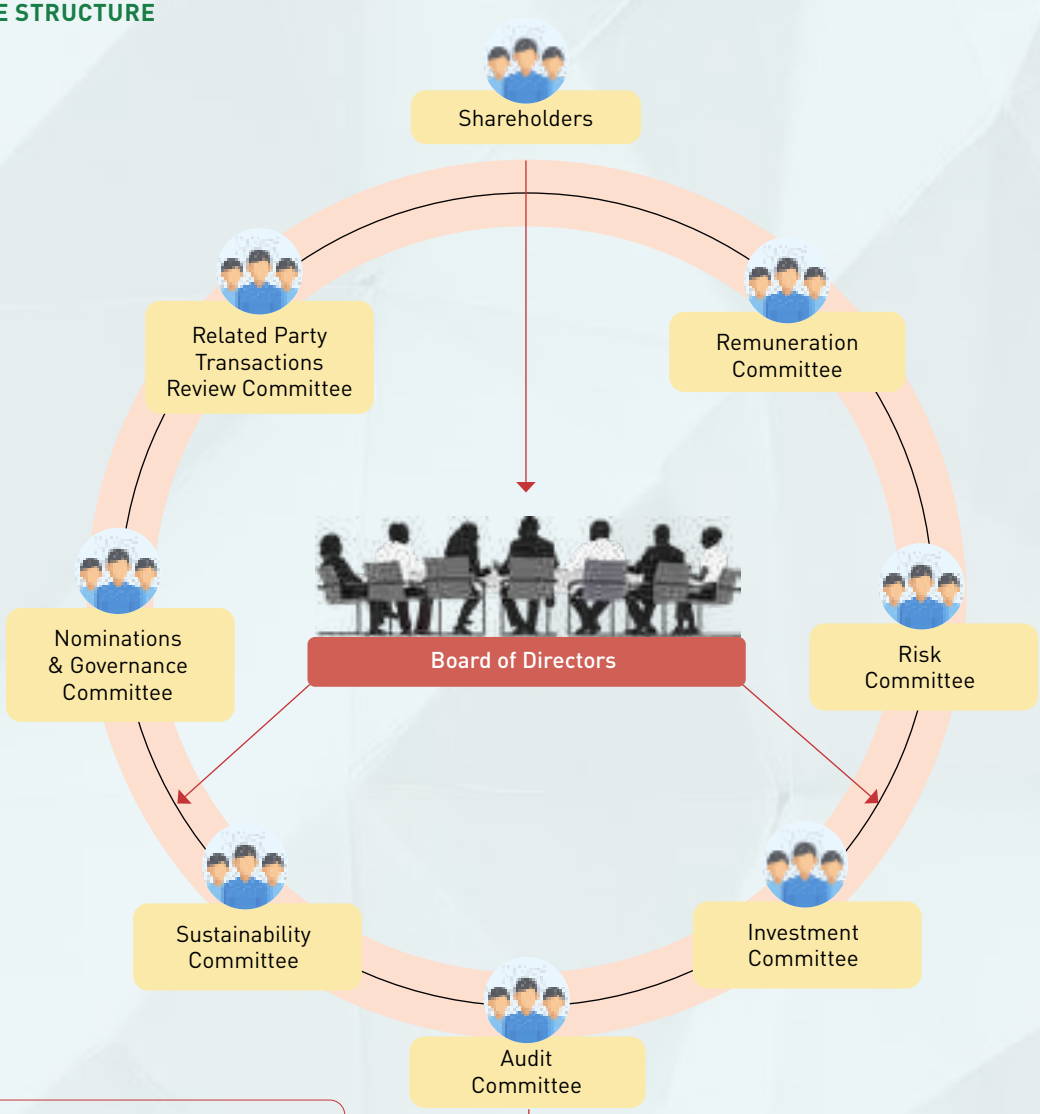
SHAREHOLDERS

- Annual General Meeting held on 17 September 2025
- First interim dividend of Rs. 2.15 per share for FY 2025/26 declared on 24 November 2025
- Second interim dividend of Rs. 2.75 per share for FY 2025/26 declared on 23 February 2026
- Third interim dividend of Rs. 3.25 per share for FY 2025/26 declared on 26 June 2026

LEADERSHIP APPOINTMENTS

- Appointment of Mr. Jude Fernando as Group Chief Executive Officer with effect from 1 December 2025

GOVERNANCE STRUCTURE



Business Segments

1) Beverages
2) Tourism
3) Maritime, Freight & Logistics
4) Plantation
5) Financial Services
6) Strategic Investments
7) Services

Public Listed Companies

1. Distilleries Company of Sri Lanka PLC
2. Aitken Spence PLC
3. Aitken Spence Hotels Management PLC
4. Balangoda Plantations PLC
5. Madulsima Plantations PLC
6. Elpitiya Plantations PLC
7. Browns Beach Hotels PLC

CORPORATE GOVERNANCE

COMPOSITION

The Board and its subcommittees form the cornerstone of the Group's governance framework, setting the tone for effective oversight and accountability across the organisation. Detailed profiles of the Directors can be found on page 14-18, with a summary of their respective roles presented below.

Board of Directors	Directorship Status	Attendance at Meetings						
		Board Meetings	Audit Committee Meetings	Related Party Transaction Review Committee	Nominations and Governance Committee	Remuneration Committee Meetings	Risk Committee	Sustainability Committee
Mr. D. Hasitha S. Jayawardena	Executive Chairman	4/4						
Mr. C.R. Jansz	Non-Independent Executive Director (Deputy Chairman)	4/4						
Mr. L.U.D. Fernando	Non-Independent Executive Director	4/4						
Mr. M.A.N.S. Perera - (w.e.f. 18/09/2025)	Non-Independent Executive Director	1/4						
Mr. N. de S. Deva Adittya	Non-Independent Non-Executive Director	4/4					2/2	
Capt. K. J. Kahanda *(Retd.)*	Non-Independent Non-Executive Director	3/4						
Ms. D.S.T. Jayawardena	Non-Independent Non-Executive Director	4/4	4/4	4/4	2/2	2/2	2/2	2/2
Mr. M.R. Mihular	Former Senior Independent Director	4/4	4/4	4/4	2/2	2/2	2/2	
Dr. R. A. Fernando	Independent Non-Executive Director	4/4	4/4	4/4	2/2	2/2	2/2	2/2
Mr. Ashoka Goonesekere	Independent Non-Executive Director	4/4						2/2
Mr. L. H. A. Lakshman Silva	Senior Independent Director (w.e.f. 10/06/2026)	3/4			2/2		2/2	2/2

The Board comprises ten Directors, including four Independent Non-Executive Directors, three Non-Independent Non-Executive Directors, and three Non-Independent Executive Directors. The Chairman is an Executive Director. Directors' independence has been determined in accordance with Listing Rule 9 of the Colombo Stock Exchange.

BOARD DIVERSITY
(Number of Directors)



BOARD SUBCOMMITTEES

To enhance the effective execution of its responsibilities, the Board of Directors of Melstacorp PLC has established seven Board Sub-Committees, each operating under clearly defined mandates that align with regulatory requirements and recognised governance best practices. These Sub-Committees provide dedicated oversight and expert guidance across critical areas including audit, risk management, remuneration, related party transactions, nominations and governance, strategic investments, and sustainability. Functioning under approved Terms of Reference, they strengthen the Board's decision-making process by enabling detailed review, analysis, and recommendations on specialised matters.

Of the seven Board Sub-Committees, four are constituted in compliance with the mandatory governance requirements of the Colombo Stock Exchange Listing Rules. The Risk, Sustainability, and Investment Committees have been established voluntarily to reinforce the Company's governance framework further and support a robust risk management approach aligned with Melstacorp PLC's strategic priorities and long-term objectives.

CORPORATE GOVERNANCE

Committee	Composition	Areas of Oversight
Audit Committee	• Mr. M. R. Mihular - Former Chairman • Ms. D. S. T. Jayawardena • Dr. R. A. Fernando *(w.e.f. 10/06/2026)* • Mr. A. Goonesekere – Chairman • Mr. L. H. A. Lakshman Silva • Mr. M. R. Mihular • Dr. R. A. Fernando • Ms. D.S.T. Jayawardena	**External Audit:** Supervision of the external audit function, including evaluating auditor independence and performance, reviewing the scope of the audit, and approving audit fees and any non-audit services provided. **Internal Audit:** Oversight of the internal audit function through the approval of audit plans, review of key findings, assessment of effectiveness, and ensuring the function remains adequately resourced and independent. **Financial Reporting:** Examination of quarterly and annual financial statements to ensure compliance with Sri Lanka Accounting Standards, the integrity of disclosures, and the appropriateness of significant accounting estimates and judgments. **Internal Controls and Risk Management:** Monitoring the effectiveness of internal control systems and risk management processes, while assessing and addressing any identified control weaknesses or deficiencies. **Regulatory Compliance and Ethics:** Oversight of adherence to legal and regulatory obligations, including the implementation of the Code of Conduct, whistleblowing procedures, and systems designed to detect, prevent, and address fraud and unethical practices.
Nominations & Governance Committee	• Dr. R. A. Fernando - Chairman • Ms. D. S. T. Jayawardena • Mr. L. H. A. Lakshman Silva	**Board Appointments and Reappointments:** Overseeing the nominations, appointments, reappointments, and succession planning processes for the Directors and Key Management Personnel. Ensuring the Board and leadership team possess the appropriate mix of skills, experience, and diversity. **Board Structure and Composition:** Assessing the size, composition, and structure of the Board and its committees to ensure they remain effective in delivering strategic direction and governance oversight. **Board and CEO Performance Evaluation:** Supervising the evaluation of the Board, Board Committees, individual Directors, and the Chief Executive Officer to promote accountability, continuous improvement, and alignment with the Group's strategic goals. **Corporate Governance Framework:** Reviewing and enhancing the Group's governance policies and practices to ensure compliance with applicable regulatory requirements, including the Colombo Stock Exchange (CSE) Listing Rules, the Securities and Exchange Control (SEC) Act, and the CA Sri Lanka Code of Best Practice on Corporate Governance. **Director Independence and Conflict Management:** Monitoring the independence of Directors and ensuring that appointments and decision-making processes are conducted free from actual or potential conflicts of interest.

Committee	Composition	Areas of Oversight
Remuneration Committee	• Dr. R. A. Fernando - Chairman • Ms. D. S. T. Jayawardena • Mr. L. H. A. Lakshman Silva	**Remuneration Policy Oversight:** Reviewing and periodically updating the Group's remuneration framework for the Chief Executive Director (CEO), Executive Directors, Non-Executive Directors, and senior management to ensure alignment with business objectives and governance standards. **Compensation and Incentive Structures:** Developing and recommending remuneration packages, performance-based incentives, equity-linked rewards, and end-of-service benefits that reflect individual performance and prevailing market practices. **Performance Assessment:** Evaluating the performance of the CEO and senior management, with consideration given to leadership development, succession planning, and the achievement of strategic objectives. **Employment Terms and Termination Provisions:** Reviewing key employment conditions, including service agreements, contractual terms, and termination provisions applicable to senior executives and key management personnel. **Benchmarking and Market Competitiveness:** Assessing remuneration levels against industry peers and market standards regularly to maintain competitiveness and ensure continued relevance. **Transparency and Stakeholder Reporting:** Promoting clear and transparent disclosure of remuneration policies, practices, and Committee activities through the Annual Report and other shareholder communications.
Related Party Transaction Review	• Mr. M. R. Mihular - Former Chairman • Ms. D. S. T. Jayawardena • Dr. R. A. Fernando *(w.e.f. 10/06/2026)* • Mr. A. Goonesekere - Chairman • Mr. L. H. A. Lakshman Silva • Mr. M. R. Mihular • Dr. R. A. Fernando • Ms. D.S.T. Jayawardena	**Review and Approval of Related Party Transactions:** Conducting prior evaluation and approval of recurrent and non-recurrent related party transactions, including any significant amendments, to ensure they are carried out on fair terms and in compliance with applicable regulations. **Governance and Regulatory Compliance:** Monitoring compliance with the CSE Listing Rules, LKAS 24, and the CA Sri Lanka Code of Best Practice on Corporate Governance, while ensuring that the economic and commercial substance of transactions is considered alongside their legal form. **Policies, Procedures, and Controls:** Overseeing the frameworks, policies, and internal control mechanisms for the identification, recording, monitoring, reporting, and management of related party transactions, including the establishment of approval thresholds for the Board and shareholders. **Independent Assessment and Conflict Management:** Ensuring transactions are reviewed objectively and free from conflicts of interest, with access to independent professional advice where necessary and the exclusion of interested Directors from relevant discussions and decisions. **Ongoing Monitoring and Reporting:** Holding regular reviews of related party disclosures, declarations, and updates, while overseeing timely reporting obligations and annual disclosures to the Colombo Stock Exchange. **Transparency and Disclosure:** Reviewing and recommending related party transaction disclosures for inclusion in the Annual Report and ensuring adherence to prescribed disclosure requirements, thresholds, and reporting standards.

CORPORATE GOVERNANCE

Committee	Composition	Areas of Oversight
Risk Committee	• Mr. L. H. A. Lakshman Silva - Chairman *(w.e.f. 10/06/2026)* • Mr. M. R. Mihular – Former Chairman • Mr. N. de S. Deva Aditya • Ms. D. S. T. Jayawardena • Dr. R. A. Fernando	**Enterprise-wide Risk Management Framework (ERMF):** Providing oversight of the Group's risk appetite and tolerance levels, while ensuring the ERMF is effectively embedded within strategic decision-making processes and periodically reviewed for adequacy and effectiveness. **Risk Identification and Evaluation:** Overseeing the identification, assessment, prioritisation, and continuous monitoring of key risks across financial, operational, strategic, regulatory, environmental, social, and reputational areas. **Risk Oversight and Mitigation:** Monitoring the Group's overall risk exposure and alignment with established tolerance levels, evaluating the effectiveness of risk controls and mitigation measures, and ensuring appropriate resources are allocated to address significant and emerging risks. **Regulatory Compliance and Insurance Oversight:** Supervising compliance with applicable laws and regulations, reviewing the adequacy of insurance coverage, and overseeing responses to regulatory reviews, investigations, and other high-risk compliance matters. **Audit Coordination and Investigations:** Reviewing significant risk-related findings arising from internal audits, investigations, and external audits, ensuring that critical risks are addressed and providing guidance to enhance audit focus and effectiveness. **Business Resilience, Crisis Management, and ESG Risks:** Overseeing crisis management and business continuity frameworks, including the testing of response plans and simulations, while ensuring environmental, social, and governance (ESG) risks are integrated into the Group's overall risk management approach.
Sustainability Committee	• Ms. D. S. T. Jayawardena – Chairperson • Dr. R. A. Fernando • Mr. L. H. A. Lakshman Silva • Mr. A. Goonesekere	**Sustainability Reporting and Disclosure:** Overseeing the review of the Group's sustainability-related disclosures to ensure alignment and compliance with the requirements of Sri Lanka Financial Reporting Standards (SLFRS) S1 and S2. **Sustainability Risks and Opportunities:** Supervising the identification, evaluation, monitoring, and management of sustainability-related risks and opportunities, while assessing their potential implications for the Group's strategy, resilience, and long-term value creation. **Sustainability Governance and Performance Oversight:** Monitoring the effectiveness of the Group's sustainability governance framework, policies, targets, and key performance indicators to support the achievement of its sustainability objectives and commitments.
Investment Committee	• Mr. M. R. Mihular – Chairman • Mr. N. de S. Deva Aditya • Ms. D. S. T. Jayawardena • Mr. L. H. A. Lakshman Silva • Mr. A. Goonesekere	**Investment Strategy and Portfolio Oversight:** Overseeing the Company's investment strategy and reviewing significant investments, divestments, and acquisitions to ensure they are aligned with the Company's strategic priorities and risk appetite. Oversight of investment appraisal and approval processes, ensuring the investment decisions.

APPOINTMENTS, RE-ELECTION & RETIREMENT

At each Annual General Meeting (AGM), shareholders are given the opportunity to vote on the re-election of Directors who retire by rotation, as well as Directors appointed during the year to fill casual vacancies.

The Nomination and Governance Committee supports the Board by periodically reviewing its composition and structure and recommending candidates for appointment. This process is designed to ensure that the Board maintains an appropriate balance of skills, experience, knowledge, and diversity, enabling effective decision-making and a broad range of perspectives. Based on the Committee's recommendations, the Board nominates suitable candidates for appointment or re-election by shareholders at the AGM.

Where a casual vacancy arises during the year, the Board may appoint a Director to serve until the next AGM. Such Directors are eligible to stand for re-election by shareholders at that meeting, thereby preserving shareholder involvement in the election process in accordance with the Articles of Association. Details of all such appointments are promptly disclosed to the CSE and published in selected newspapers, including the Director's profile, areas of expertise, directorships and Board Committee memberships in other companies, shareholding interests within the Group, and confirmation of their independent status, where applicable.

In line with the Articles of Association, one-third of the Directors, excluding the Chairman and Managing Director, retire by rotation each year at the AGM. Directors subject to retirement are those who have served the longest period since their last election or appointment. Any Director wishing to resign is required to submit a written resignation. Upon acceptance by the Board, the resignation and details of the Director's shareholding in the Group, if any, are immediately disclosed to the CSE.

GOVERNANCE FRAMEWORK

The key elements underpinning the Group's policy framework are outlined below.

Mandatory Compliance

- Companies Act No. 7 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Articles of Association
- Listing Rules of the Colombo Stock Exchange (CSE)
- Central Depository System (CDS) Rules
- Securities & Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021
- Group Code of Ethics & Professional Conduct
- Inland Revenue Act No. 24 of 2017
- Foreign Exchange Act No. 12 of 2017
- Anti-Corruption Act No. 9 of 2023

The Board is supported by the Nominations and Governance Committee and the Company Secretaries in ensuring full compliance with CSE Listing Rule No. 9 within the prescribed timelines. The Company adopts a zero-tolerance approach to bribery and corruption, recognising such conduct as a significant risk to its integrity, reputation, and long-term business sustainability.

CORPORATE GOVERNANCE

STRUCTURE AND DIVERSITY OF THE BOARD

As at 31 March 2026, the Board of Melstacorp PLC consisted of 10 Directors, comprising 3 Executive Directors, 3 Non-Executive Directors, and 4 Independent Non-Executive Directors. The Board's composition complied with the Colombo Stock Exchange Listing Rules, the Company's Articles of Association, and the 2023 Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

This balanced mix of Executive, Non-Executive, and Independent Non-Executive Directors fosters effective governance, promotes objective decision-making, and mitigates the risk of undue concentration of authority. The Board regularly reviews its size and composition to ensure continued effectiveness and relevance, making changes where necessary to accommodate appointments, resignations, retirements, and reappointments.

Board of Directors	The Board of Directors of Melstacorp PLC is responsible for providing strategic leadership, overseeing the Group's operations and performance, and ensuring the maintenance of high standards of corporate governance. The Board is entrusted with protecting shareholder interests, driving sustainable long-term value creation, and maintaining a robust framework of risk management and internal controls. In carrying out its responsibilities, the Board establishes the appropriate governance culture, oversees compliance with applicable legal and regulatory requirements, and guides the integration of sustainability and ESG considerations into the Group's strategic agenda.
Role of the Chairman	As Executive Chairman of Melstacorp PLC, he provides leadership to the Board and ensures its effective functioning in delivering the Group's strategic objectives. Through his dual executive and governance responsibilities, the Chairman offers direction to both the Board and senior management while promoting a culture of accountability, transparency, and responsible leadership. He chairs Board meetings, facilitates meaningful engagement among Directors, and serves as the principal conduit between the Board and management to support sustainable growth and long-term value creation.
Role of the Senior Independent Director	The Senior Independent Director acts as an independent point of contact for shareholders and fellow Directors, providing an alternative channel of communication separate from the Chairman and Executive Management. The role contributes to effective governance by encouraging open dialogue, addressing concerns objectively, and assisting in the resolution of Board-related issues where necessary. The Senior Independent Director also leads the evaluation of the Chairman's performance and supports the Board in maintaining balanced oversight, transparency, and accountability.
Role of the Group Chief Executive Officer	The Group Chief Executive Officer (CEO) is responsible for the day-to-day management and operational execution of the Group's activities. The CEO implements the strategies and policies approved by the Board, ensuring the efficient achievement of business objectives and organisational priorities. By providing leadership to the management team, driving operational performance, and promoting alignment with the Group's vision and values, the CEO serves as a vital link between management and the Board, regularly reporting on business performance, risks, and emerging opportunities.
Company Secretary	The Company Secretary plays an integral role in supporting the effective functioning of the Board and ensuring compliance with all relevant statutory and regulatory obligations. As a trusted advisor to the Board and its Committees, the Company Secretary facilitates the organisation of meetings, ensures the timely circulation of information, and maintains accurate records of Board deliberations and decisions. The role also supports sound corporate governance by monitoring compliance with the Company's Articles of Association, the CSE Listing Rules, and other applicable legal requirements, thereby reinforcing transparency, accountability, and good governance across the Group.

BOARD PRIORITIES IN 2025/26

Strategic Leadership and Sustainable Growth

Providing oversight of the Group's strategic direction and ensuring the successful execution of initiatives that support long-term value creation and sustainable growth.

Financial Stewardship and Performance Oversight

Monitoring financial performance across the Group and promoting disciplined financial management to achieve strategic and operational objectives.

Risk Governance and Internal Control Frameworks

Overseeing the effectiveness of enterprise risk management practices and ensuring the adequacy of internal control systems throughout the Group.

Governance, Ethics and Regulatory Compliance

Maintaining strong governance standards and ensuring compliance with applicable legal, regulatory, and voluntary governance requirements.

Succession Planning and Talent Development

Supporting leadership continuity through effective succession planning and the development of Board and senior management talent.

Stakeholder Relations and Transparency

Fostering open and transparent engagement with shareholders, employees, regulators, and other key stakeholder groups.

Board Performance and Governance Enhancement

Promoting continuous improvement in Board effectiveness through regular evaluations, professional development, and enhancements to governance practices and processes.

BOARD MEETINGS AND OVERSIGHT

The Board of Directors of Melstacorp PLC convened regularly throughout the year, meeting at least once every quarter to provide strategic leadership, monitor Group performance, and uphold strong standards of corporate governance. Meetings were conducted in accordance with a structured agenda, facilitating informed discussions and timely decisions on matters of strategic importance. Through active participation and the collective expertise of its members, the Board maintained a strong focus on accountability, transparency, and the protection of shareholder and stakeholder interests.

EMPOWERING THE BOARD THROUGH LEARNING

Melstacorp PLC recognises the value of continuous learning and development in enabling Directors to discharge their responsibilities effectively and make well-informed decisions. Newly appointed Directors undergo a structured induction programme designed to provide a comprehensive understanding of the Group's operations, governance framework, and strategic objectives. Directors are also encouraged to participate in relevant training programmes, industry conferences, and governance forums to stay abreast of evolving regulatory requirements, industry developments, and emerging business trends. Management supports these initiatives by providing timely access to pertinent information and facilitating site visits and operational briefings where appropriate, thereby enhancing Directors' knowledge of the Group's business and operating environment.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

The Audit Committee supports the Board in fulfilling its responsibilities relating to financial reporting, risk management, internal controls, and the external audit process. The Committee meets quarterly to review key financial reports, internal audit observations, and risk management updates, while also evaluating the effectiveness and adequacy of the Group's internal control systems. A detailed account of the Committee's activities and responsibilities is presented in the Audit Committee Report on page 50-51.

INVESTOR RELATIONS

Shareholder communication is coordinated through Company Secretaries - Corporate Services (Private) Limited. The Annual General Meeting (AGM) serves as the principal forum for shareholder engagement, providing an opportunity for shareholders to interact directly with the Board and raise matters of interest. Shareholders may also communicate questions, comments, or suggestions to the Board at any time through the Company Secretaries. Matters of significance raised by shareholders are escalated to the Board together with Management's observations, while routine inquiries are addressed by the Company Secretaries. To ensure timely and transparent communication, the Board approves quarterly financial statements for release to shareholders through the Colombo Stock Exchange (CSE). In addition, all material price-sensitive information, including major acquisitions, disposals, and Directors' dealings in shares, is disclosed promptly through the CSE.

IT GOVERNANCE

Melstacorp continues to invest in technology and digital transformation initiatives to support business growth, improve operational efficiency, and, within certain business segments, enhance customer engagement. As a result, protecting the Group's information assets, maintaining the reliability and functionality of IT systems, and safeguarding the integrity of business processes remain key priorities. Compliance with the Personal Data Protection Act No. 9 of 2022, which was implemented during FY 2023/24, further reinforces the importance of effective IT governance. The Chief Information Officer (CIO), reporting to the Group CEO, is responsible for overseeing the security of the Group's IT infrastructure and information assets. This responsibility is supported by a multi-layered cybersecurity framework incorporating firewalls, cyber risk awareness programmes, and continuous monitoring and assessment of emerging threats.

DISCLOSURE IN TERMS OF RULE 9.10.4(E) OF THE LISTING RULES ON CORPORATE GOVERNANCE ISSUED BY THE COLOMBO STOCK EXCHANGE: COMPANIES IN WHICH THE DIRECTORS OF MELSTACORP PLC SERVE AS DIRECTORS

Mr. D. Hasitha S Jayawardena	Mr. C. R. Jansz
CHAIRMAN	CHAIRMAN
• Distilleries Company of Sri Lanka PLC • Balangoda Plantations PLC • Madulsima Plantations PLC • Stassen Exports (Pvt) Ltd. • Milford Exports (Ceylon) (Pvt) Ltd. • Stassen Natural Foods (Pvt) Ltd. • Stassen Foods (Pvt) Ltd. • Ceylon Garden Coir (Pvt) Ltd. • C B D Exports (Pvt) Ltd.	• Lanka Milk Foods (CWE) PLC • Ambewela Livestock Company Limited • Ambewela Products (Pvt) Ltd • Lanka Dairies (Pvt) Ltd • Pattipola Livestock Company Limited • United Dairies Lanka (Pvt) Ltd • Melsta Hospitals Ragama (Pvt) Ltd • Melsta Hospitals Colombo North (Pvt) Ltd

Mr. D. Hasitha S Jayawardena

DIRECTOR

- Periceyl (Pvt) Ltd.
- Lanka Milk Foods (CWE) PLC
- Lanka Dairies (Pvt) Ltd.
- Ambewela Livestock Company Limited
- Pattipola Livestock Company Limited
- Ambewela Products (Pvt) Ltd.
- United Dairies Lanka (Pvt) Ltd.
- Zahra Exports (Pvt) Ltd.
- Mcsen Range (Pvt) Ltd.
- Melsta Health (Private) Limited
- Melsta Hospitals Ragama (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- DSCL Breweries Lanka Limited
- Melsta House (Private) Limited
- DCSL Group Marketing (Pvt) Ltd.
- Mels Automobiles (Private) Limited

Mr. C. R. Jansz

EXECUTIVE DIRECTOR

- Distilleries Company of Sri Lanka PLC
- Lanka Power Projects (Pvt) Ltd.
- Milford Holdings (Pvt) Limited

DIRECTOR

- Aitken Spence PLC
- Balangoda Plantations PLC
- Madulsima Plantations PLC
- Periceyl (Pvt) Limited
- Indo Lanka Exports (Pvt) Ltd.
- Stassen Exports (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- C B D Exports (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- Melsta Health (Pvt) Ltd.
- Bogo Power (Pvt) Ltd.
- DCSL Breweries Lanka Limited
- Lanka Bell Ltd
- Mels Automobiles (Private) Limited

Mr. N. de S. Deva Aditya

NON-EXECUTIVE DIRECTOR

- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Distilleries Company of Sri Lanka PLC
- The Kingsbury PLC

DIRECTOR

- Commonwealth Union Holdings Ltd

CORPORATE GOVERNANCE

CAPT. K. J. Kahanda (RETD.)

MANAGING DIRECTOR

- Distilleries Company of Sri Lanka PLC

DIRECTOR

- Melsta Properties (Pvt) Ltd
- Melsta Gama (Pvt) Ltd
- DCSL Breweries Lanka Limited
- DCSL Group Marketing (Pvt) Ltd
- Milford Holdings (Pvt) Ltd
- Melsta Brands (Pvt) Ltd
- DCSL Brewery (Pvt) Ltd
- Melsta Logistics (Pvt) Ltd

Ms. D.S.T. Jayawardena

EXECUTIVE CHAIRPERSON

- Aitken Spence PLC
- Aiken Spence Hotel Holdings PLC
- Aitken Spence Exports (Private) Limited
- Aitken Spence Hotel Managements (Private) Limited
- Aitken Spence Hotels Limited
- Aitken Spence Resources (Private) Limited
- Amethyst Leisure Limited
- Browns Beach Hotels PLC
- Heritance (Private) Limited
- Hethersett Hotels Limited
- Jetan Travel Services Company Pvt Ltd
- Kandalama Hotels (Private) Limited
- Meeraladuwa (Private) Limited
- Neptune Ayurvedic Village (Private) Limited
- Nilaveli Holidays (Private) Limited
- Nilaveli Resorts (Private) Limited
- Paradise Resort Pasikudah (Private) Limited
- Turyaa (Private) Limited
- Unique Resorts Private Limited

DEPUTY CHAIRPERSON

- Lanka Milk Foods (CWE) PLC
- Lanka Dairies Limited
- Ambewela Products (Private) Limited
- Ambewela Livestock Company Limited
- Pattipola Livestock Company Limited
- United Dairies Lanka (Private) Limited

NON-EXECUTIVE DIRECTOR

- Distilleries Company of Sri Lanka PLC

DIRECTOR

- Stassen Exports (Pvt) Ltd
- Stassen Natural Foods (Pvt) Ltd
- Stassen Foods (Pvt) Ltd
- Milford Exports (Ceylon) (Pvt) Ltd
- CBD Exports (Pvt) Ltd
- Ceylon Garden Coir (Pvt) Ltd
- DCSL Breweries Lanka Limited
- DCSL Group Marketing (Pvt) Ltd
- Ace Apparels (Private) Limited
- Ace Global Management Services (Private) Limited
- Ace Power Embilipitiya (Private) Limited
- Ace Resorts Private Limited
- Ahungalla Resorts Limited
- Aitken Spence (Garments) Limited
- Aitken Spence Apparels (Private) Limited
- Aitken Spence Aviation (Private) Limited
- Aitken Spence Corporate Services (Private) Limited
- Aitken Spence Group Limited
- Aitken Spence Hotel Managements Asia (Private) Limited
- Aitken Spence Hotels International (Private) Limited

Ms. D.S.T. Jayawardena (continued.)

DIRECTOR

- Aitken Spence International Pte. Ltd.
- Aitken Spence Ports International (Middle East) FZCO
- Aitken Spence Resorts (Middle East) LLC
- Aitken Spence Travels Myanmar Ltd
- Cowrie Investment Pvt Ltd
- Negombo Beach Resorts (Private) Limited
- Port City BPO (Private) Limited
- Royal Spence Aviation (Private) Limited
- Sagasolar Power (Private) Limited
- Western Power Company (Pvt) Ltd
- Mels Automobiles (Private) Limited

Mr. L.U.D. Fernando

DIRECTOR

- Distilleries Company of Sri Lanka PLC
- HNB Life PLC
- HNB General Insurance Limited
- DCSL Breweries Lanka Limited
- Melsta Logistics (Pvt) Limited
- Melsta Green (Pvt) Limited
- Melsta Tower (Pvt) Limited
- Bellvantage (Pvt) Limited
- Melsta Pharmaceuticals (Pvt) Limited
- Melsta Healthcare Colombo (Pvt) Limited
- Melsta Laboratories (Pvt) Limited
- Southern Green Agro (Pvt) Limited
- DCSL Brewery (Pvt) Limited
- Melsta House (Pvt) Limited
- DCSL Group Marketing (Pvt) Limited
- Mels Automobiles (Private) Limited
- Texpro Industries Limited
- Timpex (Private) Limited

Mr. M. R. Mihular

CHAIRMAN

- Watawala Plantation PLC
- Bairaha Farms PLC

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Sunshine Holdings PLC
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Balangoda Plantations PLC
- Madulsima Plantations PLC
- Agility Innovation (Pvt) Ltd
- Damro Holdings Ltd
- LTL Holdings Ltd
- Sunshine Teas (Pvt) Ltd
- Lonach Dairy Ltd

Dr. R. A. Fernando

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Distilleries Company of Sri Lanka PLC
- Dilmah Ceylon Tea Company PLC
- Madulsima Plantations PLC
- Balangoda Plantations PLC
- Elpitiya Plantations PLC
- Browns Beach Hotels PLC

HONORARY INDEPENDENT DIRECTOR

- Ceylon Graphene Technologies Ltd
- Ceylon Asset Management Ltd
- Global Strategic Corporate
- Sustainability Pvt. Ltd

Mr. Ashoka Goonesekere

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Distilleries Company of Sri Lanka PLC
- HNB Life PLC
- Pan Asia Banking Corporation PLC

CORPORATE GOVERNANCE

Mr . L. H. A. Lakshman Silva

- CHAIRMAN
- LankaPay (Pvt) Ltd
- Panasian Power PLC
- INDEPENDENT NON-EXECUTIVE DIRECTOR
- Manelwala Hydropower (Pvt) Ltd
- Padiyapelella Hydropower Limited
- Panasian Investments (Pvt) Ltd
- Panasian Solar (Pvt) Ltd
- Lower Kothmaleoya Power Two (Pvt) Ltd
- Powergen One (Pvt) Ltd
- Panasian Power Zambia Limited
- Distilleries Company of Sri Lanka PLC
- Seylan Bank PLC
- Finetech Consultancy (Pvt) Ltd
- HNB Life PLC
- R-E-D Capital Asia (Pvt) Ltd
- HNB General Insurance PLC

COMPLIANCE WITH THE COMPANIES ACT NO. 7 OF 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual	Compliant
168 (1) (c)	Auditors Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	Compliant
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Compliant

COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS

SECTION 7.6 ON THE CONTENT OF ANNUAL REPORT ISSUED BY THE COLOMBO STOCK EXCHANGE

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 (i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors	Compliant
7.6 (iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Investor Information of this Annual Report	Compliant
7.6 (iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer to Shareholder Information of this Annual Report	Compliant
7.6 (v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Investor Information of this Annual Report	Compliant
7.6 (vi)	Information pertaining to material foreseeable risk factors	Refer Enterprise Risk Management of this Annual Report	Compliant
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 (viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 15.2 and 17.1 to the Financial Statements of this Annual Report	Compliant
7.6 (ix)	Number of shares representing the stated capital	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 (x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Shareholder Information of this Annual Report	Compliant
7.6 (xi)	Ratios and market price information	Refer Shareholder Information of this Annual Report	Compliant
7.6 (xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Refer Note 15 and 17 to the Financial Statements of this Annual Report	Compliant
7.6 (xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 (xiv)	Employee share option/purchase schemes	As of date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 (xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 (xvi)	Related Party Transactions	Refer Note 36.2 to the Financial Statements	Compliant

CORPORATE GOVERNANCE

SECTION 9 – CORPORATE GOVERNANCE

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

CSE Rule	Requirement	Effective Date	How We Comply
9.1 Corporate Governance Rules			
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	01 October 2023	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below Also refer 'Annual Report of the Board of Directors' of this Annual Report
9.2 Policies			
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of 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	01 October 2024	Compliant
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted	01 October 2024	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	01 October 2024	Refer 'How We Comply' under Rule 9.2.1 above
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	01 October 2024	Refer 'How We Comply' under Rule 9.2.1 above

CSE Rule	Requirement	Effective Date	How We Comply
9.3 Board Committees			
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	01 October 2023	Compliant
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules	01 October 2023	Refer 'How we Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	01 October 2024	Compliant
9.4 Principles of Democracy in Shareholder Dealings			
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained	01 October 2023	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto
9.4.2	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	01 October 2024	Compliant
9.5 Policy on matters relating to the Board of Directors			
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	01 October 2024	Compliant
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	01 October 2024	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director, and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	01 October 2023	Compliant
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/ or combination of the said roles falls subsequent to the implementation of these Rules	01 October 2023	Compliant
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	01 October 2023	Refer Report of Senior Independent Director of this Annual Report
9.6.4	Rationale for appointing Senior Independent Director	01 October 2023	Refer Report of Senior Independent Director of this Annual Report
9.7 Fitness of Directors and CEOs			
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules. In evaluating fitness and propriety of the persons referred to in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	01 October 2023	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times be fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	01 October 2023	Compliant
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	01 April 2024	Refer 'How We Comply' under Rule 9.7.1 above
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	01 October 2023	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as of 31st March 2026
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	01 October 2023	Compliant Refer the 'Annual Report of the Board of Directors' of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	01 October 2024	Compliant
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	01 October 2024	Compliant
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Criteria 9.8.3 (i) to (viii) - 01st October 2023 Criteria 9.8.3 (ix) - 01st January 2025	Compliant in terms of Rule 9.1.4(3) subject to the resolution to be proposed to the public shareholders of the Company at the forthcoming Annual General Meeting in terms of the provisions of Rule 9.8.3 (ix)
9.8.5	a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified in Rule 9.8.3 of the Listing Rules and in the format in Appendix 9A of the said Rules (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	01 October 2023	The Independent Directors submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE
9.9 Alternate Directors			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	01 January 2024	Compliant
9.10 Disclosures Relating to Directors			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	01 October 2024	Compliant

CORPORATE GOVERNANCE

CSE Rule	Requirement	Effective Date	How We Comply
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: a brief resume of such Director; his/her capacity of directorship; and, Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	01 October 2023	Compliant
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above, containing, at minimum, the details of changes, including the capacity of directorship, with the effective date thereof	01st October 2023	Would comply when the need arises
9.10.4	Directors details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members have any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	01 October 2023	a) , b) and d) - Refer 'Annual Report of the Board of Directors' of this Annual Report c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company e) - Refer 'Corporate Governance Report' of this Annual Report f) and g) - Refer 'Composition' and 'Details of Directors' Attendance at Board Meetings held during the financial year 2025/2026 in the Corporate Governance Report of this Annual Report h) - Refer Committee Reports of this Annual Report i) Refer ' Report of Senior Independent Director of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.11 Nominations and Governance Committee			
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	01 October 2024	Compliant
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	01 October 2024	Compliant
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01 October 2024	Compliant
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	01 October 2024	Compliant
9.11.5	The functions of the Nominations and Governance Committee	01 October 2024	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson Nominations and Governance Committee Report shall include the following: (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to appointment and reappointment of Directors (g) Details of directors re-appointed Board Committees served Date of first appointment Date of last re-appointment Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years Any relationships – close family member, more 10% shareholding (h) Performance of periodic evaluation of board (i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non- compliant reasons and remedial actions	01 October 2024	Refer Nominations and Governance Committee Report
9.12 Remuneration Committee			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	01 October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	01 October 2023	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	01 October 2023	Refer 'How We Comply' under Rule 9.2.1 above
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	01 October 2024 01 October 2023	Compliant Refer 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report
9.12.7	The functions of the Remuneration Committee	01st October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) A statement regarding the Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	01 October 2023	Compliant a) and b) Refer 'Remuneration Committee Report' of this Annual Report c) Refer to Note 11 in the Financial Statements of this Annual Report
9.13 Audit Committee			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	01 October 2023	Compliant
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	01October 2023	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	01 October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report
9.13.4	The functions of the Audit Committee	01 October 2024	Compliant
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	01 October 2024	Compliant
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	01 April 2024	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.3	The functions of the Related Party Transactions Review Committee	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	01 October 2023	There were no Related Party Transactions during the year which required shareholder approval The Company would comply with this Rule when a need arise
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	01 October 2023	There were no Related Party Transactions during the year which required an immediate Market Announcement. The Company would comply with this Rule when a need arise
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report
9.14.8 (3)	Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that committee has reviewed RPTs and communicated comments/observations to the Board Policies and procedures adopted by the Committee	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	01 October 2023	Compliant Refer 'Annual Report of the Board of Directors' of this Annual Report
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	01 October 2023	N/A The Company has not acquired or disposed of any assets from/ to Related Parties during the year under review The Company would comply with this Rule when a need arise
9.16 Additional Disclosures			
	Additional disclosures by Board of Directors Declaration on the following: All material interests in contracts and have refrained from voting on matters in which they were materially interested Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	01 October 2023	Compliant Refer 'Annual Report of the Board of Director' of this Annual Report

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

In compliance with Rule 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 06th February 2025, following the appointment of D. Hasitha S. Jayawardena as the Executive Chairman of the Company. The Board has a strong representation of Independent Directors that helps to maintain objectivity of the Board which is vital for sound corporate governance. The objective of the appointment of a Senior Independent Director is to ensure the greater independent element in proceedings of the Board and in all deliberations by the Board either at Board meetings or in resolutions circulated amongst the Board. The SID provides guidance to the Chairman on matters of governance of the Company and the role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board. The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

Pursuant to the requirements of Listing Rules 9.6.3 (b) and (c) of the Colombo Stock Exchange, the SID held two meetings during FY 2025/26 with the Non-Executive Directors and Independent Directors to discuss matters relating to the Company's operations and overall governance.

MEETING WITH THE INDEPENDENT DIRECTORS

The SID met with the Independent Directors of the Company to review Board leadership, effectiveness, governance practices, and regulatory compliance. The discussions reaffirmed confidence in the Chairman's leadership and the overall effectiveness of the Board, while identifying opportunities to further enhance Board deliberations, information flow and oversight in view of the Group's scale and diversity of operations. The meeting also reinforced the importance of ongoing Board evaluation, appropriate Board composition, and maintaining high standards of governance and compliance.

MEETING WITH THE NON-EXECUTIVE DIRECTORS

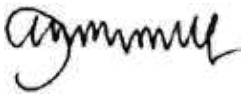
The SID also met with the Non-Executive Directors to facilitate an open discussion on Board effectiveness, governance, and oversight responsibilities. The deliberations led to several governance enhancement initiatives, including the development of a Board skills matrix, strengthening of processes relating to Director independence and conflict management, review of Terms of Reference of the board sub-committees, and continued improvements to Board processes through the use of structured Board evaluations. The meeting further emphasised the importance of robust compliance and whistleblowing frameworks to support the Board's commitment to continuous improvement and good corporate governance.

I sincerely thank the board of directors for their continued cooperation during my tenure as the Senior Independent Director of the Company.



M R Mihular
Senior Independent Director

Colombo
As at 10th June 2026



Mr. L. H. A. Lakshman Silva
Chairman
Senior Independent Director

Colombo
20th August 2026

AUDIT COMMITTEE REPORT

The Audit Committee is responsible for assisting the Board in its oversight of the integrity of the Group's financial reporting, internal control systems, internal and external audit functions, and compliance with legal and regulatory requirements.

COMPOSITION OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 2025/26	COMPOSITION OF THE COMMITTEE WITH EFFECT FROM 10TH JUNE 2026
Mr. M. R. Mihular – Chairman	Mr. A. Goonesekere – Chairman
Dr. R. A. Fernando	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Mr. M. R. Mihular
	Dr. R. A. Fernando
	Ms. D.S.T. Jayawardena

Independent non-executive | Non-Independent non-executive | Senior Independent

COMMITTEE MEETINGS

The Audit Committee functioned throughout the financial year and held four meetings, which were either held physically or via virtual means. Attending the meetings of the Audit Committee by invitation were several Executive Directors, the Group Chief Executive Officer (w. e. f. 1st December 2025) and the Group Financial Controller of the Company. Additionally, senior officers of the Group, as well as the partner from Messrs. KPMG, Chartered Accountants, responsible for the Group's external audit, attended the meetings when necessary. The attendance of the members at the Audit Committee meetings during the year under review is in page 24 of the Corporate Governance Report.

RESPONSIBILITIES OF THE COMMITTEE

- Ensuring the integrity and accuracy of financial statements by reviewing significant accounting policies, complex transactions, and management judgments. The Committee ensures that quarterly and annual financial statements comply with Sri Lanka Accounting Standards, the Companies Act, SEC regulations, and other applicable requirements.
- Overseeing the internal audit function, including approval of the audit charter, annual plans, and resources. The Committee assesses the effectiveness of internal controls and risk management processes, reviews significant findings, and ensures management implements timely corrective actions.
- Evaluating the independence, objectivity, and performance of external auditors, recommending appointments or removals, approving remuneration, and monitoring coordination with internal audit. The Committee reviews policies on non-audit services to safeguard auditor independence.
- Overseeing the Company's risk management framework and internal controls to ensure significant risks and deficiencies are identified and addressed.
- Monitoring compliance with laws, regulations, and the Company's code of conduct, including procedures for whistleblowing, fraud detection, and reporting non-compliance.
- Keeping the Board regularly informed of Committee activities, maintaining open communication with auditors, and preparing the Audit Committee Report for inclusion in the Annual Report, summarising how responsibilities were discharged and assurances received from management and auditors.
- Undertaking additional duties as assigned by the Board, including special investigations, reviewing internal controls to prevent the leakage of material information, evaluating its own performance, and annually reviewing and updating its Terms of Reference to ensure alignment with governance best practices and regulatory requirements.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/2026

Financial Reporting and Financial Control

- Reviewed the Group's quarterly and annual financial statements, focusing on the following aspects:
  - Adequacy of disclosures.
  - Consistency and appropriateness of the accounting policies adopted.
  - Major judgemental areas to ensure compliance with the Companies Act No. 7 of 2007.
  - Adherence to applicable Sri Lanka Accounting Standards and other accounting standards in jurisdictions where each subsidiary operates, as well as compliance with the Listing Rules of the Colombo Stock Exchange.
  - Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.
  - Meeting requirements of other regulatory bodies applicable to the Group.
  - Discussion with management on future accounting developments likely to affect the financial statements.
- Reviewed the budgets and strategic plans of the Group.

- Reviewed the integrity of the Group's published financial information, including all significant financial judgments and estimates made by management.

EXTERNAL AUDIT

- Reviewed and monitored the relationship with the External Auditors, including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner, and engagement for non-audit services.
- Assessed the effectiveness and progress of the External Auditors and the overall audit process.
- Discussed the audited financial statements with the External Auditors, ensuring they were prepared in conformity with Sri Lanka Accounting Standards and other applicable regulatory requirements.
- Organised period meetings with the External Auditors without the presence of management to review audit findings and to ensure auditor independence and objectivity.
- Reviewed and discussed the management letter and directed management to take appropriate follow-up actions on the matters highlighted therein.

INTERNAL AUDIT

- Reviewed and approved the annual audit plan, considering its depth and coverage.
- Assessed the operation and effectiveness of the Group Internal Audit function in terms of independence, competency, effectiveness, and adequacy of resources.
- Ensured ongoing coordination between the Group Internal Audit department and the External Auditors.
- Reviewed and discussed audit reports submitted by the Internal Audit department, including management responses, covering financial and operational audits, information security, and risk assessments conducted in accordance with the approved annual audit plan.

REPORTING

- The Chairman of the Audit Committee reports to the Board at each meeting on the Committee's activities. Minutes of the Committee meetings are also tabled at the Board meetings.
- The Annual Report includes the Audit Committee Report.
- The Chairman of the Audit Committee attends the Annual General Meeting.
- The Committee has obtained assurances from the Managing Director, Group Financial Controller, and other senior management personnel that the financial records have been properly maintained and that the financial statements present a true and fair view of the Group's operations and financial position.

CONDUCT, ETHICS AND GOOD GOVERNANCE

The Audit and Risk Committee remains committed to ensuring that the Group upholds the highest ethical standards in all business dealings. The Group has established an Internal Code of Business Conduct and robust policies, including the Whistleblowing Policy and the Anti-Bribery & Anti-Corruption Policy, which require all staff members to act ethically, transparently, and accountably, and to report any suspected wrongdoing or improprieties through the appropriate channels.

RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. KPMG, CHARTERED ACCOUNTANTS

The Committee reviewed all transactions with the External Auditors and ensured that no significant or material transactions existed between the External Auditors and any of the companies within the Group. Furthermore, the Committee confirmed that the External Auditors do not hold any shares in the Group.

The Committee also obtained written assurance from the External Auditors, confirming that they have remained independent throughout the conduct of the audit engagement in accordance with all relevant professional and regulatory requirements.

Having considered the absence of significant transactions between the External Auditors and the Group companies, the lack of shareholding by the External Auditors, and the periodic rotation of the Audit Partner, the Committee noted that Messrs. KPMG, Chartered Accountants, are independent and eligible for re-appointment as the External Auditors of the Group.

Although the External Auditor has been engaged since the inception of the Company, the Audit Partner overseeing the Company's audit has been in place for less than one year.

In light of the above, the Committee recommends to the Board that Messrs. KPMG, Chartered Accountants, be re-appointed as the External Auditors of the Group for the current financial year, subject to the approval of shareholders at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking forward to the financial year 2026/2027, the Committee's key priorities will include overseeing the Group's internal control processes, continuing to monitor the impacts of sustainability and climate change, and adopting a proactive approach to anticipate and prepare for any legislative or regulatory changes.



Mr. M. R. Mihular
Chairman
Audit Committee

Colombo
As at 10th June 2026



Mr. A. Goonesekere
Chairman
Audit Committee

Colombo
20th August 2026

REMUNERATION COMMITTEE REPORT

The Remuneration Committee is established to assist the Board in overseeing the remuneration of the Company's Directors, senior executives, and Key Management Personnel. The Committee is empowered by the Board to recommend remuneration policies, frameworks, and practices that are aligned with the Company's strategic objectives, regulatory requirements, and best practice standards.

COMPOSITION OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 2025/26	COMPOSITION OF THE COMMITTEE WITH EFFECT FROM 10TH JUNE 2026
Dr. R. A. Fernando - Chairman	Dr. R. A. Fernando - Chairman
Mr. M. R. Mihular	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Ms. D.S.T. Jayawardena

Independent non-executive | Non-Independent non-executive | Senior Independent

COMMITTEE MEETINGS

The Remuneration Committee functioned throughout the financial year and held two meetings, which were held physically at the Company offices. The attendance of the members at the Remuneration Committee meetings during the year under review is in page 24 of the Corporate Governance Report.

INDEPENDENCE OF THE COMMITTEE

At the end of the financial year, the Committee comprised two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. All members are independent of management and free from business, personal, or other relationships that could impair their objectivity. Members do not participate in decisions regarding their own remuneration. The Committee meets the independence requirements set out in Section 9.2 of the Colombo Stock Exchange Listing Rules.

RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee assists the Board in fulfilling its responsibilities relating to the remuneration of the Chairman, Executive Directors, Non-Executive Directors, and Key Management Personnel (KMP).In executing its mandate, the Committee is responsible for:

- Developing, recommending, and overseeing the Company's remuneration policy, ensuring it supports the Group's strategic objectives, promotes sustainable long-term value creation, and aligns the interests of Directors, senior executives, and shareholders.
- Reviewing and recommending remuneration packages for the Chairman, Executive Directors, and KMP, ensuring fairness, competitiveness, performance-linkage, and alignment with market benchmarks and governance requirements.
- Reviewing and recommending incentive structures, including performance bonuses, equity-based awards, pension rights, and other long-term incentive plans, to ensure that rewards align with sustained performance and prudent risk management.
- Reviewing the performance of the CEO and Executive Directors in consultation with the Board, and monitoring senior management evaluation processes to ensure consistency, fairness, and transparency.
- Overseeing senior management succession planning and development programs, and monitoring policies that support the retention of high-calibre talent across the Group.
- Reviewing and recommending terms of service contracts for Executive Directors and KMP, including provisions for early termination, ensuring alignment with governance principles and shareholder interests.
- Periodically reviewing remuneration levels against comparable companies and industry benchmarks, at least once every three years or sooner if market conditions warrant.
- Making recommendations to the Board on the remuneration of Non-Executive Directors, which is ultimately determined by the Board collectively.

KEY FUNCTIONS OF THE COMMITTEE

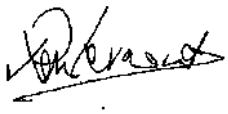
The Remuneration Committee assists the Board in ensuring that the Company's remuneration framework is fair, competitive, and aligned with strategic objectives. The Committee's key functions include:

- Guiding the Company's overall compensation approach in line with strategy and shareholder interests.
- Recommending remuneration packages for the Chairman, Executive Directors, and Key Management Personnel.
- Evaluating incentive plans, including bonuses, equity awards, and long-term reward schemes.

- Overseeing performance appraisal processes for leadership and linking outcomes to rewards.
- Supporting succession planning, talent development, and retention strategies for key roles.
- Monitoring market trends, reviewing contracts, and ensuring transparent disclosure of remuneration policies and outcomes.

AGGREGATE REMUNERATION OF THE EXECUTIVE AND NONEXECUTIVE DIRECTORS

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2025/2026 has been disclosed under Note 11 on page 299 of the Annual Report.



Dr. R. A. Fernando
Chairman
Nominations and Governance Committee

Colombo
20th August 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The role of the Related Party Transactions Review (RPTR) Committee is to advise the Board on transactions with related parties, as defined by Sri Lanka Accounting Standard LKAS 24 and the Listing Rules of the Colombo Stock Exchange. In line with Rule 9.14 of the updated CSE Listing Rules, the Committee ensures that the Company conducts all related party transactions with due regard to the collective interests of its shareholders.

COMPOSITION OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 2025/26	COMPOSITION OF THE COMMITTEE WITH EFFECT FROM 10TH JUNE 2026
Mr. M. R. Mihular – Chairman	Mr. A. Goonesekere – Chairman
Dr. R. A. Fernando	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Mr. M. R. Mihular
	Dr. R. A. Fernando
	Ms. D.S.T. Jayawardena

Independent non-executive | Non-Independent non-executive | Senior Independent

COMMITTEE MEETINGS

The Related Party Transactions Review functioned throughout the financial year and held four meetings, which were either held physically or via virtual means. The attendance of the members at the Committee meetings during the year under review is in page 24 of the Corporate Governance Report.

RESPONSIBILITIES OF THE COMMITTEE

The Committee's primary focus is to review all proposed Related Party Transactions before their execution or completion, in accordance with the procedures set out in Rule 9.14 of the Colombo Stock Exchange Listing Rules. The key responsibilities of the Committee include:

- Evaluate all proposed Related Party Transactions on a quarterly basis and recommend to management and the Board the appropriate course of action to ensure compliance with the Listing Rules of the Colombo Stock Exchange.
- Review any post-quarter confirmations on Related Party Transactions.
- Assess the thresholds for Related Party Transactions that require either shareholders' approval or immediate market disclosure, as applicable.
- Review and determine the criteria for identifying Key Management Personnel.
- Regularly report to the Board on the Committee's activities and findings.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/2026

Policies and Procedures

- Quarterly disclosures of any proposed Related Party Transactions, as well as confirmations of post-quarter transactions, must be obtained from all Group companies. All such disclosures must be tabled at each Related Party Transactions Review Committee meeting.
- Non-recurrent Related Party Transactions with an aggregate value exceeding the lower of 10% of the Group's equity or 5% of its total assets, based on the previous year's audited financial statements, must be communicated to the Committee through the respective Group Company Secretaries.
- Recurrent Related Party Transactions exceeding 10% of the Group's gross revenue, as per the previous year's audited financial statements, must be similarly communicated to the Committee via Group Company Secretaries.

REVIEW OF RELATED PARTY TRANSACTIONS

- The Committee reviewed all proposed transactions and post-quarter confirmations.
- The Committee's activities were communicated to the Board by tabling the minutes of each Related Party Transactions Review Committee meeting.
- Thresholds for Related Party Transactions requiring either shareholders' approval or immediate market disclosure were reviewed based on the financial statements for the year ended 31 March 2026.

- The Committee confirmed that there were no Recurrent or Non-recurrent Related Party Transactions which required disclosure under Sections 9.14.7(1) and 9.14.8(1) of the Colombo Stock Exchange Listing Rules.

DECLARATION BY THE BOARD

The Annual Report of the Board of Directors embodies a declaration confirming the compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.



Mr. M. R. Mihular
Chairman
Related Party Transactions Review Committee

Colombo
As at 10th June 2026



Mr. A. Goonesekere
Chairman
Related Party Transactions Review Committee

Colombo
20th August 2026

NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations Committee of the Company was renamed as the Nominations and Governance in compliance with Rule 9.11.1 of the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 2025/26	COMPOSITION OF THE COMMITTEE WITH EFFECT FROM 10TH JUNE 2026
Dr. R. A. Fernando - Chairman	Dr. R. A. Fernando – Chairman
Mr. M. R. Mihular	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Ms. D.S.T. Jayawardena
Mr. L. H. A. Lakshman Silva	

Independent non-executive | Non-Independent non-executive | Senior Independent

COMMITTEE MEETINGS

The Nominations and Governance Committee functioned throughout the financial year and held two meetings, which were held physically at the Company offices. The attendance of the members at the Committee meetings during the year under review is in page 24 of the Corporate Governance Report.

RESPONSIBILITIES OF THE COMMITTEE

The Terms of Reference of the Committee sets out its authority, composition, scope, and responsibilities, taking into consideration the Corporate Governance requirements under the Listing Rules of the Colombo Stock Exchange. The Committee is responsible for:

- Evaluating the structure, size, and composition of the Board of Melstacorp PLC and its key subsidiaries to ensure Boards remain balanced, effective, and diverse, and recommending suitable candidates for appointment with the requisite knowledge, experience, integrity, and entrepreneurial skills.
- Reviewing policies on the appointment, re-appointment, re-election, and retirement of Directors across the Group, and ensuring succession planning for the Board and Key Management Personnel to maintain leadership continuity and safeguard long-term sustainability.
- Overseeing the annual evaluation of the Board, its Committees, and individual Directors to ensure responsibilities are effectively discharged and governance standards are consistently upheld.
- Periodically reviewing the governance framework, policies, and practices to ensure alignment with regulatory requirements, CSE Listing Rules, the SEC Act, and global best practices, and recommending improvements where required.
- Promoting diversity in skills, experience, age, and gender within the Board to enhance decision-making, governance, and stakeholder confidence.
- Ensuring appropriate disclosure of Committee responsibilities, activities, and outcomes in the Annual Report to reinforce accountability and transparency.

KEY FUNCTIONS OF THE COMMITTEE

The Committee ensures that all recommendations are objective, transparent, and aligned with the long-term interests of the Company and its stakeholders. It supports the Board in maintaining the highest standards of governance by overseeing nominations, succession planning, and corporate governance practices. During the financial year 2025/26, the Committee carried out the following key functions:

- Evaluated and recommended the appointment, re-appointment, and re-election of Directors to the Board and its Committees, considering performance, contribution, and external commitments.
- Maintained a formal and transparent procedure for the selection and appointment of Directors, based on professional qualifications, skills, experience, and strategic needs of the Group.
- Facilitated the periodic evaluation of the performance of the Board, its Committees, and the CEO to ensure responsibilities are effectively discharged.
- Reviewed and developed succession plans for the Board and Key Management Personnel to ensure continuity of leadership and effective governance.
- Assessed the structure, size, and composition of the Board and Committees, ensuring a balance of skills, knowledge, experience, and diversity in line with the Group's strategic direction.
- Reviewed and recommended updates to the corporate governance framework, policies, and practices, ensuring compliance with the Colombo Stock Exchange Listing Rules, SEC Act, and evolving best practices.

- Monitored management reports on compliance with governance requirements and ensured corrective actions were implemented where necessary.
- Facilitated induction programs for newly appointed Directors and provided annual updates for existing Directors on governance, regulatory, and legal developments,

INDEPENDENCE OF DIRECTORS

The Committee evaluated the independence of the current Board of Directors based on the declarations submitted by the respective Directors in accordance with the requirements of the revised Listing Rules of the Colombo Stock Exchange. The Committee determined that four out of its ten members of the Board of Directors were Independent as per the criteria set out on the Listing Rules of the Colombo Stock Exchange.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles of Association of the Company require that Directors, other than the Chairman, Deputy Chairman or other nominee Directors retire by rotation and, upon being eligible, submit themselves for re-election at the Annual General Meeting. Accordingly, Dr. R. A. Fernando has offered himself for re-election.

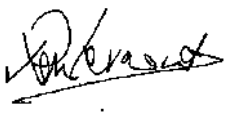
Mr. C. R. Jansz and Mr. N. de S. Deva Aditya, who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment. The said Directors were last re-appointed at the Annual General Meeting held on 17th September 2025.

Further, Mr. M. R. Mihular, who has attained the age of seventy (70) years with effect from 18th June 2026 and who served as the Senior Independent Director of the Company for the financial year 2025/26 is proposed for re-election as an Independent Non-Executive Director of the Company at the forthcoming Annual General Meeting, based on the recommendation of the Nominations and Governance Committee and subsequent approval of the board of directors.

None of the Directors who are being proposed for appointment or re-election, nor their family members, have any relationship with the other Directors of the Company or with shareholders holding more than 10% of the shares of the Company.

Having given due consideration to each Director's performance and contribution, the Board recommends that the said Directors are eligible for re-appointment and re-election, as the case may be.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own reappointments. For further information on the aforementioned Directors please refer the Annual Report of the Board of Directors on pages 58 to 64 and the Corporate Governance report on pages 22 to 48.



Dr. R. A. Fernando
Chairman
Nominations and Governance Committee

Colombo
20th August 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors of Melstacorp PLC has the pleasure of presenting the Annual Report and the Audited Financial Statements of the Company and the Group for the financial year ended 31st March 2026. The details set out herein provide the pertinent information requested under Section 168 of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance, 2017 as amended in 2023 and issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

PRINCIPAL BUSINESS ACTIVITIES

The principal activity of Melstacorp PLC is to invest and manage a portfolio of diverse businesses. Further, the company leases out its properties to external parties and its subsidiaries. During the year, there were no significant changes in the principal activities of the Company and the Group. The activities of the Group are categorised into seven main sectors namely Beverages, Tourism, Maritime, Freight & Logistics, Strategic Investments, Plantation, Services and Financial Services. Companies within each sector and their principal activities are described on Note 20.4, 21.1 and 21.2 in the Financial Statements presented in the Annual Report.

DISCONTINUED OPERATIONS

During the financial year 2024/25, the Company discontinued its investments in Lanka Bell Group, Melsta Laboratories (Pvt) Ltd, and Texpro Industries (Pvt) Ltd. In line with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the results of these entities have been classified and presented as discontinued operations in the Statement of Profit or Loss, with prior year comparatives represented accordingly. Further details are disclosed in Note 44 to the Financial Statements

REVIEW OF BUSINESS

A review of operational and financial performance, strategy of the Group and the future outlook of the Company and the Group are described in greater detail in the Chairman's Message, and the Performance Review Section of this Annual Report. These reports together with the Audited Financial Statements of the Company and the Group reflect the respective state of affairs of the Company and the Group.

AMOUNTS DUE FROM SECRETARY TO THE TREASURY OF SRI LANKA

Insurance Corporation Ltd (SLIC)

We still await the payment of profit earned during the Group's tenure at the helm of SLIC. Although the decision of the Supreme Court was delivered in 2009, the Group is yet to receive these funds. Detailed Note is given in [Note 39] to the Financial Statements.

PELWATTE SUGAR INDUSTRIES PLC (PSIP)

The Revival of Underperforming Enterprises or Underutilised Assets Act, No. 43 of 2011 has been repealed by the Parliament. However, the provisions in the repealing act do not indicate whether the property will be returned to PSIP. We have sought legal opinion on this. The Company has not changed its position advocated since the occurrence of this incident of being the legal owner of the property and as such, we have communicated our views to the Treasury. However, as a precautionary measure, the Company has also lodged an official claim with the Compensation Tribunal, appointed by the State. Since our Group is deprived of participating in controlling the financial, operating policies and other relevant activities, the financial statements of PSIP have been deconsolidated from the group financial statements. We hope some clarity regarding this untoward situation would be forthcoming within the new financial year. Further details are given in Note 40 to the Financial Statements.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs). There were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on pages 264 to 289.

REVENUE

The gross revenue generated by the Company during the year amounted to Rs. 227.2 million (2024/25 – Rs. 182.4 million). The Group revenue was Rs. 286,015 million (2024/25 – Rs. 260,931 million). An analysis of gross revenue based on the revenue stream is disclosed in Note 6 to the Financial Statements.

PROFITS AND APPROPRIATIONS

The profit after tax of the Company was Rs. 13,428 million (2024/25 – Rs. 11,332 million). The Group reported a profit after tax of Rs. 26,262 million (2024/25 – Rs. 22,271 million). The Board of Directors of the Company declared three interim dividends totalling Rs. 8.15 per share for the year ended 31st March 2026 (2024/25 – Rs. 7.32 per share). The Directors were satisfied that the Company would meet the solvency test requirement under Section 56(2) of the Companies Act No. 7 of 2007 immediately after the payment of the dividends.

DONATIONS

Total donations made by the Company during the year amounted to Rs. 8.3 million (2024/25 – Rs. 16.1 million), while donations made by the Group during the year amounted to Rs. 21.8 million (2024/25 – Rs. 16.9 million).

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group for the year ended 31st March 2026 approved by the Board of Directors on 20th August 2026 are given on pages 254 to 412.

AUDIT REPORT

The Auditor's Report on the Financial Statements of the Company and the Group is given on pages 247 to 253.

INVESTMENTS

Total investments of the Company amounted to Rs. 123,026 million (2024/25 – Rs. 116,119 million). The details of the investments are given in Notes 20, 21 and 23 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment of the Company and the Group as at 31st March 2026 was Rs. 53.9 million (2024/25 – Rs. 10.9 million) and Rs. 162,236 million (2024/25 – Rs. 148,041 million, restated) respectively. Total capital expenditure during the year for acquisition of property, plant and equipment by the Company and the Group amounted to Rs. 47.6 million (2024/25 – Rs. 5.2 million) and Rs. 9,625.8 million (2024/25 – Rs. 4,274 million) respectively. The details of property, plant and equipment are given in Note 15 to the Financial Statements.

MARKET VALUE OF FREEHOLD LANDS AND BUILDINGS

All freehold lands and buildings of the company were revalued by a professionally qualified independent valuer as at 31st March 2026 and brought into the Financial Statements. Information in respect of extent, location, valuation of land and building held by the Company are detailed in Note 15.2 and 17.1 the Financial Statements.

STATED CAPITAL AND RESERVES

The Stated Capital of the Company as at 31st March 2026 was Rs. 70,000 million consisting of 1,165,397,072 voting ordinary shares. There was no change in the Stated Capital of the Company during the year.

The total Company Reserves as at 31st March 2026 amounted to Rs. 59,758 million (2024/25 – Rs. 47,013 million), comprising Capital Reserves of Rs. 37,928 million (2024/25 – Rs. 30,905 million) and Revenue Reserves (Retained Earnings) of Rs. 21,830 million (2024/25 – Rs. 16,109 million).

The total Group Reserves as at 31st March 2026 amounted to Rs. 87,111 million (2024/25 – Rs. 62,279 million), comprising Capital Reserves of Rs. 83,001 million (2024/25 – Rs. 70,157 million) and Revenue Reserves (Retained Earnings) of Rs. 4,110 million (2024/25 – Rs. (7,878) million). The movement in these reserves is disclosed in the Statement of Changes in Equity.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Directors acknowledge their responsibility for the Company's system of internal control. The systems are designed to provide reasonable assurance that the assets of the Group are safeguarded and to ensure that proper accounting records are maintained. The Board, having reviewed the system of internal control, is satisfied with the systems and measures in effect at the date of signing this report. Through the Enterprise Risk Management process of the Group, risks faced by the Group are identified, evaluated and mitigation strategies adopted by the Group. The Risk and Opportunities Report of the Group is on pages 82 to 100 of this report.

CAPITAL AND OTHER COMMITMENTS

Contingent liabilities and capital commitments are disclosed in Notes 41 & 42 to the Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

There were no material events or circumstances that have arisen since the reporting date that would require adjustment, other than the information disclosed in Note 45 to the Financial Statements.

GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company and the Group is further described in Note 2.8 to the Financial Statements.

EMPLOYMENT

The number of persons employed by the Group as at 31st March 2026 was 32,860 (2024/25 – 28,407).Details of the Group's human resource initiatives are set out in the Human Capital section (page 167) of the Capital Management Review section of the Annual Report. There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

The names of the Directors who held office during the Financial Year 2025/2026 are given below. Brief profiles of the Board of Directors are given on pages 14 to 18 of this Annual Report.

Executive Directors	Non-Independent Non-Executive Directors	Independent Non-Executive Directors
• Mr. D. Hasitha S. Jayawardena – Chairman	• Mr. N. de S. Deva Aditya	• Mr. L. H. A. Lakshman Silva - Senior Independent Director
• Mr. C. R. Jansz – Deputy Chairman	• Capt. K. J. Kahanda (Retd.)	• Mr. M. R. Mihular – Former Senior Independent Director
• Mr. L. U. D. Fernando	• Ms. D. S. T. Jayawardena	• Dr. R. A. Fernando
• Mr. M. A. N. S. Perera – Managing Director (Resigned w.e.f. 18/09/2025)		• Mr. Ashoka Goonesekere

All of the above Directors held office during the entire year, with the exception of Mr. M. A. N. S. Perera, who stepped down as Managing Director and resigned from the Board with effect from 18th September 2025.

Mr. Jude Fernando was appointed as the Group Chief Executive Officer of the Company with effect from 1st December 2025. He is not a member of the Board of Directors.

The basis on which Directors are classified as Independent Non-Executive Directors is discussed on page 41 of the Corporate Governance Report. All the Directors have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation.

BOARD COMMITTEES

The Board has appointed seven Sub-Committees, namely the Audit Committee, the Remuneration Committee, the Nominations and Governance Committee, the Related Party Transactions Review Committee, the Risk Committee, the Sustainability Committee and the Investment Committee (the latter three established voluntarily). The composition of the Committees is as follows:

AUDIT COMMITTEE

Composition of the committee for the financial year ended 2025/26	Composition of the committee with effect from 10th June 2026
Mr. M. R. Mihular – Chairman	Mr. A. Goonesekere – Chairman
Dr. R. A. Fernando	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Mr. M. R. Mihular
	Dr. R. A. Fernando
	Ms. D.S.T. Jayawardena

NOMINATIONS AND GOVERNANCE COMMITTEE

Composition of the committee for the financial year ended 2025/26	Composition of the committee with effect from 10th June 2026
Dr. R. A. Fernando - Chairman	Dr. R. A. Fernando – Chairman
Mr. M. R. Mihular	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Ms. D.S.T. Jayawardena
Mr. L. H. A. Lakshman Silva	

REMUNERATION COMMITTEE

Composition of the committee for the financial year ended 2025/26	Composition of the committee with effect from 10th June 2026
Dr. R. A. Fernando - Chairman	Dr. R. A. Fernando - Chairman
Mr. M. R. Mihular	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Ms. D.S.T. Jayawardena

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Composition of the committee for the financial year ended 2025/26	Composition of the committee with effect from 10th June 2026
Mr. M. R. Mihular – Chairman	Mr. A. Goonesekere – Chairman
Dr. R. A. Fernando	Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena	Mr. M. R. Mihular
	Dr. R. A. Fernando
	Ms. D.S.T. Jayawardena

RISK COMMITTEE

Composition of the committee for the financial year ended 2025/26	Composition of the committee with effect from 10th June 2026
Mr. M. R. Mihular – Chairman	Mr. L. H. A. Lakshman Silva – Chairman
Mr. L. H. A. Lakshman Silva	Mr. M. R. Mihular
Mr. N. de S. Deva Aditya	Mr. N. de S. Deva Aditya
Ms. D. S. T. Jayawardena	Ms. D. S. T. Jayawardena
Dr. R. A. Fernando	Dr. R. A. Fernando

ANNUAL REPORT OF THE BOARD OF DIRECTORS

SUSTAINABILITY COMMITTEE

Composition of the committee for the financial year ended 2025/26
Ms. D. S. T. Jayawardena - Chairperson
Dr. R. A. Fernando
Mr. L. H. A. Lakshman Silva
Mr. A. Goonesekere

INVESTMENT COMMITTEE

Composition of the committee for the financial year ended 2025/26
Mr. M. R. Mihular - Chairman
Mr. N. de S. Deva Aditya
Mr. L. H. A. Lakshman Silva
Mr. A. Goonesekere
Ms. D. S. T. Jayawardena

RE-APPOINTMENT & RE-ELECTION OF DIRECTORS

In terms of Section 211 of the Companies Act No. 07 of 2007, ordinary resolutions will be put before the shareholders at the forthcoming Annual General Meeting for the re-appointment of the following Directors, each of whom has attained the age of seventy years:

- Mr. C. R. Jansz, who has reached the age of seventy-three (73) years prior to the Annual General Meeting;
- Mr. N. de S. Deva Aditya, who has reached the age of seventy-eight (78) years prior to the Annual General Meeting; and
- Mr. M. R. Mihular, who has reached the age of seventy (70) years prior to the Annual General Meeting.

In addition, as Mr. M. R. Mihular attained the age of seventy (70) years on 18th June 2026, his independence would, in terms of Rule 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, be deemed impaired. Accordingly, a separate ordinary resolution of the Public Shareholders of the Company will be proposed under Rule 9.8.3(ix)(c) of the Listing Rules for his re-appointment as an Independent Non-Executive Director, notwithstanding his having attained this age threshold. This re-appointment is made on the recommendation of the Nominations and Governance Committee, following a due and comprehensive evaluation of Mr. Mihular's professional qualifications, leadership and governance experience, contribution to international accounting and ethical standards, demonstrated independence of judgment, and his performance as Senior Independent Director of the Company since 6th February 2025. The full justification and rationale is set out in the Annexure to the Notice of Meeting, and Mr. Mihular's profile is given in the Board of Directors section of this Report.

Dr. Ravindra Ajith Fernando retires from office at the end of the forthcoming Annual General Meeting in terms of Article 86 of the Articles of Association of the Company and, being eligible, has offered himself for re-election as a Director of the Company.

DIRECTORS' AND CEO SHAREHOLDINGS

The shareholdings of Directors and CEO of the Company as defined under the Colombo Stock Exchange Rules are as follows.

As at 31 March	2026	2025
Mr. D. Hasitha S. Jayawardena	20,545,532	20,545,532
Mr. C. R. Jansz	Nil	Nil
Mr. N. de S. Deva Aditya	Nil	Nil
Capt. K. J. Kahanda (Retd.)	Nil	Nil
Ms. D. S. T. Jayawardena	38,600	38,600
Mr. L. U. D. Fernando	Nil	Nil
Mr. M. R. Mihular	Nil	Nil
Dr. R. A. Fernando	Nil	Nil
Mr. Ashoka Goonesekere	Nil	Nil
Mr. L. H. A. Lakshman Silva	8,000	8,000
Mr. M. A. N. S. Perera (Resigned w.e.f. 18/09/2025)	Nil	Nil
Mr. Jude Fernando (Group Chief Executive Officer (Appointed w.e.f. 01/12/2025)	Nil	Nil

INTEREST REGISTER

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. Any interest in transactions disclosed to the Board by a Director in accordance with Sections 192 and 200 of the Companies Act No. 7 of 2007 are duly recorded in the Interest Register.

EMPLOYEE SHARE OWNERSHIP PLANS

The Company does not operate any share option schemes.

DIRECTORS' REMUNERATION

The Directors' remuneration and fees in respect of the Company and the Group for the Financial Year ended 31st March 2026 are disclosed in Note 11 to the Financial Statements.

RELATED PARTY TRANSACTIONS

Related Party Transactions of the Company are disclosed in Note 36.2 to the Financial Statements. These are Recurrent and Non- Recurrent Related Party Transactions, which required disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard No. 24 – Related Party Disclosures. However, there were no Recurrent Related Party Transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2026. There were no Non-Recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Company as per the Audited Financial Statements as at 31st March 2026, which required additional disclosures in the Annual Report under Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

SUBSIDIARY BOARD OF DIRECTORS

The names of the Directors of the subsidiaries and joint ventures who held office as at 31st March 2026, and directors who ceased to hold office during the accounting period, are indicated on pages 419 to 426 of this Annual Report.

CORPORATE GOVERNANCE

The Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2017, as amended in 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Sections are given on pages 36 to 48 of the Corporate Governance Report of this Annual Report.

SHARE INFORMATION

Information relating to Earnings, Dividends, Net Assets and Market Value per Share is given on page 4. The shareholding details of the Company are given on page 416 to 417 of the Annual Report.

INTEGRATED ANNUAL REPORT

The Board of Directors acknowledges its responsibility to ensure the integrity of the Annual Report, ensuring it offers a comprehensive and impartial representation of the Group's performance, while addressing all material factors that may influence its ability to generate value.

SUSTAINABILITY PRINCIPLES

The Company carries out its business in adherence to the best sustainable practices and has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory obligations due to the Government and its employees have been duly paid or adequately provided for in the Financial Statements as confirmed by the Statement of Directors' Responsibility.

AUDITORS

Messrs. KPMG, Chartered Accountants are deemed reappointed, in terms of Section 158 of the Companies Act No. 07 of 2007, as Auditors of the Company for the year ending 31st March 2027. An ordinary resolution to re-appoint Messrs. KPMG, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, and to authorise the Directors to determine their remuneration, will be proposed at the forthcoming Annual General Meeting (Resolution 2 of the Notice of Meeting).

The audit fees payable for the year to the Company Auditors Messrs. KPMG, Chartered Accountants was Rs. 1.33 million (2024/2025 – Rs. 1.33 million). Messrs. KPMG, Chartered Accountants, the Auditors of the Company are also the Auditors of certain subsidiaries, joint ventures and associate companies of the Group. The amount payable by the Group to Messrs. KPMG, Chartered Accountants as audit fees was Rs. 59.6 million (2024/2025 – Rs. 64.5 million) while a further sum of Rs. 25.8 million (2024/2025 – Rs. 20.3 million) was payable for permitted non-audit related services. In addition to the above Rs. 22.8 million (2024/2025 – Rs. 18.4 million) was payable to other auditors for carrying out audits of the subsidiaries conducted by them. The amount payable to such other auditors for permitted non-audit related services was Rs. 27.6 million (2024/2025 – Rs. 26.5 million). As far as the Directors are aware, the Auditors neither have any other relationship with the Company nor any of its subsidiaries, joint ventures and equity accounted investees that would have an impact on their independence.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting via the online meeting platform Zoom, from the 'Mini Auditorium' of the Distilleries Company of Sri Lanka PLC, No. 110, Norris Canal Road, Colombo 10, Sri Lanka, on Tuesday, 15th September 2026 at 11.00 a.m. The Notice of Meeting, together with the Circular to Shareholders, Form of Proxy and related annexures, accompanies this Annual Report.

For and on behalf of the Board of Directors,



D. Hasitha S. Jayawardena
Chairman



L. U. D. Fernando
Director

Corporate Services (Private) Limited
Company Secretary

20th August 2026

TRANSITIONING INTO SHARPER DIRECTION



At Melstacorp, our strategy aligns diverse businesses, emerging opportunities and long-term priorities within a unified direction. It transforms ambition into purposeful action, strengthening the Group's capacity to adapt, expand and lead with foresight.

The preliminary fold establishes the essential framework from which a more complex origami form can emerge. It brings separate planes into alignment, creating the balance and structural discipline required for every fold that follows. Though often unseen in the finished form, it determines the accuracy and integrity of the entire design. By setting a clear foundation at the outset, it allows complexity to unfold with purpose and precision.

THE STRATEGIC REPORT

OUR VALUE CREATION MODEL

OPERATING ENVIRONMENT

OUR INPUTS

Financial Capital
(Refer to pages 160 to 166)

- Group equity Rs. 229.8 Bn
- Group total assets Rs. 428.9 Bn
- Group total debts Rs. 96.7 Bn

Human Capital
(Refer to pages 167 to 173)

- 32,860 Employees across 7 sectors
- Ongoing learning and development
- Employee well-being

Manufactured Capital
(Refer to pages 180 to 185)

- Rs. 162.2 Bn Group PPE
- Rs. 9.6 Bn of Group capital investments
- A portfolio spanning distilleries and beverage manufacturing, tea and rubber estates, hotels and resorts, and port and logistics infrastructure

Intellectual Capital
(Refer to pages 174 to 179)

- Systems and processes
- Knowledge-based assets
- Best practices
- Certifications
- Technology adaptation and innovation

Social and Relationship Capital
(Refer to pages 186 to 191)

- Customer relationships
- Suppliers
- Group CSR investment

Natural Capital
(Refer to pages 192 to 202)

- Energy 912,000 GJ
- Water consumption 1,445,323 m^3
- Sustainable use of resources
- Waste management

OUR CORE FUNCTIONS AND ENABLERS

OUR VISION
Pursue excellence. Make a difference



Driven by Diversified Businesses & Strategic Investments

Services | Tourism | Beverages | Plantations

Strategic investment | Maritime, Freight & Logistics | Financial Services

Enabled by

Financial Management | Talent Management | IT Governance | Legal and Corporate Services

Strong governance and ethics | Risk Management | Focus on sustainability

OUR OUTPUTS	OUR OUTCOMES	STRATEGIC PILLARS	STAKEHOLDERS
Beverages • Revenue - **Rs. 170.2 Bn** • PBT – **Rs.31.2 Bn**	• Group profit increased by 17.9% YoY to Rs. 26.3 Bn. • Net Asset Value (NAV) per share improved by 18.8% to Rs. 134.81, compared to Rs. 113.51 in the previous year. • Basic Earnings per Share (EPS) rose 15.1% YoY to Rs. 16.89. • The share price appreciated by 32% YoY, from Rs. 127.00 to Rs. 168.00, resulting in a market capitalisation of Rs. 195.8 Bn.	Strategic Investments and Portfolio Optimisation	Investors Government and Regulator
Tourism • Revenue - **Rs. 67.3 Bn** • PBT - **Rs. 7.0 Bn**	• A team of highly engaged and motivated employees • 359,243 training hours • 10.9 Average training hours per employee	Talent Development and Leadership	Employees
Maritime, Freight & Logistics • Revenue - **Rs.15.3 Bn** • PBT – **Rs.4.9 Bn**	• Portfolio of luxury hotels and advanced manufacturing plants to hydropower facilities and ultra-modern collision repair centres	Global Expansion and Market Penetration	Business Partners
Strategic Investment • Revenue - **Rs.10.6 Bn** • Loss Before Tax – **Rs.0.5 Bn**	• Renowned brands • Tacit knowledge • Efficient processes • Aitken Spence PLC became the first diversified holdings company in Sri Lanka to achieve Science Based Targets initiative (SBTi) validation for its emission reduction targets.	Innovation and Digital Transformation	Employees Government and Regulator
Financial Services • Revenue - **Rs.9.9 Bn** • Loss Before Tax – **Rs.0.6 Bn**	• Strong business relationships • Loyal customer base • Empowered communities • Continued social license to operate	Sustainability and Social Responsibility Operational Excellence and Synergy	Customers Business Partners Community
Plantations • Revenue - **Rs.8.7 Bn** • PBT – **Rs.2.0 Bn**			
Services • Revenue - **Rs.3.9 Bn** • PBT - **Rs.1.6 Bn**	• Environmental sustainability • Generation of renewable energy 693,384 GJ • 62,977 tCO^2e Scope 1 and 2 GHG emissions	Sustainability and Social Responsibility	Government and Regulator

STAKEHOLDER ENGAGEMENT

At Melstacorp PLC, stakeholder engagement is fundamental to our journey of Transition: a purposeful process of renewal and value creation across the industries, markets and communities we serve. Guided by decades of experience, disciplined execution and an enduring entrepreneurial spirit, we recognise our stakeholders as essential partners in shaping the Group's continued evolution and long-term success.

As Sri Lanka's operating environment continues to stabilise, we remain committed to maintaining transparent, consistent and meaningful engagement with our stakeholders. Through ongoing dialogue, we gain valuable insights into their evolving expectations, enabling us to respond effectively while balancing the strengths of our heritage with the opportunities of the future. This engagement informs our decision-making, strengthens trust, aligns our actions with stakeholder priorities and fosters mutually beneficial relationships.

We prioritise stakeholder groups based on their level of interest in and influence on our operations, ensuring that engagement efforts remain focused, relevant and impactful. An overview of the Group's stakeholder engagement activities during the year is presented below.

Each stakeholder interaction contributes to the next stage of our transition, broadening our perspectives, strengthening our understanding and reinforcing the resilience that underpins sustainable value creation. As Melstacorp continues to evolve, new opportunities and emerging expectations build upon the foundations of trust, transparency and accountability that have long characterised our stakeholder relationships, providing greater clarity, structure and purpose to our engagement approach.

Stakeholder engagement process

The main stages of this process are outlined below:

Identification & Mapping

Identify key stakeholder groups and assess their influence, interest, and potential impact on value creation.

Understanding Expectations

Gather insights through assessments, surveys, interviews, and ongoing dialogue, analysing trends and feedback.

Designing Engagement

Develop tailored strategies, selecting appropriate mechanisms and frequency based on stakeholder characteristics

Monitoring & Reporting

Track feedback, effectiveness, and outcomes (e.g., using KPIs); Report progress through public channels.

Integration into Strategy

Feed stakeholder insights into strategic planning, operational decisions, risk assessments, and ESG targets; elevate critical concerns to leadership.

Engagement & Dialogue

Implement planned activities using multi-channel communication, ensuring inclusivity (e.g., trilingual, neutral facilitation).

Continuous Improvement

Periodically review and refine practices based on outcomes and evolving expectations; embed learnings into future actions.

Set out below are the stakeholder engagement mechanisms adopted during FY2025/26, the key matters raised through these interactions, and the Group's responses. Together, they illustrate how stakeholder insights continue to inform decision-making and support Melstacorp's ongoing Transition.



Customers and Buyers

Method of engagement

- Customer service points
- Marketing campaigns
- Customer satisfaction surveys
- Social media and digital platforms

Key concerns raised

- Quality of product
- Pricing
- Innovation
- Customer service standards and value for money amid cost-of-living pressures

Grievance Handling Process

Issues and concerns are addressed through frontline service teams, call centres and digital channels, with a clear escalation framework in place to facilitate prompt resolution and continuous improvement.

Our Commitment

Deliver high-quality, value-driven products and services, continuously strengthening customer trust, satisfaction and overall experience.



Business Partners

Method of engagement

- Supplier forums
- Business review meetings
- Partnership agreements

Key concerns raised

- Timely payments
- Long-term business opportunities
- Compliance, including evolving ESG requirements

Grievance Handling Process

Managed through transparent contract terms, formal feedback channels and continuous dialogue with procurement teams.

Our Commitment

Strengthen long-term stakeholder partnerships by upholding fairness, integrity and responsible sourcing throughout our value chain.

STAKEHOLDER ENGAGEMENT



Community/Society/Lobbyists /Environment

Method of engagement

- CSR programmes
- Environmental monitoring
- Public disclosures
- Roundtable discussions
- Environmental Impact Assessments
- Media and advocacy engagement

Key concerns raised

- Local employment
- Environmental impacts
- Access to social investments
- Climate change
- Waste management
- Biodiversity loss
- Transparency in environmental performance

Grievance Handling Process

Dedicated site-level and Group-level engagement mechanisms, together with ongoing dialogue with community representatives, enable the effective identification and addressing of community concerns.

Concerns are managed through our Sustainability, CSR, and EHS (Environment, Health & Safety) functions and incorporated into a continuous cycle of review, engagement, and improvement.

Our Commitment

Foster inclusive and sustainable development, empower local communities and responsibly manage environmental impacts to strengthen climate resilience across our operations and value chain.

Conduct regular roundtable discussions, undertake environmental impact assessments, and maintain transparent and constructive engagement with the media and advocacy groups.



Investors, Shareholders, Banks and Financial Institutions

Method of engagement

- Annual General Meetings
- Quarterly results
- Analyst briefings
- Corporate website
- Stock exchange filings

Key concerns raised

- Return on investment
- Capital discipline
- Risk management
- Strategic alignment amid interest rate, inflation and currency volatility

Grievance Handling Process

Stakeholder concerns are channelled through formal governance mechanisms and coordinated by the Company Secretarial Division.

Our Commitment

Ensure transparent reporting, protect shareholder interests and uphold sound financial discipline to support long-term value creation



Regulator

Method of engagement

- Formal communications
- Inquiries
- Submissions
- Compliance audits
- and consultations
- Inputs and feedback

Key concerns raised

- Legal and regulatory compliance
- Ethical conduct
- Timely disclosures amid an evolving regulatory landscape

Grievance Handling Process

Oversight is provided by the Group Legal and Compliance teams, in collaboration with company-specific liaison officers, to ensure matters are addressed appropriately and effectively.

Our Commitment

Ensure full compliance with all applicable laws while consistently upholding the highest standards of ethical conduct.

STRATEGY

STRATEGIC DIRECTION FY 2025/26

The year under review marked a significant milestone in the Group's evolution as it transitions from recovery to a phase of sustainable growth and long-term value creation. The Group's strategic focus was centred on optimising its portfolio, strengthening governance, investing in future-ready businesses, and enhancing organisational capabilities to build a more resilient, agile, and competitive enterprise. Human Resources and Information Technology played a pivotal role in enabling this transformation by driving talent development, digital innovation, and operational excellence across the Group.

Throughout the year, the Group continued to execute its strategy of portfolio diversification, operational excellence, customer-centric innovation, sustainability, and value creation. Against a dynamic and evolving economic landscape, businesses across the Group remained focused on consolidating market leadership, improving operational efficiencies, pursuing regional growth opportunities, and investing in platforms that will drive future growth.

The strength of the Group's diversified portfolio continued to provide resilience and strategic flexibility, enabling its businesses to capture emerging opportunities across multiple sectors while effectively navigating industry-specific challenges and changing market dynamics. This diversified foundation positions the Group to deliver sustainable growth, strengthen long-term competitiveness, and create enduring value for shareholders and other stakeholders.

STRATEGIC PRIORITIES



INNOVATION AND DIGITAL TRANSFORMATION

Strategic Overview

The Group continued to accelerate digital transformation across its businesses, leveraging technology, automation, analytics and artificial intelligence to improve operational efficiency, enhance customer experiences and strengthen decision-making capabilities. Digital innovation remains a key enabler of long-term competitiveness and sustainable growth.

Key Initiatives and Achievements FY 2025/26

- Migrated core hotel systems, including OPERA, to cloud-based platforms and enhanced CRM capabilities to improve guest engagement and distribution-channel integration.
- Adopted AI-powered recruitment solutions and embedded digital literacy and innovation within Group-wide talent development programmes.
- Established a dedicated Technology Adaptation & Innovation unit (AMIDS) and implemented Power BI-based analytics and dashboard reporting within the plantations sector.

- Expanded drone-enabled precision agriculture, including automated tea harvesting , spraying operations and drone-based paddy cultivation, complemented by digital financial inclusion initiatives.
- Advanced digitalisation across BPO, insurance, elevator, healthcare and money-transfer operations to improve service delivery and operational efficiency.
- Continued investment in digital infrastructure and technology platforms across business segments to support scalability and innovation.
- Extended drone mapping and digital plantation management systems across estates within the plantations sector.
- Advanced healthcare digitalisation through the implementation of laboratory and hospital information systems, supporting the transition towards paperless operations.

STRATEGIC DIRECTION FY 2026/27

Innovation and Digital Transformation

Building on the digital transformation initiatives undertaken in FY2025/26, the Group's Information Technology strategy for FY2026/27 will focus on accelerating digital innovation, strengthening enterprise-wide capabilities, and leveraging technology as a key enabler of operational excellence and sustainable growth.

Theme	Strategic Outlook
Accelerating Digital Transformation	Continue modernising the Group's technology landscape by expanding digital solutions, automating processes, and enhancing platforms to improve scalability, agility, and the customer experience.
Data-Driven Decision-Making	Strengthen enterprise-wide data management and analytics capabilities to support faster, evidence-based decision-making through integrated reporting, advanced analytics, and real-time business insights.
Enterprise Systems Integration	Advance the integration of business systems through automated data capture, seamless interoperability, and standardised processes that enhance data accuracy, operational efficiency, and visibility.
Expanding Digital Products and Services	Transform internally developed technology solutions, including customised contact centre applications and digital platforms, into scalable commercial offerings that create new revenue opportunities.
Group-wide Technology Synergies	Enhance collaboration across Group companies by sharing technology expertise, resources, and best practices, while establishing centralised capabilities where efficiencies can be realised.
Institutionalising Organisational Knowledge	Strengthen knowledge management practices by capturing institutional expertise, standardising processes, and developing accessible knowledge repositories that support business continuity and reduce key-person dependency.
Cybersecurity and Digital Resilience	Enhance cyber resilience through stronger governance, continuous monitoring, employee awareness programmes, and proactive risk management to safeguard critical business operations and information assets.
Technology as a Strategic Growth Enabler	Leverage technology not only to optimise existing operations but also to unlock new business opportunities, support innovation, and drive sustainable growth across the Group's diversified portfolio.

STRATEGY



OPERATIONAL EXCELLENCE AND SYNERGY

Strategic Overview

Operational excellence remained central to the Group's strategy, with continued focus on cost optimisation, productivity enhancement, process improvement and cross-sector collaboration to strengthen resilience and profitability.

Key Initiatives and Achievements FY 2025/26

- Sustained disciplined cost management across the Hotels sector while delivering resilient operating performance across Sri Lanka, the Maldives and India.
- Improved operational efficiency through the digitalisation of housekeeping, maintenance and service coordination processes.
- Sustained leadership in plantation productivity through precision agronomy, mechanisation and factory process optimisation.
- Maintained resilient Maritime and Logistics operations through proactive customer engagement and strategic freight-forwarding partnerships.
- Enhanced value creation through strengthened branding consistency and increased collaboration across Group businesses.
- Expanded operational scale and efficiency within the BPO segment, contributing significantly to Services sector profitability.
- Continued cost optimisation, mechanisation and labour productivity initiatives across plantation operations.
- Invested in manufacturing excellence, product innovation and quality assurance across the Beverages sector.
- Achieved record revenue and profitability within the healthcare business through disciplined execution and quality-driven service delivery.

STRATEGIC DIRECTION FY 2026/27

Operational Excellence and Synergy

Reflecting the Group's ongoing journey of renewal and the discipline that has long defined its enduring entrepreneurial spirit, the FY2026/27 strategy will bring greater structure and rigour to operational excellence, integrating cost discipline, digitalisation and cross-sector synergy into a unified system of value creation that reinforces stability, resilience and sustained profitability.

Theme	Strategic Outlook
Cost Discipline and Margin Protection	Sustain rigorous cost management and productivity enhancement across sectors, building on disciplined execution that supported resilient operating margins amid a challenging cost environment.
Digitalising Core Operations	Extend the digitalisation of housekeeping, maintenance, guest engagement and service-coordination processes, alongside continued automation of freight, logistics and manufacturing operations, to improve efficiency and turnaround times.
Cross-Sector Synergy and Branding Consistency	Deepen collaboration and knowledge-sharing across Group businesses, strengthening branding consistency and unlocking shared-service efficiencies across sectors.
Expanding Value-Added and Asset-Backed Services	Expand value-added, asset-backed and integrated logistics and manufacturing capabilities to diversify revenue streams and reduce exposure to cyclical market volatility.
Productivity in Plantation and Manufacturing Operations	Continue investment in mechanisation, precision agronomy and factory-process optimisation within plantation and manufacturing operations to sustain productivity leadership.

STRATEGIC INVESTMENTS AND PORTFOLIO OPTIMISATION

Strategic Overview

The Group continued to manage its investment portfolio through strategic partnerships, business diversification, targeted acquisitions and disciplined capital allocation, strengthening long-term resilience and growth prospects.

Key Initiatives and Achievements FY 2025/26

- Restructured ownership in Port City BPO (Pvt) Ltd to introduce a strategic partner with enhanced international market access.
- Expanded into value-added agri-processing through the acquisition of Ceylon Agro Food Technologies (Pvt) Ltd by Elpitiya Plantations PLC.
- Continued investment in renewable-energy assets, including solar, hydro and waste-to-energy projects.
- Progressed portfolio realignment toward export-oriented and sustainability-linked investment opportunities.
- Expanded product offerings and market reach within the printing and packaging segment.
- Advanced agricultural diversification initiatives including pineapple and cinnamon cultivation, while evaluating future oil-palm development opportunities.
- Progressed carbon-credit commercialisation initiatives within plantation operations.
- Delivered strong revenue and profitability growth, maintaining its position as the Group's largest profit contributor within the beverages sector.
- Continued premiumisation and innovation across alcoholic beverage categories through brand refreshes and new product introductions.
- Maintained a strong capital position and disciplined risk management across Financial Services businesses.

STRATEGIC DIRECTION FY 2026/27

Strategic Investments and Portfolio Optimisation

Built through successive layers of progress across the Group's diversified portfolio, the FY2026/27 strategy will apply the same discipline and clarity of purpose to capital allocation, deepening structured investment governance and pursuing export-oriented, sustainability-linked opportunities that expand the Group's reach and strengthen the foundations on which future growth continues to rise.

Theme	Strategic Outlook
Portfolio Rationalisation and Capital Discipline	Continue streamlining the Group's portfolio through targeted liquidations and divestments of underperforming entities, while reinforcing disciplined capital allocation across business segments.
Structured Investment Governance	Strengthen oversight of strategic investment decisions through dedicated governance structures that evaluate new opportunities and review the future viability of underperforming segments.
Renewable Energy and Low-Carbon Investments	Expand investment in renewable energy assets, including solar, hydro and waste-to-energy projects, to capture emerging opportunities in the region's low-carbon energy transition.
Export-Oriented and Value-Added Diversification	Advance diversification into value-added agri-processing, sustainable packaging solutions and higher-value agricultural products to strengthen export competitiveness.
Strategic Partnerships and Portfolio Realignment	Pursue strategic partnerships and ownership restructuring that bring international market access and specialised expertise, supporting the next phase of growth for key businesses.

STRATEGY



SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Strategic Overview

Sustainability remains embedded within the Group's business strategy, supporting environmental stewardship, social value creation and responsible governance practices while contributing to long-term business resilience.

Key Initiatives and Achievements FY 2025/26

- Aitken Spence PLC became the first diversified holding company in Sri Lanka to receive Science Based Targets initiative (SBTi) validation for its emissions-reduction targets.
- Expanded investment in renewable energy generation and circular-economy initiatives, including waste-to-energy operations.
- Strengthened sustainability reporting and climate-related disclosures in line with evolving global standards.
- Continued significant investment in community development programmes benefiting plantation communities.
- Advanced regenerative agriculture practices, supporting improvements in productivity and environmental sustainability.
- Expanded biodiversity conservation initiatives, including habitat restoration and wildlife-corridor protection.
- Maintained internationally recognised sustainability, food-safety and environmental certifications.
- Achieved significant sustainability milestones within healthcare, including JCI accreditation and innovative wastewater-treatment infrastructure.
- Continued supporting underprivileged patients through the Group's flagship kidney-transplant assistance programme.
- Enhanced water stewardship and sustainable packaging initiatives across the Beverages sector.

STRATEGIC DIRECTION FY 2026/27

Sustainability and social Responsibility

Sustainability remains woven into the Group's broader journey of renewal and its enduring sense of responsibility to the communities and markets it serves. Building on the milestones achieved in FY2025/26, including Science Based Targets initiative (SBTi) validation of its near-term emissions targets, the FY2026/27 strategy will honour this heritage while accelerating the net-zero pathway, deepening circular-economy practices, and strengthening climate-related governance and disclosure.

Theme	Strategic Outlook
Accelerating the Net-Zero Pathway	Progress towards our subsidiary Aitken Spence Group's Board-approved near-term emissions-reduction targets, building on SBTi validation to accelerate decarbonisation across operations towards net-zero by 2030.
Strengthening Climate Governance and Disclosure	Deepen the Group's Sustainability Council-led governance structures and advance SLFRS S1 and S2 climate-related financial disclosures to enhance transparency and resilience.
Circular Economy and Resource Efficiency	Expand waste-to-energy operations, sustainable water management and circular-economy initiatives to reduce the Group's resource footprint across business segments.
Community and Social Impact	Continue significant investment in community development programmes, biodiversity conservation and regenerative agriculture practices that support plantation and estate communities.
Sustainable and Responsible Tourism	Advance sustainability certifications and eco-conscious property design across the hotels portfolio, while exploring smart technologies and regenerative practices to enhance environmental outcomes.



TALENT DEVELOPMENT AND LEADERSHIP

Strategic Overview

Investment in people remained a strategic priority, with continued emphasis on leadership development, succession planning, employee wellbeing and workforce capability building to support long-term organisational success.

Key Initiatives and Achievements FY 2025/26

- Aitken Spence PLC launched Elevate 2.0, the next phase of the Group's Management Trainee Programme, supporting leadership succession and talent pipeline development.
- Conducted a Group-wide Culture Survey and introduced an Employee Assistance Programme (EAP) to strengthen employee wellbeing.
- Integrated digital capability building and AI literacy into workforce development initiatives.
- Continued promoting diversity and inclusion through targeted leadership and development programmes.
- Sustained investment in technical, professional and operational training across all business sectors.
- Enhanced workforce capabilities within plantation operations through structured technical and vocational training programmes.
- Strengthened employee welfare and support schemes across Group companies.
- Successfully navigated a generational leadership transition while maintaining governance continuity and strategic stability.
- Expanded employee development initiatives across the Beverages sector to strengthen technical and leadership capabilities.
- Continued community health education, clinical training and quality-improvement programmes within the healthcare business.

STRATEGIC DIRECTION FY 2026/27

Talent Development and Leadership

Building on the talent development initiatives introduced in FY2025/26, the Group's Human Resources strategy for FY2026/27 will focus on strengthening leadership capability, enhancing employee engagement, and cultivating a future-ready workforce that supports long-term business growth.

Theme	Strategic Outlook
Building the Leadership Pipeline	Expand structured leadership development and management trainee programmes to strengthen the Group's leadership bench and ensure sustainable succession across all business units.
Attracting and Retaining Talent	Enhance the Group's employer brand by offering a compelling employee value proposition, meaningful career opportunities, and an engaging workplace culture to attract and retain top talent.
Transparent Career Pathways	Establish clear and structured career progression frameworks across functions, including specialist pathways for technical disciplines such as Information Technology and Digital Services.
High-Performance Culture	Further embed a performance-driven culture by strengthening accountability and aligning recognition, rewards, and career advancement with individual and organisational performance.
Continuous Learning and Capability Development	Expand technical, behavioural, and leadership development programmes, with a strong emphasis on upskilling and reskilling to meet evolving business and industry needs.

Talent Development and Leadership (contd.)

Theme	Strategic Outlook
Corporate Values and Culture	Reinforce the Group's core values through employee engagement initiatives, value-based leadership practices, and culture-building programmes that strengthen organisational cohesion.
Workplace Safety and Well-being	Foster a proactive safety culture that goes beyond regulatory compliance by encouraging employee ownership, awareness, and accountability for workplace health, safety, and well-being.
Succession Planning and Talent Mobility	Strengthen succession planning through systematic identification and development of high-potential employees, while promoting greater talent mobility and cross-functional exposure across the Group.



GLOBAL EXPANSION AND MARKET DEVELOPMENT

Strategic Overview

The Group continued to strengthen its international footprint through geographic expansion, strategic partnerships and market diversification, supporting the long-term growth of its businesses across regional and global markets.

Key Initiatives and Achievements FY 2025/26

- Continued evaluating growth opportunities within regional hospitality markets, including Oman.
- Expanded Services sector market presence across the Maldives, Gulf Cooperation Council (GCC) region and selected European corridors.
- Strengthened Maritime and Logistics networks across Asia while supporting Colombo's position as a regional transhipment hub.
- Expanded destination management operations to capture growing tourism demand across regional markets.
- Leveraged strategic partnerships, agency networks and joint ventures to strengthen international market access.
- Sustained access to premium export markets through internationally recognised quality and sustainability certifications.
- Advanced agricultural diversification initiatives aimed at strengthening export-oriented revenue streams.
- Pursued new export market opportunities within the Beverages sector while strengthening existing international distribution channels and premium positioning.

STRATEGIC DIRECTION FY 2026/27

Global Expansion and Market Development

As fresh perspectives, emerging opportunities and new capabilities build upon the principles that have long defined the Group, the FY2026/27 strategy will extend its journey of renewal across industries, markets and communities, deepening its regional footprint, diversifying source markets, and strengthening strategic partnerships, preserving continuity while giving greater direction to its future global expansion.

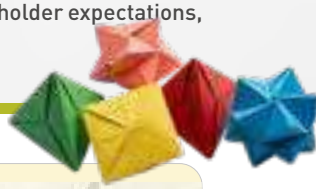
Theme	Strategic Outlook
Regional Hospitality Expansion	Continue evaluating growth opportunities within regional hospitality markets, including Oman, while assessing its long-term potential despite near-term geopolitical headwinds.
Diversifying Source Markets	Strengthen resilience by diversifying tourism source markets and expanding presence in resilient geographies to reduce exposure to volatility in any single market.
Strengthening Colombo's Transhipment Hub Position	Reinforce Colombo's position as a leading regional transhipment hub, capturing growth in trans-shipment volumes as global shipping routes realign.
Strategic Partnerships and Market Access	Leverage agency networks, joint ventures and strategic alliances to strengthen international market access across the Maldives, the GCC region and selected European corridors.
Export Market Diversification	Pursue new export market opportunities and strengthen international distribution channels across the Beverages, apparel and agri-processing segments.



MATERIALITY

Melstacorp's FY2025/26 materiality assessment reflects the Group's broader narrative of Transition: a purposeful journey of renewal, adaptation and long-term value creation across our businesses, markets and stakeholder relationships. Building on the double materiality approach adopted in previous years, we assessed both the impact of economic, environmental, social and governance (EESG) factors on the Group, and the Group's own impacts on the economy, environment and society.

The assessment was conducted through a structured, multi-stage process designed to ensure alignment with stakeholder expectations, emerging sustainability priorities and the Group's strategic direction:



Research and benchmarking	Stakeholder engagement	Materiality evaluation	Prioritisation and validation	Strategic integration
Reviewed business performance trends, industry developments, peer practices and evolving sustainability disclosure requirements, including alignment with SLFRS S1 and SLFRS S2, across the Group's diversified portfolio.	Obtained structured input from key stakeholder groups, including customers, employees, investors, business partners, regulators and communities (refer to the Stakeholder Engagement section of this Report).	Assessed and scored each topic based on its significance to stakeholders and its potential impact on our ability to create value, supported by leadership review and risk considerations.	Ranked material topics according to their relative importance and validated the outcomes through review by senior management and the Board.	Embedded the confirmed priorities into the Group's strategy, risk management framework and sustainability reporting processes.

As Sri Lanka's operating environment continues to stabilise and evolve, this year's assessment places renewed emphasis on strategic diversification, digital transformation and climate resilience, alongside our enduring focus on financial strength, talent development and robust governance. Together, these priorities support Melstacorp's ongoing transition and reinforce its capacity to create sustainable value over the long term.

Material Topic		Impact to Stakeholders Score 1 (low) to 10 (high)	Impact to Melstacorp Score 1 (low) to 10 (high)	Reference
Financial Performance and Resilience	1. Financial performance, stability and managing liquidity	5	9	Financial Capital
	2. Cost efficiency	4	8	Financial Capital
	3. Property, investment portfolio and strategic diversification	3	8	Financial Capital
Macroeconomic and Risk Environment	4. Macroeconomic conditions	4	7	Risk Management
	5. Risk management	5	7	Risk Management
Customer and Market Relations	6. Customer satisfaction	6	7	Social and Relationship Capital
	7. Product and service innovation	6	7	Intellectual Capital
	8. Brand visibility and stakeholder trust	5	6	Intellectual Capital
Operational Excellence and Innovation	9. Service and operational excellence	6	5	Intellectual Capital
	10. Digital transformation and data resilience	5	7	Intellectual Capital

Material Topic		Impact to Stakeholders Score 1 (low) to 10 (high)	Impact to Melstacorp Score 1 (low) to 10 (high)	Reference
Human Capital and Workplace	11. Talent management	7	6	Human Capital
	12. Health and safety	8	5	Human Capital
Governance and Ethical Conduct	13. Good governance	8	6	Corporate Governance
Sustainability and ESG Commitments	14. Product responsibility and sustainability	4	5	Social and Relationship Capital
	15. Responsible procurement	5	7	Social and Relationship Capital
	16. Carbon emissions and energy use	4	7	Natural Capital
	17. Ecosystem and water stewardship	3	5	Social and Relationship Capital
	18. Material efficiency and waste reduction	4	6	Social and Relationship Capital
	19. Local community engagement	8	4	Social and Relationship Capital
Stakeholder Relationships	20. Stakeholder and partner relationships	8	6	Stakeholder Engagement

Materiality Matrix



1 Financial performance, stability and managing liquidity
2 Cost efficiency
3 Property, investment portfolio and strategic diversification
4 Macro-economic conditions
5 Risk management
6 Customer satisfaction
7 Product and service innovation
8 Brand visibility and stakeholder trust
9 Service and operational excellence
10 Digital transformation and data resilience
11 Talent management
12 Health and safety
13 Good governance
14 Product responsibility and sustainability
15 Responsible procurement
16 Carbon emissions and energy use
17 Ecosystem and water stewardship
18 Material efficiency and waste reduction
19 Local community engagement
20 Stakeholder and partner relationships

RISK & OPPORTUNITIES

In an increasingly complex and volatile global environment, robust risk management remains fundamental to Melstacorp's strategy of creating sustainable long-term value while safeguarding stakeholder confidence. The year under review was marked by heightened geopolitical uncertainty, including the resurgence of conflicts in the Middle East, intensifying geoeconomic competition among major economies, persistent inflationary pressures, currency volatility, and evolving climate and weather patterns with far-reaching implications for the Group's diversified business portfolio. Concurrently, the rapid advancement and widespread adoption of artificial intelligence, amidst an evolving regulatory landscape, have created transformative opportunities and emerging risks across the sectors in which the Group operates.

Against this backdrop, Melstacorp continued to strengthen its Enterprise Risk Management (ERM) framework, enhancing its ability to identify, assess, monitor, and respond proactively to an increasingly dynamic and interconnected risk environment. The Group's risk management approach remains firmly integrated with strategic planning and decision-making processes, enabling timely responses to emerging threats while capitalising on opportunities arising from market and technological developments.

To further reinforce risk governance, the Board established a dedicated Board Risk Management Sub-Committee during the year. The Sub-Committee provides focused oversight of enterprise-wide risk matters and works in close collaboration with the Audit Committee and the Group Internal Audit and Risk Management Division to ensure risk management practices remain effective, comprehensive, and aligned with the evolving complexity of the Group's operations. This enhanced governance structure supports a coordinated approach to risk identification, assessment, mitigation, monitoring, and reporting across the Group's diverse business sectors, including Beverages, Plantations, Tourism, Maritime and Freight Logistics, Strategic Investments, Services, and Financial Services.

Melstacorp's proactive and integrated approach to risk management strengthens organisational resilience, supports prudent capital and resource allocation, and enables the Group to navigate uncertainty while pursuing sustainable growth objectives. By embedding risk considerations into business planning and operational decision-making, the Group continues to enhance its capacity to withstand disruptions, protect stakeholder interests, and create long-term value.

This report outlines the principal risks and opportunities facing the Group and an overview of the governance structures, policies, and processes that underpin Melstacorp's risk management framework for the financial year 2025/26.

THE GLOBAL RISK LANDSCAPE

The global economy is operating in an increasingly uncertain environment shaped by rising geopolitical tensions, economic fragmentation, technological transformation, and growing environmental challenges. Escalating conflicts, the strategic use of economic policies, and evolving international alliances are redefining global trade flows, supply chains, investment patterns, and business operating environments. At the same time, persistent inflation, exchange rate volatility, financial market fluctuations, and concerns regarding economic growth continue to affect business sentiment and decision-making.

Over the medium- to long-term, interconnected issues, including inequality, social polarisation, climate change, resource scarcity, and ecosystem degradation, are expected to remain key sources of global risk. Rapid advances in technology, particularly in artificial intelligence and digital platforms, offer significant opportunities to improve innovation and productivity. However, they also introduce emerging risks related to cybersecurity, misinformation, data governance, and the unintended impacts of advanced technologies.

Environmental risks are becoming increasingly significant as extreme weather events, shifting climate conditions, biodiversity loss, and resource constraints continue to affect economies and industries worldwide. These trends underscore the need to integrate climate resilience, sustainability priorities, and adaptive capabilities into enterprise risk management practices.

For Melstacorp, many of these global developments have direct implications across its diversified portfolio. Geopolitical uncertainty and economic fragmentation may affect exposure to energy prices, logistics and shipping networks, commodity markets, and international trade activities. Climate-related risks and environmental changes remain particularly relevant to the Plantations sector and coastal Tourism assets, where performance is closely linked to natural ecosystems and weather conditions. At the same time, the growing adoption of artificial intelligence and digital technologies presents opportunities to enhance operational efficiency, innovation, and customer experience across the Group, while increasing exposure to technology, cybersecurity, and data-related risks, especially within Financial Services.

In response, Melstacorp continues to enhance its enterprise risk management framework to strengthen its ability to identify emerging risks, evaluate potential impacts, implement effective mitigation measures, and build organisational resilience in support of sustainable long-term value creation.

DOMESTIC RISK LANDSCAPE - SRI LANKA

Sri Lanka entered the latter half of 2025 with signs of macroeconomic recovery supported by continued implementation of the IMF-supported reform programme, improving external sector stability, the gradual rebuilding of foreign exchange reserves, and a return to positive economic growth. While the immediate risks associated with the economic crisis have receded, the domestic risk environment remains exposed to a range of external and structural vulnerabilities. Key risks stem from geopolitical developments in the Middle East, volatility in global energy and commodity markets, climate-related disruptions, and ongoing pressures on the country's external sector.

Energy Price Volatility and Supply Chain Disruptions

Sri Lanka's vulnerability to developments in the Middle East has been underscored by both the IMF and the Asian Development Bank, with energy prices remaining the primary channel through which external shocks affect inflation and the country's external sector performance. Recent electricity tariff increases in April and May 2026, coupled with continued volatility in global freight and shipping costs stemming from disruptions in the Red Sea and Gulf regions, have contributed to higher operating expenses across the Group's manufacturing, logistics, and hospitality businesses.

Climate Variability, El Niño Conditions and Agricultural Risk

Climate-related risks continue to represent a significant concern for Sri Lanka's economy. Meteorological forecasts indicate a potential transition towards El Niño conditions during 2026, increasing the risk of disrupted monsoon patterns, below-average rainfall, drought conditions, and water stress across parts of the country. Such developments can adversely affect agricultural productivity, water availability, and hydroelectric power generation, with broader implications for economic activity and food security.

These risks are particularly relevant to the Group's Plantations sector, where tea and rubber cultivation remains highly dependent on rainfall patterns and climatic conditions. Variability in precipitation levels and temperature patterns can impact crop yields, production costs, and overall profitability. Climate-related developments may also affect the performance of the Group's strategic investments in power generation and other water-dependent operations.

Tourism and Aviation Sector Vulnerability

Although Sri Lanka's tourism sector has demonstrated a strong recovery, it remains vulnerable to external developments that can affect international travel demand and connectivity. Ongoing geopolitical tensions in the Middle East continue to pose risks to regional aviation networks, particularly through key Gulf transit hubs, potentially disrupting flight connectivity and reducing visitor arrivals from important source markets. Such developments could have a negative impact on foreign exchange earnings, occupancy levels, and employment within the Group's Tourism segment.

External Sector and Currency Risks

While the Central Bank of Sri Lanka has noted improvements in external sector performance, the IMF and ADB continue to highlight the vulnerability of external buffers to external shocks, particularly fluctuations in the energy import bill. Worker remittances remain a key source of foreign exchange liquidity; however, ongoing tensions in the Middle East present potential risks to overseas employment opportunities and the associated flow of remittance inflows.

RISK GOVERNANCE AND OVERSIGHT

Ultimate accountability for risk management resides with the Board of Directors, with risk oversight remaining a permanent agenda item. Strengthening the Group's governance framework, a dedicated Board Sub-Committee on Risk Management was established in recognition of the increasing scale, complexity, and diversity of operations across the Group's seven business segments. The Sub-Committee provides focused oversight of key enterprise risks, evaluates the effectiveness of mitigation measures, and ensures that emerging risks, including those associated with geopolitical developments, climate-related challenges, and technological advancements, are identified and escalated to the Board on a timely basis.

The Board Sub-Committee on Risk Management works in close coordination with the Audit Committee, which continues to oversee financial controls, regulatory compliance, and risk mitigation activities. Supporting these governance structures, the Internal Audit & Risk Management Division is responsible for developing, maintaining, and continuously enhancing the Group's Enterprise Risk Management (ERM) framework, while providing centralised oversight, guidance, and risk consolidation across all business segments.

Board of Directors

Provides overall stewardship of the Group's risk management framework and retains ultimate responsibility for defining risk appetite, determining risk tolerance levels, and overseeing strategic risk exposure.

Board Sub-Committee on Risk Management

Provides dedicated oversight of the Group's enterprise-wide risk profile, reviews principal and emerging risks, evaluates the effectiveness of mitigation measures, and supports the Board in strengthening risk governance and resilience.

Audit Committee

Oversees financial reporting risks, internal controls, regulatory compliance, governance processes, and the effectiveness of assurance activities across the Group.

Internal Audit & Risk Management Division

Develops and maintains the Group ERM framework, consolidates segment-level risk assessments into a comprehensive Group-wide risk view, facilitates risk reporting, and provides technical guidance on risk identification, evaluation, mitigation, and monitoring.

Segment Risk Management Committees

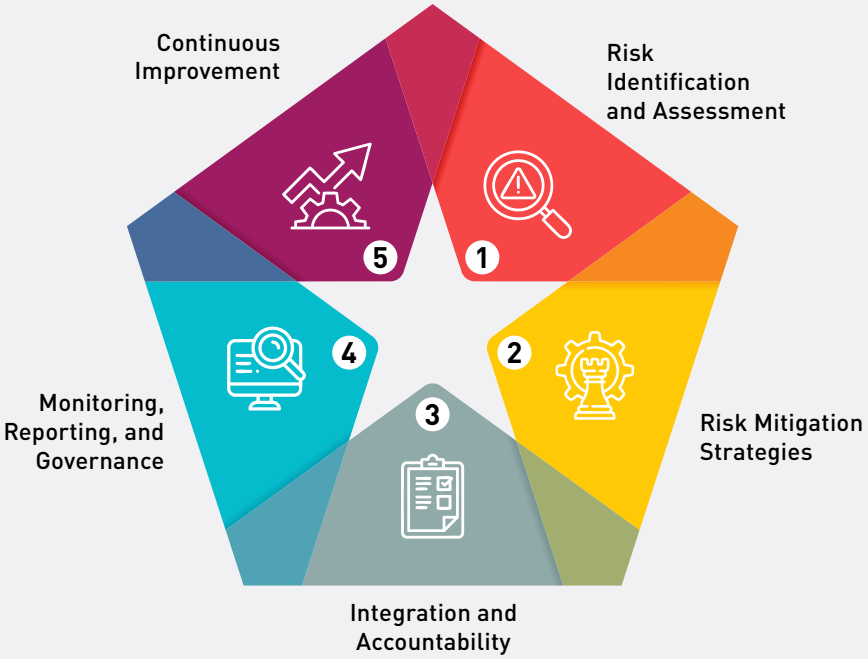
Operate within each business segment to identify, assess, monitor, and manage risks specific to their operating environments, business models, and market dynamics, while escalating material risks to Group-level governance forums as appropriate.

RISK & OPPORTUNITIES

This decentralised yet integrated approach enables risk management to be embedded within day-to-day business operations while maintaining consistent oversight and alignment at Group level. It ensures that risk responses are tailored to the unique characteristics of each business segment while remaining aligned with the Group's overall risk appetite, strategic priorities, and governance standards. The framework is further strengthened by a culture of transparency, accountability, and proactive risk awareness, supported through regular risk reviews, scenario analysis, stress testing, risk workshops, and cross-functional engagement across the Group.

RISK MANAGEMENT FRAMEWORK

Our Enterprise Risk Management (ERM) framework is designed to enhance resilience, protect stakeholder value, and support sustainable long-term growth. Through a proactive and integrated approach to identifying, assessing, monitoring, and mitigating risks, the framework enables the Group to effectively navigate an increasingly volatile and interconnected business environment while safeguarding its operations, financial performance, and reputation.



1. Risk Identification and Assessment

The risk management process begins with the ongoing identification and evaluation of risks across the Group. Through horizon scanning, stakeholder engagement, industry intelligence, and reference to leading global risk outlooks such as the World Economic Forum's Global Risks Report, we monitor a wide range of strategic, operational, financial, compliance, ESG, and geopolitical risks. Each risk is assessed based on its potential impact and likelihood to determine its significance and priority

2. Risk Mitigation Strategies

In line with the Group's risk appetite and tolerance levels, appropriate risk response strategies are developed to manage identified exposures. These may involve avoiding, mitigating, transferring, or accepting risks and are implemented through initiatives such as process enhancements, strengthened controls, business continuity measures, and targeted strategic interventions designed to reduce potential impacts.

3. Integration and Accountability

Our Enterprise Risk Management (ERM) framework is embedded within both day-to-day operations and strategic decision-making processes. Responsibility for managing risk is assigned across all levels of the organisation, promoting a strong culture of risk awareness, accountability, and proactive risk management throughout the Group's business segments.

4. Monitoring, Reporting and Governance

Continuous monitoring, regular risk assessments, and internal audit reviews are conducted to evaluate the effectiveness of controls and identify emerging risks. Key findings and risk insights are reported through the Internal Audit & Risk Management Division to the Board Sub-Committee on Risk Management, the Audit Committee, and ultimately the Board, ensuring timely oversight and informed decision-making.

5. Continuous Improvement

The Group's ERM framework is designed to be dynamic and continuously evolving. It is regularly reviewed and benchmarked against leading industry practices, including the COSO framework and the requirements of SLFRS S1 and SLFRS S2, to ensure it remains robust, relevant, and responsive to an increasingly complex and rapidly changing business environment.

RISK APPETITE AND TOLERANCE

Melstacorp's operations span seven diverse business segments, each with its own operating characteristics, strategic priorities, and risk exposures. Accordingly, a standardised risk appetite applied across the Group would not fully capture the varying risk profiles of individual segments. To address this, the Board Sub-Committee on Risk Management has defined an overarching risk appetite and tolerance framework that establishes common risk management principles, while allowing each segment to tailor its risk appetite to its specific business objectives and changing risk environment.

- **Safety and People:** Low tolerance for significant health and safety incidents, with zero tolerance for deliberate breaches of safety requirements, particularly within the Plantations, Maritime & Freight Logistics, and Tourism sectors.
- **Financial Resilience:** Commitment to maintaining strong liquidity positions, compliance with financing covenants, and prudent leverage levels within Board-approved thresholds, while closely managing foreign exchange and commodity price risks.
- **Ethics and Compliance:** Zero tolerance for bribery, corruption, and significant compliance failures, including breaches relating to excise regulations, AML/CFT requirements, and data privacy obligations.
- **Operations and Quality:** Low to moderate tolerance for operational disruptions, supported by a strong emphasis on product quality, food and beverage safety, and uninterrupted service delivery.
- **Technology and Data:** Low tolerance for cybersecurity incidents, loss of sensitive information, or prolonged disruptions to critical systems, particularly within the Financial Services segment.
- **Reputation:** Low tolerance for incidents that could materially damage stakeholder confidence or the reputation of the Group's brands, especially within the Beverages, Health Care and Financial Services sectors where trust is fundamental to business success.

RISK & OPPORTUNITIES

PRINCIPAL RISKS FOR 2025/26

The table below presents a high-level overview of the principal risks facing Melstacorp during the financial year and illustrates changes in the Board's assessment of their significance compared with the previous year. It provides a concise snapshot of the Group's key risk exposures, reflecting developments in both the external environment and the Group's operating landscape. Detailed analyses of each risk, including potential impacts, mitigation measures, and the business segments affected, are provided in the sections that follow.

Principal Risk	2025/26	2024/25
A. Geopolitical Fragmentation & Geoeconomic Confrontation	High	Moderate
B. Concentration Risk Beverages Earnings Dependency	Moderate	Moderate
C. Climate Variability, El Niño & Commodity Price Risk Plantations	High	Moderate
D. Extreme Weather Events & Natural Disasters	Moderate	Moderate
E. Currency, Inflation & Market Risk	High	High
F. Technology, Cybersecurity & AI Risk	Moderate	Moderate
G. People, Talent & Skills Gap	Moderate	High
H. Regulatory & Compliance Risk	Moderate	Moderate
I. Supply Chain, Energy & Fuel Disruption	Moderate	Moderate
J. Occupational Health & Safety	Moderate	Moderate
K. Misinformation, Societal Polarisation & Reputation	Low	Low
L. Competition, Revenue Gap & Business Resilience	Moderate	Moderate

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
1. Geopolitical Fragmentation and Geoeconomic Confrontation				
Geopolitical developments have evolved from being peripheral concerns to becoming a significant determinant of Group performance. The escalation of conflict in the Middle East in February 2026, together with its effects on global energy and shipping markets, has been identified by the IMF as a major macroeconomic shock. Adding to market uncertainty, the UAE's withdrawal from OPEC has altered the dynamics of global oil supply management by removing a key Gulf producer from the production quota framework. Although a ceasefire is currently in place, it is widely viewed as a temporary reprieve rather than a lasting resolution, with the underlying sources of tension remaining unresolved.	For Melstacorp, these developments translate into increased fuel and energy expenses across its operations, disruptions to key Gulf transit corridors that may affect Tourism arrivals, and heightened volatility in freight and shipping costs impacting the Maritime & Freight Logistics segment.	• Diversify customer markets, sourcing locations, and revenue streams to minimise dependence on any single geography or area of geopolitical concentration. • Enhance operational agility through alternative sourcing arrangements, contingency logistics options, and flexible supplier agreements. • Maintain ongoing surveillance of geopolitical developments through market intelligence and regular engagement with regulatory authorities, industry associations, and other relevant stakeholders. • Preserve robust crisis management and business continuity arrangements to facilitate a rapid and coordinated response to geopolitical disruptions across the Group.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
2. Concentration Risk - Beverages Earnings Dependency				
The Beverages segment, comprising Distilleries Company of Sri Lanka PLC, Periceyl (Private) Limited, and DCSL Breweries Lanka Limited, remains the Group's largest contributor to earnings and cash flows. While this market leadership provides significant scale advantages, it also results in a concentration of earnings within a single business segment, increasing the Group's sensitivity to sector-specific risks and external developments affecting the alcoholic beverage industry.	This exposes Melstacorp to risks arising from unfavourable changes in excise duties and taxation policies, increasing regulatory restrictions on alcohol advertising and distribution, and evolving public perceptions of the alcoholic beverage industry. In addition, currency depreciation can increase the cost of imported inputs, including malt, hops, glass, and packaging materials, placing further pressure on margins and profitability.	• Continue executing the Group's diversification strategy by strategically allocating capital beyond the Beverages sector to strengthen growth platforms in logistics, renewable energy, and other emerging business areas. • Maintain constructive engagement with regulators and policymakers to support greater visibility and stability in excise duty and taxation frameworks. • Reduce exposure to foreign exchange and import cost fluctuations through a balanced sourcing strategy and strengthened partnerships with key suppliers. • Promote responsible consumption and reinforce brand governance initiatives to safeguard corporate reputation and sustain the Group's social licence to operate.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
3. Climate Variability, El Niño & Commodity Price Risk - Plantations				
According to projections by Sri Lanka's Department of Meteorology and international forecasting agencies, climatic conditions are expected to shift towards a moderate El Niño phase in 2026, accompanied by below-average south-west monsoon rainfall across much of South Asia.	Historically, El Niño conditions have amplified climate-related risks in Sri Lanka by disrupting monsoon patterns and reducing rainfall levels. These effects can adversely impact tea and rubber production, prolong harvesting cycles, and increase irrigation and agricultural input costs at Balangoda Plantations PLC and Madulsima Plantations PLC. While the Group's exposure to Elpitiya Plantations PLC is limited to its share of earnings, it remains indirectly exposed to fluctuations in profitability arising from similar climatic conditions. In addition, global tea and rubber prices continue to be influenced by broader macroeconomic trends, freight cost movements, and demand conditions in key export markets, further contributing to earnings volatility.	• Monitor seasonal weather forecasts and climate outlooks issued by local and international meteorological agencies to support timely decisions relating to irrigation, harvesting schedules, and replanting programmes. • Enhance climate resilience through investments in drought-tolerant agricultural practices, water management and conservation systems, and improved shade management across plantation estates. • Broaden the crop portfolio and expand value-added processing capabilities to reduce dependence on individual commodity price cycles and market fluctuations. • Work closely with plantation management teams to maintain cost efficiency, safeguard yields, and strengthen operational resilience during periods of adverse climatic conditions.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
4. Extreme Weather Events & Natural Disasters				
The Group's diversified operations are spread across multiple geographic locations, exposing it to a range of physical climate and weather-related risks. Increasing climate volatility has resulted in a higher frequency and severity of extreme weather events, including cyclones, floods, landslides, and severe storm conditions. Recent events, including Cyclone Ditwah in late 2025, highlighted the vulnerability of regional infrastructure, transportation networks, utilities, and business operations to weather-related disruptions. As climate change continues to influence weather patterns, the likelihood of operational interruptions, physical asset damage, and supply chain disruptions is expected to increase.	Extreme weather events have the potential to affect several of the Group's business sectors. Beyond the drought and rainfall risks facing the Plantations sector, severe weather conditions may disrupt operations at coastal Tourism properties, impact port, terminal, and logistics activities within the Maritime & Freight Logistics sector, and cause damage to property assets within the Group's real estate portfolio.	• Maintain and periodically validate Business Continuity Management (BCM) and Disaster Risk Management frameworks across all business segments to ensure operational preparedness and resilience during disruptive events. • Deploy robust weather monitoring and early warning mechanisms, supported by clearly defined escalation procedures and response actions to facilitate timely decision-making. • Integrate climate resilience considerations into infrastructure development, asset management, and capital investment decisions, including the incorporation of climate risk assessments into project planning and site selection processes. • Preserve adequate insurance protection for key physical assets and operations, particularly within the Plantations, Tourism, and Property segments, to mitigate the financial impact of extreme weather-related events and business interruptions.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
5. Currency, Inflation & Market Risk				
The Group remains exposed to macroeconomic risks arising from currency volatility, inflationary pressures, and elevated interest rates. Exchange rate fluctuations, particularly the depreciation of the Sri Lankan Rupee against major trading currencies, can increase the cost of imported goods and services, while persistent inflation may place upward pressure on operating expenses and reduce consumer purchasing power. Higher interest rates may also increase borrowing costs and influence investment and consumption patterns within the broader economy.	These macroeconomic conditions can have a direct impact on the Group's cost structure, profitability, and demand outlook. Foreign currency movements create exposure where imported input costs are incurred in foreign currencies while revenues are largely generated in local currency. This is particularly relevant for the Beverages segment, which relies on imported raw materials and packaging components, as well as the Plantations and Maritime & Freight Logistics sectors, which require imported machinery, equipment, and spare parts. Inflationary pressures may increase operating costs across the Group, while weaker consumer spending and higher financing costs could affect demand, investment returns, and overall business performance.	• Continuously track foreign exchange market developments through the Group Treasury function to assess currency trends, identify key risk drivers, and support timely decision-making. • Utilise appropriate hedging mechanisms, where feasible, to reduce exposure to adverse movements in exchange rates. • Optimise the currency mix of revenue streams and payment obligations while incorporating price adjustment provisions into major contracts where appropriate. • Undertake regular stress testing and scenario-based assessments to evaluate the Group's ability to withstand macroeconomic volatility and support strategic capital deployment decisions.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
6. Technology, Cybersecurity & AI Risk				
The Group's growing dependence on digital technologies, online platforms, and data-driven processes has increased its exposure to cybersecurity and technology-related risks. As digitalisation accelerates across industries, organisations face an evolving threat landscape characterised by increasingly sophisticated cyberattacks, including ransomware, phishing, malware, data breaches, and system intrusion attempts. The rapid adoption of artificial intelligence and emerging technologies is further reshaping the risk environment, introducing new challenges related to data governance, algorithmic bias, regulatory compliance, ethical use of technology, and oversight of automated decision-making processes.	These risks are particularly relevant to the Group's Financial Services operations, including insurance and money transfer businesses, which process significant volumes of sensitive customer, financial, and transactional data. A successful cyberattack, data breach, or prolonged technology outage could result in financial losses, operational disruption, regulatory sanctions, reputational damage, and loss of stakeholder confidence. More broadly, increased reliance on digital platforms across the Group may heighten exposure to technology failures, information security incidents, and emerging AI-related risks that could affect operational resilience, customer trust, and business performance.	• Maintain a comprehensive cybersecurity framework encompassing secure network infrastructure, data encryption, vulnerability management, and timely security patching of critical systems. • Enhance identity and access management controls by applying least-privilege access principles and multi-factor authentication across key applications and technology environments. • Implement robust governance and oversight mechanisms for the responsible use of artificial intelligence and ensure compliance with applicable data privacy and protection regulations, including Sri Lanka's Personal Data Protection Act. • Deliver ongoing cybersecurity awareness and training programmes to strengthen employee vigilance against phishing attacks, social engineering threats, human error, and inappropriate handling of sensitive information.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
7. People, Talent & Skills Gap				
The Group continues to face human capital challenges arising from skilled labour shortages, increased workforce mobility, demographic changes, and rising employee expectations regarding remuneration, career development, and workplace flexibility. Competition for talent remains intense across several industries, while labour migration and changing workforce demographics are contributing to a tightening talent market. These trends are particularly pronounced in sectors that depend on specialised technical expertise or large operational workforces.	Talent attraction, retention, and succession remain key priorities across the Group. Elevated employee turnover, shortages of specialised skills, and the migration of experienced personnel may affect operational efficiency, service quality, productivity, and business continuity. These challenges are particularly relevant within the Tourism, Maritime & Freight Logistics, and Plantations sectors, where the availability of skilled personnel is critical to operational performance. In the Plantations sector, an ageing workforce and difficulties in attracting younger employees may further constrain productivity and increase labour-related costs, while shortages of specialised talent in other sectors could affect growth initiatives and strategic execution.	• Implement strategic workforce planning to anticipate future skill gaps and secure talent pipelines, including recruitment agencies and educational institutions. • Strengthen employee retention through competitive compensation, career development, and an inclusive, supportive work culture. • Invest in continuous training, upskilling, and cross-training programmes to build a flexible and competent workforce. • Strengthen labour relations management to foster a stable and collaborative work environment on plantation estates.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
8. Regulatory & Compliance Risk				
The Group operates across a diverse portfolio of highly regulated industries, making it subject to an increasingly complex and evolving regulatory landscape. Key areas of regulatory exposure include excise and taxation policies affecting the Beverages sector, Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and Counter-Proliferation Financing (CPF) requirements applicable to Financial Services and Western Union agency operations, as well as expanding environmental, social, governance (ESG), and sustainability-related reporting requirements, including those arising under SLFRS S1 and SLFRS S2. Frequent regulatory changes, heightened supervisory expectations, and increasing disclosure obligations continue to elevate compliance risks across the Group.	Failure to comply with applicable laws, regulations, licence conditions, or reporting requirements could expose the Group to financial penalties, legal actions, regulatory sanctions, increased compliance costs, and reputational damage. In certain instances, material non-compliance may also result in restrictions on business activities, loss or suspension of licences, and disruption to operations. The increasing complexity of regulatory requirements further necessitates ongoing investment in governance, compliance monitoring, employee training, and reporting capabilities across the Group's businesses.	• Conduct periodic risk-based compliance training programmes to strengthen employee awareness and adherence to key regulatory requirements, with particular focus on AML, CFT, and CPF obligations within the Financial Services sector. • Embed ESG governance and accountability throughout the Group by ensuring that sustainability-related policies, controls, and performance standards are effectively implemented and monitored across all business units. • Provide regular updates and regulatory horizon-scanning reports to the Board Sub-Committee on Risk Management to support proactive oversight of emerging regulatory developments and compliance risks.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
9. Supply Chain, Energy & Fuel Disruption				
The Group is exposed to risks arising from volatility in global energy markets and disruptions across international supply chains. Geopolitical tensions, particularly in key energy-producing regions, can contribute to fluctuations in fuel and energy prices, while ongoing pressures on global procurement, transportation, and shipping networks may lead to supply shortages, delivery delays, and increased freight costs. These risks are further amplified by growing uncertainty in global commodity markets and trade routes.	Volatility in energy prices and supply chain disruptions can increase operating costs and adversely affect business continuity across several of the Group's sectors. The Beverages segment is exposed through its reliance on imported raw materials and packaging inputs, while the Plantations sector remains sensitive to fluctuations in fertiliser, fuel, and other agricultural input costs. The Maritime & Freight Logistics sector is particularly vulnerable to changes in bunker fuel prices, freight rates, vessel availability, and supply chain congestion. Prolonged disruptions or sustained cost increases may place pressure on margins, reduce operational efficiency, and affect the Group's overall profitability.	• Strengthen supply chain resilience by maintaining a diversified network of suppliers and logistics partners, supported by long-term agreements and alternative sourcing arrangements. • Enhance energy security through prudent fuel inventory management and continuous monitoring of fuel prices, market trends, and supply availability. • Reduce exposure to conventional energy market volatility by increasing the adoption of renewable energy solutions and energy-efficient technologies across operations, including within the Group's power generation investments. • Develop and maintain contingency measures, including strategic inventory buffers, alternative supply arrangements, and flexible capacity agreements, to support operational continuity during periods of disruption.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
10. Occupational Health & Safety				
The Group's diversified portfolio includes a range of asset-intensive operations, including distilleries and breweries, plantation estates, port and terminal facilities, logistics infrastructure, and hospitality properties. These operations are exposed to a variety of operational risks, including equipment breakdowns, infrastructure failures, hazardous material incidents, workplace accidents, and other disruptions that could affect business continuity, operational efficiency, and asset integrity.	Operational disruptions within critical facilities may result in production interruptions, service delays, reduced capacity utilisation, increased repair and recovery costs, and loss of revenue. Significant incidents involving employee safety, environmental impacts, or hazardous materials could also lead to regulatory scrutiny, legal liabilities, and reputational damage. Given the scale and interconnected nature of the Group's operations, prolonged downtime or major operational failures have the potential to affect customer service levels, stakeholder confidence, and overall financial performance.	• Maintain comprehensive health, safety, and environmental management systems aligned with recognised international standards, supported by regular audits, inspections, and compliance reviews. • Promote a strong safety culture through ongoing employee training, awareness programmes, and the consistent enforcement of operational procedures and personal protective equipment requirements. • Implement structured incident reporting and investigation processes to identify root causes, monitor recurring patterns, and drive continuous improvements in risk controls. • Enhance operational resilience by investing in critical safety infrastructure, including fire detection, suppression, and protection systems, while conducting periodic emergency response exercises and business continuity drills.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
11. Misinformation, Societal Polarisation and Reputation				
The increasing spread of misinformation and disinformation through digital and social media channels presents a growing reputational risk for organisations worldwide. The rapid dissemination of inaccurate, misleading, or deliberately false information can influence public perception, undermine stakeholder trust, and amplify the impact of broader social, political, and business-related issues. In an environment where information travels quickly and public scrutiny is heightened, managing reputational risk has become increasingly complex.	As a consumer-facing and trust-dependent organisation, Melstacorp is exposed to reputational risks arising from misinformation, negative publicity, and inaccurate narratives. Such developments could undermine customer confidence, damage brand equity, strain stakeholder relationships, and adversely affect business performance, particularly within the Beverages and Financial Services sectors.	• Adopt a proactive approach to brand and reputation management, reinforcing the Group's values and responding promptly to misinformation or inaccurate public narratives. • Maintain robust crisis communication protocols to enable transparent, consistent, and timely stakeholder communications during reputational events. • Strengthen engagement with key stakeholder groups, including regulators, customers, investors, employees, and local communities, to foster trust and constructive dialogue. • Utilise digital monitoring and social listening capabilities to track stakeholder sentiment, identify emerging issues, and respond rapidly to developing reputational risks.		2024/25 2025/26

Principal Risk	Impact on the Group	Mitigation Plan	Sectors Affected	Risk Level
12. Competition, Revenue Gap & Business Resilience				
The Group faces increasing competitive pressures arising from evolving customer preferences, changing consumption patterns, technological disruption, and the emergence of digital-first business models. Rapid advancements in digital platforms and customer experience expectations are reshaping competitive dynamics, particularly within Financial Services. In addition, growing regional competition within the Tourism sector and the potential loss of strategic partnerships, agency relationships, or distribution arrangements may affect the Group's competitive position and growth prospects.	Failure to adapt to changing market dynamics could result in loss of market share, reduced customer retention, margin compression, and slower revenue growth. The Financial Services sector is particularly exposed to competition from digital-first insurers and money transfer providers, while the Tourism sector faces increasing competition from regional destinations and hospitality operators. Additionally, the loss or weakening of key partnerships, agency agreements, or strategic alliances could adversely affect customer reach, revenue generation, and business continuity within affected segments.	• Undertake continuous market intelligence, competitor analysis, and performance benchmarking to identify emerging competitive threats and support timely strategic responses. • Broaden revenue sources, expand customer segments, and diversify product and service offerings while preserving operational agility and adaptability. • Accelerate digital transformation and service innovation initiatives within the Financial Services sector to enhance competitiveness against fintech and other technology-enabled market entrants. • Strengthen customer loyalty and strategic partnerships through proactive engagement, tailored value propositions, and transparent communication, reducing the risk of customer and partner attrition.	  	2024/25 2025/26

TURNING RISK INTO STRATEGIC OPPORTUNITY

The theme of Transition, which underpins this Annual Report, is equally reflected in Melstacorp's approach to risk management. The Group views periods of economic, technological, environmental, and organisational change not merely as sources of uncertainty, but as opportunities to strengthen competitiveness, enhance resilience, and create long-term value. By proactively identifying emerging trends and integrating risk insights into strategic planning, Melstacorp is able to anticipate change, adapt with agility, and unlock new avenues for growth.

Several initiatives undertaken during 2025/26 demonstrate how the Group converts emerging risks into strategic opportunities:

- Advancing the Group's digital transformation agenda through increased adoption of automation, data analytics, and artificial intelligence across Financial Services, the Services segment, and the broader enterprise platform.
- Responding to evolving climate risks by accelerating the Plantations sector's adoption of climate-resilient agricultural practices, improved water management systems, and other adaptive measures.
- Adapting to changing customer expectations and consumption patterns through enhanced digital engagement and customer experience initiatives across Financial Services, Services, and Tourism.
- Continuing to diversify earnings streams across business segments and geographic markets, reducing concentration risk and strengthening the resilience of the Group's revenue base.
- Supporting Sri Lanka's economic recovery and energy transition through investments in renewable energy and other strategic growth opportunities within the Strategic Investments portfolio.

As Melstacorp's Enterprise Risk Management (ERM) framework continues to evolve, supported by the establishment of the Board Sub-Committee on Risk Management, the Group remains focused on strengthening its ability to anticipate, adapt to, and capitalise on change. By embedding risk awareness into decision-making and fostering a culture of resilience and innovation, Melstacorp seeks not only to navigate an increasingly complex risk landscape, but to transform emerging challenges into sustainable growth opportunities and long-term stakeholder value.

OPPORTUNITIES

While the operating environment during 2025/26 presented significant challenges, it also created opportunities arising from ongoing economic, technological, environmental, and organisational change. Melstacorp's Enterprise Risk Management framework serves not only as a mechanism for mitigating risk, but also as a strategic tool for identifying and capitalising on opportunities emerging from these transitions.

Digital and Artificial Intelligence Transformation

The accelerating adoption of artificial intelligence and digital technologies is creating opportunities to enhance operational efficiency, strengthen decision-making through advanced data analytics, automate business processes, and improve customer engagement. These opportunities are particularly relevant across the Financial Services sector, the Services segment, and the Group's broader technology-enabled operations.

Climate Adaptation in Agriculture

Increasing climate variability reinforces the importance of building resilience within the Plantations sector. Continued investment in climate-smart agricultural practices, water resource management, and drought-resilient cultivation methods is expected to strengthen long-term productivity and improve the sector's ability to adapt to changing weather patterns.

Evolving Customer Preferences

Changing customer expectations and growing digital adoption are creating new opportunities to enhance service delivery and expand market reach. The Group continues to leverage digital channels and innovative customer solutions across insurance, money transfer, Services, and Tourism businesses to improve customer experience and access new market segments.

Portfolio Diversification and Capital Deployment

Ongoing regulatory, economic, and market uncertainties highlight the importance of maintaining a diversified earnings base. The Group continues to allocate capital towards growth sectors such as Financial Services, Services, logistics, and renewable energy, supporting the development of a more balanced, resilient, and sustainable portfolio.

Energy Transition

Sri Lanka's transition towards cleaner and more secure sources of energy, together with the Group's growing renewable energy interests within the Strategic Investments portfolio, presents opportunities to enhance energy resilience, reduce exposure to fuel price volatility, and support long-term sustainability objectives.

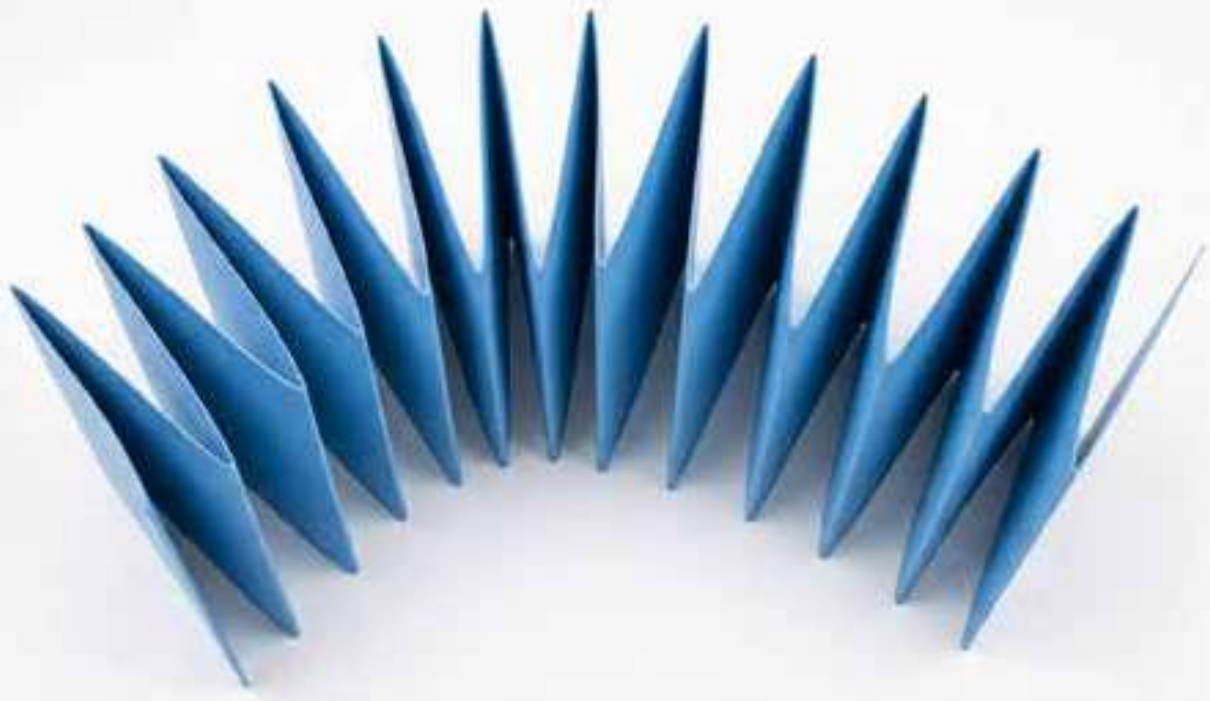
RISK & OPPORTUNITIES

Workforce Transformation

The changing nature of work and increasing demand for specialised skills are driving investments in talent development, leadership succession, and workforce planning. Through targeted initiatives across Tourism, Logistics, Plantations, and other sectors, the Group continues to build a more agile, engaged, and future-ready workforce capable of supporting long-term growth.

These opportunities are embedded within the Group's strategic planning and capital allocation processes. By proactively responding to emerging trends and anticipating future developments, Melstacorp aims to convert change into competitive advantage and create sustainable long-term value for stakeholders.

TRANSITIONING INTO GREATER MOMENTUM



At Melstacorp, our performance reflects cumulative momentum with successive gains across our businesses demonstrating how operational discipline, innovation and agility continue to build upon one another, advancing the Group towards sustainable growth and stronger stakeholder outcomes.

An accordion fold creates movement through a disciplined sequence of alternating creases, each one building purposefully upon the last, and transforming a flat surface into a dynamic structure defined by rhythm and progression. Its strength lies in repetition, where every fold adds depth, flexibility and momentum to the form.

PERFORMANCE REVIEW

BEVERAGES



The Group's Beverage sector, comprising Distilleries Company of Sri Lanka PLC (DCSL), Pericyel (Pvt) Ltd, DCSL Breweries Lanka Ltd (DBL) and DCSL Group Marketing (Pvt) Ltd, remains a key driver of overall performance, contributing 60% of the Group's turnover. At the forefront is DCSL, a company with a distinguished heritage and a strong reputation for producing Sri Lanka's leading arrack brands, serving a broad base of local and international customers. As a major contributor to the Group's revenue and profitability, as well as to government tax revenue, DCSL continues to play a significant role in the national economy. Maintaining its leadership position in Sri Lanka's alcoholic beverages market, the company remains focused on innovation, continuously adapting its product offerings and strategies to evolving consumer preferences and market trends.

CONTRIBUTION TO THE GROUP

1,236	60%	Rs.20,926Mn
EMPLOYEES	GROUP REVENUE	PROPERTY, PLANT AND EQUIPMENT

BEVERAGE



The Beverage Sector remains the cornerstone of the DCSL Group and continues to be one of its most significant drivers of growth and value creation. Its diverse portfolio spans spirits, beer, and other beverage categories, bringing together some of Sri Lanka's most trusted and iconic local brands alongside a carefully curated range of internationally renowned spirits and beer brands. This broad and balanced offering enables the Group to meet the evolving preferences of a wide consumer base while maintaining a strong leadership position in the market.

The Group continued to invest in market intelligence, advanced manufacturing capabilities, product innovation, and operational excellence to ensure that its products consistently meet the highest standards of quality, safety, and consumer satisfaction. The strength and diversity of its portfolio have enhanced the resilience of the beverage business, enabling it to respond effectively to changing consumer trends and market dynamics while capitalising on emerging opportunities.

KEY HIGHLIGHTS – FY 2025/26

Maintained its position as the Group's largest business segment and a key contributor to overall revenue and profitability.

KEY ACHIEVEMENTS – FY 2025/26

FY 2025/26 was a landmark year for the Beverage Sector, marked by strong financial performance, strategic portfolio enhancements, and continued investment in brand development. Building on the momentum achieved in the previous financial year, the Group recorded revenue of Rs. 170 billion and profit before tax of Rs. 31 billion, reflecting the resilience of its operations and the enduring strength of its diversified beverage portfolio.

During the year, the Group continued to advance its innovation agenda through the rebranding of its flagship White Label Arrack. The introduction of direct screen printing, replacing the traditional label, enhanced the product's visual appeal, strengthened its shelf presence, and reinforced its premium positioning while improving packaging efficiency.

The premium spirits portfolio was further strengthened through the relaunch of House of Tillbury Whisky with a refreshed brand proposition, alongside the introduction of Blackjack Gin, expanding consumer choice within the premium beverage segment and reinforcing the Group's commitment to meeting evolving consumer preferences.

In the beer category, the launch of the Aliya beer range further diversified the portfolio, enabling the Group to cater to changing consumer tastes and emerging market opportunities while strengthening its position within the sector.

These achievements underscore the Group's commitment to innovation, operational excellence, and market responsiveness. Looking ahead, the Beverage Sector remains focused on strengthening its portfolio of brands, enhancing manufacturing capabilities, and driving sustainable growth. By maintaining its unwavering focus on quality, consumer trust, and continuous improvement, the Group is well positioned to sustain its leadership in Sri Lanka's beverage industry while delivering long-term value to all stakeholders.

KEY RISKS AND OPPORTUNITIES

Opportunities

- Capitalise on evolving consumer preferences through portfolio diversification, premiumisation, and the introduction of innovative products that cater to emerging market trends.
- Leverage improving macroeconomic conditions to stimulate consumer demand, strengthen market confidence, and support business growth.
- Expand the Group's international footprint by entering new export markets while strengthening its presence in existing overseas destinations.
- Enhance long-term competitiveness through continuous productivity improvements, operational excellence, digital transformation, and process innovation.
- Strengthen market leadership by maintaining high standards of corporate governance, regulatory compliance, and responsible business practices.
- Develop future-ready leadership and organisational capabilities through continuous learning, talent development, and employee engagement initiatives.
- Advance sustainability initiatives across operations to improve resource efficiency, strengthen resilience, and create long-term value for stakeholders.
- Capitalise on growing demand for premium and differentiated beverage experiences by expanding high-value product offerings and strengthening brand equity.
- Leverage strong brand recognition and an extensive distribution network to increase market penetration and capture emerging growth opportunities.
- Drive innovation through consumer insights and market intelligence, enabling the development of products that address changing lifestyles and consumption patterns.

BEVERAGES

Risks/Challenges

- Changes in excise duty structures, taxation policies, and regulatory requirements may adversely impact industry growth, pricing strategies, and consumer purchasing behaviour.
- Inflationary pressures, currency fluctuations, and rising input costs may affect profitability and operational efficiency.
- Shifts in consumer preferences and consumption patterns may require continuous portfolio adaptation and increased investment in innovation.
- Intensifying competition from both local and international beverage brands may place pressure on market share and margins.
- Supply chain disruptions, raw material shortages, and fluctuations in commodity prices may impact production and distribution operations.
- Economic uncertainty and reduced consumer spending power may affect demand across beverage categories.
- Increasing compliance requirements and evolving regulatory frameworks across domestic and international markets may result in higher operating costs and business complexity.
- Challenges in attracting, retaining, and developing skilled talent may affect organisational capability and long-term growth.
- Heightened stakeholder expectations relating to environmental sustainability, responsible sourcing, and ESG performance may require additional investments and operational adjustments.
- Reputational risks arising from product quality concerns, regulatory non-compliance, or negative public perceptions of the alcohol industry may impact brand value and consumer trust.

PEOPLE

Continued to invest in its people, recognising that human capital is fundamental to long-term success. During the year, training and development programmes were significantly expanded to enhance technical expertise, strengthen leadership capabilities, and build critical skills across the workforce. These initiatives are designed to foster a culture of continuous learning, innovation, and operational excellence, while empowering employees to contribute meaningfully to the Group's future growth.

PLANET

Enhanced water management systems across its manufacturing facilities to improve water efficiency, optimise resource utilisation, and minimise wastage.

Advanced its sustainable packaging agenda by introducing resource-efficient packaging solutions across selected product lines, reducing material consumption while preserving product quality, visibility, and brand appeal.

INDUSTRY OVERVIEW

Sri Lanka's alcoholic beverage industry continues to operate within a highly regulated and dynamic environment. As a significant contributor to the national economy through excise duties, tax revenues, employment generation, and value-chain development, the industry also carries a vital responsibility to promote responsible consumption and uphold the highest standards of regulatory compliance and corporate governance.

Consumer preferences continue to evolve, particularly among younger adult consumers who increasingly seek greater variety, premium offerings, and unique consumption experiences. This changing landscape is driving greater emphasis on product innovation, brand differentiation, and portfolio diversification, while maintaining the quality, authenticity, and value that consumers have come to expect.

In recent years, the industry has also navigated a range of external challenges, including economic volatility, inflationary pressures, foreign exchange constraints, and an evolving regulatory framework. These conditions have underscored the importance of operational agility, cost efficiency, responsible business practices, and long-term resilience in sustaining growth and competitiveness.

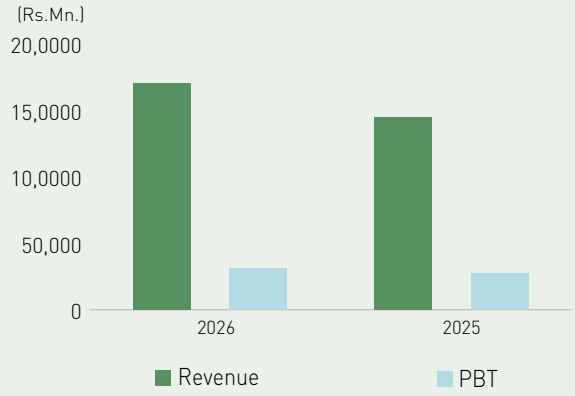
Looking ahead, the sector's long-term success will depend on its ability to balance economic contribution with social responsibility. Sustainable growth is expected to be driven by continued investment in innovation, product quality, and consumer engagement, while fostering responsible consumption and adapting proactively to changing market dynamics. Through a disciplined and forward-looking approach, the industry remains well-positioned to create value for stakeholders and contribute meaningfully to Sri Lanka's economic development.

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	**170,249**	145,191	17%
PBT	**31,193**	27,720	13%

FY 2025/26 was a landmark year for the Beverage Sector, characterised by robust financial performance, strategic portfolio expansion, and continued investment in brand development. Building on the strong momentum of the previous year, the Sector recorded revenue of Rs. 170.2 billion, representing a 17% increase over FY 2024/25, while profit before tax increased by 13% to Rs. 31.2 billion. This strong performance reflects the resilience of the Sector's operations, the strength of its leading brands, and its ability to adapt effectively to evolving market dynamics.

During the year, the Group continued to advance its innovation agenda through the rebranding of its flagship White Label Arrack. The introduction of direct screen printing, replacing traditional paper labels, enhanced the product's visual appeal, strengthened shelf presence, and reinforced its premium positioning, while also improving packaging efficiency and sustainability.



The Sector further strengthened its portfolio through targeted product innovation and brand revitalisation initiatives, enabling it to respond proactively to changing consumer preferences while maintaining its leadership position in Sri Lanka's beverage industry. These initiatives, combined with disciplined cost management and operational excellence, contributed significantly to the improved financial performance achieved during the year.

BEVERAGES

OUTLOOK

The outlook for the Beverage Sector remains positive, underpinned by a strong portfolio of market-leading brands, a diversified product offering, and evolving consumer preferences. The Group will continue to focus on expanding its portfolio, strengthening premium and innovative product offerings, enhancing production capabilities through advanced technologies, and improving operational efficiencies to drive sustainable growth and long-term competitiveness.

The Group remains committed to investing in consumer insights, research and development, product innovation, and responsible manufacturing practices to meet changing market demands while maintaining the highest standards of quality and safety.

Continued investment in employee development will further strengthen organisational capabilities and support a culture of innovation and operational excellence.

The Group will also seek to strengthen its presence in both domestic and international markets by leveraging its strong brands, extensive distribution network, and deep industry expertise. Supported by a disciplined approach to governance, sustainability, and value creation, the Beverage Sector is well positioned to capitalise on emerging opportunities and deliver sustainable long-term returns to all stakeholders.










TILLSIDER
WHISKY
OLD ARRACK
DOUBLE DISTILLED
ARRACK
WHITE LABEL
PREMIUM
BLACK JACK
GIN
ALIYA
STRONG
8.8%
LAGER
4.8%

TOURISM



Melstacorp's Tourism Sector operates across the full tourism value chain, delivering an integrated portfolio of services that includes destination management, hotel and resort operations, airline representation, cruise handling, MICE services, and outbound travel. With a strong presence across Sri Lanka, the Maldives, India, and Oman, the Group manages a diversified portfolio of 19 resorts and represents leading global airlines, reinforcing its position as one of South Asia's foremost hospitality and travel enterprises.

CONTRIBUTION TO THE GROUP

3,978	24%	Rs.92,246Mn
EMPLOYEES	GROUP REVENUE	PROPERTY, PLANT AND EQUIPMENT

HOTELS



Aitken Spence Hotels is a leading hospitality operator with 19 properties across Sri Lanka, the Maldives, India, and Oman. Through its award-winning brands-Heritance Hotels & Resorts, Adaaran Resorts, and Turyaa-the Group offers a diverse range of experiences, from sustainable luxury resorts to premium leisure and business hotels. Recognised for operational excellence and destination-led hospitality, the Group remains committed to sustainability, responsible tourism, and developing people and communities.

DESTINATION MANAGEMENT



Aitken Spence Travels (ASTL) is Sri Lanka's leading destination management company, offering comprehensive inbound and outbound travel solutions. As a market leader in MICE tourism and cruise shore excursions, ASTL delivers seamless travel experiences through integrated services encompassing logistics, transportation, and airline representation, including its partnership with Emirates Holidays. Backed by an extensive transport network and a strategic alliance with TUI, the company combines deep destination knowledge with operational expertise to deliver world-class travel experiences that meet global standards.

AIRLINE GSA



Aitken Spence Aviation (Pvt) Ltd is a key component of the Group's tourism ecosystem, providing specialised airline representation and enhancing regional connectivity. The company is best known as the long-serving General Sales Agent (GSA) for Singapore Airlines in Sri Lanka, a partnership that has spanned over five decades. In addition, it represents Jazeera Airways in Sri Lanka and SriLankan Airlines in the Maldives. Through these strategic partnerships, the company supports seamless international travel, strengthens access to global markets, and contributes to the growth of the regional tourism industry.

KEY HIGHLIGHTS – FY 2025/26

HOTELS

- The hotel segment accelerated its digital transformation initiatives by upgrading core technology platforms, optimising workflows, and enhancing operational efficiency across its properties. Key advancements included cloud-based system integration, AI-enabled guest engagement solutions, CRM and channel management enhancements, and the deployment of advanced analytics tools to support data-driven decision-making.
- Expanded its footprint in key existing markets while enhancing brand awareness and market penetration in strategically selected new source markets.
- To strengthen differentiation and enhance market positioning, the properties introduced a curated portfolio of wellness, cultural, culinary, and experience-driven offerings tailored to evolving guest preferences.

TOURISM

DESTINATION MANAGEMENT

The destination management segment enhanced its digital transformation agenda during the year through the implementation of a customer relationship management (CRM) platform, the launch of a Digital Concierge solution, improved data analytics and tracking capabilities, and the optimisation of key operational processes to drive greater efficiency and customer engagement.

- Capitalised on increased demand for direct travel to Europe amid the Middle East crisis by introducing additional daytime services and expanding operations to 10 weekly flights.
- Secured the Passenger General Sales Agent (GSA) appointment for Qatar Airways in the Maldives, further strengthening the segment's regional presence and airline representation portfolio.

Aitken Spence Travels (Pvt) Ltd expanded its presence in the high-end travel market by securing and efficiently managing ground handling services for luxury cruise operators, reinforcing its reputation as a trusted destination management partner.

The successful acquisition and management of luxury cruise-related ground handling operations further strengthened the presence of Aitken Spence Travels (Pvt) Ltd in the premium travel sector, supporting diversification and long-term growth.

AIRLINE GSA

The Airline GSA segment continued to enhance its technology platforms in line with the digital transformation strategies of its principal airlines, enabling seamless integration with global operational and customer service systems while supporting greater efficiency and service excellence.

KEY ACHIEVEMENTS – FY 2025/26

HOTELS

The sector received over 66 awards and recognitions during the year including:

- **Gold Award –** Hotel Companies (Group Assets Above LKR 10 Bn) at the TAGS Awards, organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
- **Silver Award –** Leisure & Connected Services at the ACCA Sustainability Reporting Awards.
- **Best Employer Brand Award 2025,** awarded by the Employer Branding Institute, India.
- **Gold Award –** Climate Adaptation and Resilience Category – Heritance Kandalama, at the ICRT Indian Subcontinent Responsible Tourism Awards 2025.
- **Silver Award –** Climate Adaptation and Resilience Category – Heritance Kandalama, at the ICRT Global Responsible Tourism Awards 2025.
- **Sri Lanka's Leading Wedding Venue –** Heritance Kandalama, at the World Travel Awards 2025.
- **Sri Lanka's Leading Heritage Hotel –** Heritance Tea Factory, at the World Travel Awards 2025.
- **Sri Lanka's Leading Lodge –** Rain Forest Ecolodge, at the World Travel Awards 2025.
- **World's Leading Sustainable Female Empowerment Initiative** at the World Sustainable Travel & Hospitality Awards 2025.
- **TripAdvisor Best of the Best Travellers' Choice Award** – All-Inclusive, Asia – Heritance Aarah.
- **Best All-Inclusive Resort** – Heritance Aarah, at Travel Trade Maldives 2025.
- **Leading All-Inclusive Resort 2025** – Heritance Aarah, at SATA 2025.
- **Best Fun & Friendly Resort** – Adaaran Club Rannalhi, at Travel Trade Maldives 2025.
- **Best Surfing Resort** – Adaaran Select Hudhuran Fushi, at Travel Trade Maldives 2025.

DESTINATION MANAGEMENT

- Chartered Professional Management (CPM) Best Management Practices Awards 2025 & 2026- Hospitality and tourism services category, also recognised & ranked among Sri Lanka's Top 40 Companies.
- A South Asia's Best Inbound Travel Agent and Best Cruise Travel Agent at the South Asian Travel Awards (SATA) 2025
- GSTC & Travelife certifications.
- Golden Business Excellence Award 2025.
- Official Travel Agent for ICC T20 World Cup

AIRLINE GSA

Singapore Airlines recognised the Colombo Airport Team with the Fusion Award for their Coordinated Resilience & exceptional handling during Cyclone Ditwah

KEY RISKS AND OPPORTUNITIES

Opportunities

- Untapped potential in South Asia, Southeast Asia, and the Middle East provides opportunities to diversify source markets and drive future growth.
- Advancements in AI-driven technologies, customer relationship management systems, and marketing automation offer opportunities to enhance customer engagement and improve operational efficiency.
- Continued growth in global tourism demand is expected to support increased travel volumes and revenue opportunities across the sector.
- Rising demand for wellness tourism, eco-tourism, experiential travel, and boutique luxury experiences presents opportunities to attract higher-yield travellers and strengthen profitability.
- Growing consumer preference for authentic and personalised travel experiences creates opportunities to differentiate offerings and enhance destination appeal.
- Increasing focus on sustainable and responsible tourism supports stronger brand positioning and long-term value creation.

Risks/ Challenges

- Prolonged geopolitical tensions and regional instability may adversely impact traveller confidence, travel patterns, and overall tourism demand.
- Climate change, extreme weather events, and rising sea levels pose increasing risks to tourism infrastructure, operational continuity, destination attractiveness, and long-term sector sustainability.
- The growing influence of online travel agents (OTAs), direct booking platforms, alternative accommodation providers, and branded serviced apartments is intensifying competition across the hospitality sector.
- The industry's people-intensive operating model may constrain scalability and increase dependency on skilled human resources.
- Exposure to imported goods and services in certain markets may result in higher operating costs and margin pressures.
- The migration of experienced hospitality professionals and ongoing talent shortages continue to create challenges in attracting, developing, and retaining skilled personnel.
- Increasing wage inflation and competition for talent may place additional pressure on operating costs and service delivery standards.
- Economic slowdowns, inflationary pressures, and fluctuations in consumer spending could affect discretionary travel demand across key source markets.

TOURISM

PEOPLE

To address industry-wide skilled labour shortages, the Sri Lanka hotels segment launched the Heritance Ascend Programme to develop high-potential employees and strengthen its future leadership pipeline.

The Maldives hotels segment conducted a comprehensive training needs analysis for executives and managers and implemented targeted learning and development initiatives, including the Heritance Ascend Programme, to build leadership capabilities and support talent development.

Continued efforts across all segments focused on strengthening performance management systems and enhancing career progression opportunities to support employee growth and retention.

Inclusive workplace practices were reinforced through awareness programmes and policy enhancements, alongside targeted initiatives aimed at increasing female participation across the sector.

Ongoing initiatives were undertaken to enhance employee well-being, engagement, and work-life balance, fostering a positive and supportive work environment.

- Sector wide training programmes reached over 1,300 associates and nearly 2,000 participants
- Trained over 100 local chauffeur guides, drivers, and activity providers on sustainability and service standards,
- Increased female participation in operations, with female workforce numbers growing by ~15% in hard to- reach resort environments.
- 43% average local employment outside Colombo and Gampaha districts
- zero reported labour or human rights grievances.

PLANET

As part of Aitken Spence PLC's journey towards net-zero emissions, the Tourism sector has established ambitious decarbonisation and energy transition targets, including a 20% reduction in transport-related emissions. Key achievements included:

Renewable energy utilisation within the Sri Lanka hotels segment was maintained at approximately 5%, supporting the Group's target of achieving 12% renewable energy consumption by 2030, alongside broader operational decarbonisation and resource efficiency measures.

The Maldives resorts advanced their renewable energy transition by undertaking comprehensive feasibility assessments and engineering studies across all properties, evaluating a range of solar energy solutions, including floating solar systems, rooftop photovoltaic installations, and battery-backed renewable energy systems.

The India hotels segment increased renewable energy usage from 70% to 95%, driven by the complete conversion of laundry steam operations from diesel to electricity and the installation of an electric heat pump, which eliminated diesel consumption in steam boilers. The segment also achieved 100% wastewater recycling, with all treated water reused for landscape irrigation and flushing applications, further enhancing resource efficiency.

Digitalisation initiatives implemented across all segments contributed to reduced paper consumption and improved operational efficiency, reinforcing the sector's commitment to responsible resource management.

Within the destination management segment, Aitken Spence Travels (Pvt) Ltd enhanced the monitoring and optimisation of transport operations to minimise fuel consumption and travel distances. The company also expanded its electric vehicle fleet and strengthened supplier engagement initiatives to encourage alignment with its sustainability standards and emissions reduction objectives.

- Segregated and managed over 20 waste streams across hotel operations to support circular economy practices.
- Converted more than 850,000 kg of wet waste into reusable soil additives through on-site processing.
- Eliminated the use of over 1.2 million single-use plastic bottles, significantly reducing environmental waste and supporting sustainable operations.
- Produced over 90,000 units of organic fruits, vegetables, coconuts, and bananas through on-site gardens, supporting sustainable sourcing and reducing pressure on local land resources.
- Reused composted organic waste to enhance soil health and landscaping, promoting resource circularity and closing the waste-to-resource loop.
- Repurposed wastewater

INDUSTRY BENCHMARKS

Certification Area	Certification / Standard	Properties / Entities Certified
Sustainable Tourism	Travelife	Aitken Spence Travels (Pvt) Ltd. (Certification received in FY 2025/26)
		Aitken Spence Travels (Pvt) Ltd. (only destination management company in Sri Lanka to be certified by Travelife); Heritance Ahungalla; Heritance Ayurveda Maha Gedara; Heritance Kandalama; Sentido Heritance Negombo; Heritance Tea Factory; RIU Ahungalla
	Green Globe Certification	All Maldives properties
Food Safety Management	ISO 22000	All hotel properties
	Organic Certification of Sri Lanka Standards Institute (SLSI)	Heritance Tea Factory
Environmental Management	LEED Certification	Heritance Kandalama (world's first LEED-certified hotel); Sentido Heritance Negombo; Rainforest Ecolodge; Heritance Aarah (Maldives' first LEED-certified property)
	ISO 14001 Environmental Management	Heritance Kandalama (longest-standing ISO 14001 certification in Sri Lanka); Heritance Tea Factory; Aitken Spence Travels (Pvt) Ltd.
	Green Fins Accreditation	Dive Point – Adaaran Select Hudhuranfushi; Dive Point – Adaaran Prestige Vadoo; Dive Point – Adaaran Club Rannalhi
Occupational Health & Safety	ISO 45001	Aitken Spence Travels (Pvt) Ltd.
Quality Management	ISO 9001	Aitken Spence Travels (Pvt) Ltd.

INDUSTRY OVERVIEW

GLOBAL

The global tourism industry continued its strong recovery in 2025, with international tourist arrivals increasing by 4% YoY to approximately 1.52 billion travellers, reaching record post-pandemic levels. Growth was driven by sustained travel demand, improved air connectivity, easing visa restrictions, and the continued recovery of destinations, particularly across the Middle East and Asia-Pacific, while Europe remained the world's largest tourism region. Despite geopolitical tensions, inflationary pressures, and climate-related challenges, global tourism spending remained resilient, supporting growth in international tourism receipts across many destinations. Looking ahead, the industry is expected to maintain moderate growth in 2026, although economic uncertainty, geopolitical developments, and climate-related risks will continue to influence market conditions.

SRI LANKA

Sri Lanka's tourism industry continued its strong recovery momentum during 2025, driven by rising international visitor arrivals, improving global travel confidence, and growing tourism earnings. The sector played a vital role in supporting the country's external sector performance and broader economic resurgence, while enhanced macroeconomic stability, easing inflationary pressures, and improved foreign exchange liquidity strengthened investor confidence and overall industry sentiment. Increased international air connectivity and the expansion of airline operations further enhanced Sri Lanka's accessibility and attractiveness as a tourism destination.

During the year, Sri Lanka further reinforced its position as a diverse and compelling tourism destination, offering a rich portfolio of leisure, wellness, cultural, wildlife, and luxury travel experiences that align closely with evolving global preferences for experiential and sustainable tourism. This positioning was reflected in a series of prestigious international recognitions during 2025. Sri Lanka was ranked 7th in the Condé Nast Traveller Readers' Choice Awards, 9th in BBC Travel's "25 Best Places

TOURISM

to Travel in 2025" and featured in World Travel Magazine's "25 Under-the-Radar Ideas for Luxurious Holidays in 2025." The country's tourism appeal was further highlighted by the inclusion of the Northeast region among Lonely Planet's "Best Places to Travel in August 2025," while the South Coast was recognised by Vogue as one of the hottest winter travel destinations for 2025. In addition, Sri Lanka's iconic rail journeys gained global acclaim, with the Colombo–Badulla route being featured by National Geographic and included in Lonely Planet's list of the world's top 10 scenic train rides for 2025.

These international endorsements, together with continued destination marketing initiatives and growing investor confidence in the hospitality sector, strengthened Sri Lanka's global brand appeal and supported the sustained growth of the wider tourism ecosystem and related.



MALDIVES

The Maldives tourism sector sustained its strong growth trajectory during 2025, underpinned by resilient global travel demand and the destination's continued appeal as one of the world's premier luxury leisure destinations. Tourist arrivals recorded healthy year-on-year growth, with the country achieving record monthly arrival volumes during the latter part of the year. As the cornerstone of the Maldivian economy, the tourism sector remained a significant contributor to economic activity, foreign exchange earnings, and overall GDP growth.

Growth was driven by robust international demand across key source markets, enhanced air connectivity, and the continued strength of the luxury resort and hospitality segments. The destination also benefited from sustained visitor spending and growing demand for premium, experience-led travel offerings. Supported by its strong global brand positioning and reputation for high-end tourism experiences, the Maldives remained well placed to capture value-accretive demand, while industry stakeholders continued to focus on increasing tourism receipts, with a target of approximately USD 5 billion for the year.



OMAN

Oman's tourism and hospitality sector continued its positive growth trajectory during 2025, supported by increasing international and domestic visitor arrivals, improved hotel occupancy levels, and rising tourism-related revenues. International tourist arrivals reached approximately 3.9 million visitors, exceeding the previous year's performance and reflecting Oman's growing appeal as a diversified tourism destination within the region.

The hospitality sector also recorded stronger operational performance, with increases in guest volumes, occupancy rates, and revenue generation. This growth was supported by ongoing investments in tourism infrastructure, enhanced destination marketing initiatives, and government-led efforts to strengthen the sector's contribution to economic diversification.

Oman continued to enhance its positioning across leisure, cultural, adventure, and luxury tourism segments, leveraging its rich heritage, natural landscapes, and authentic travel experiences to attract a wider range of visitors. Supported by sustained tourism development initiatives and broader economic diversification strategies, the sector remained an important pillar of growth, reinforcing Oman's long-term ambition to establish itself as a leading tourism destination in the region.

INDIA

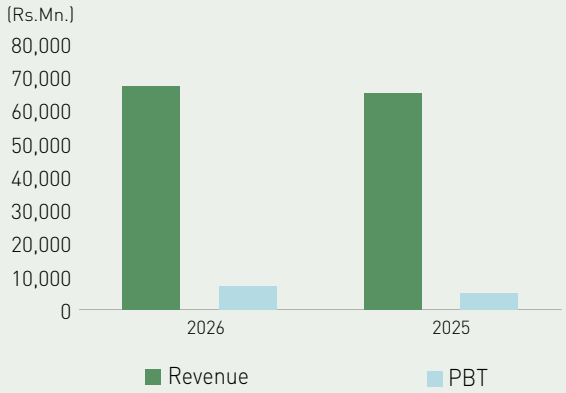
India's tourism sector continued its strong growth momentum during 2025, supported by robust domestic travel demand, rising international visitor arrivals, and increasing tourism-related economic activity. International Tourist Arrivals (ITAs) reached approximately 20.57 million, reflecting the sustained recovery of inbound tourism, while domestic travel remained a key growth driver across multiple regions and destinations.

The sector benefited from continued improvements in transportation connectivity, tourism infrastructure, and destination diversification, which enhanced accessibility and expanded the country's tourism offerings. Strong demand from both domestic and international travellers supported growth across hospitality, leisure, business travel, and emerging tourism segments. Furthermore, the travel and tourism industry was expected to make an increasingly significant contribution to the Indian economy, driven by higher visitor spending, growing investments, and the creation of employment opportunities across the tourism value chain.

As Aitken Spence Hotel Holdings PLC continues to operate across Sri Lanka, the Maldives, Oman, and India, the Group remains closely attuned to emerging global tourism trends that are expected to shape the future of the hospitality industry. Evolving traveller preferences, accelerating digital transformation, growing demand for sustainable and experience-led travel, and changing competitive dynamics are expected to play an increasingly important role in influencing consumer behaviour and driving long-term sector growth across the markets in which the Group operates.

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	67,331	65,035	4%
PBT	7,010	4,846	45%



The Tourism sector, which contributed 24% of Group revenue, delivered an outstanding performance in FY 2025/26. Revenue increased by 4% to Rs. 67.3 billion, while profit before tax surged 45 % to Rs. 7 billion, achieving the highest profitability in the sector's history.

The Sri Lanka hotel portfolio continued its strong recovery trajectory amid improving macroeconomic conditions, benefitting from higher tourist arrivals and robust demand for experiential, heritage-led, and nature-based travel experiences. Strategic initiatives focused on optimising the market mix, strengthening direct distribution channels, and improving operational efficiency through digitalisation and process enhancements, while maintaining internationally benchmarked service standards. These efforts drove growth in occupancy, revenue, and profitability across the portfolio. Although escalating geopolitical tensions in the Middle East resulted in a slowdown in occupancy towards the latter part of the financial year, the Sri Lanka operations remained resilient, achieving a noteworthy 17.3% growth in profit before tax.

During the year, the Sri Lanka hotels cluster accelerated its digital transformation through the implementation of a fully cloud-based integrated technology platform, enhancing operational efficiency, system reliability, and real-time data accessibility. The cluster also strengthened its talent pipeline through the Heritance Ascend Programme to address industry skill shortages, while continuing initiatives to improve diversity and inclusion. Efforts to increase female participation in traditionally male-dominated roles were supported by a specialised training programme conducted by the Aitken Spence Institute of Hotel Management, which received international recognition as the World's Leading Sustainable Female Empowerment Initiative.

TOURISM

The sector made significant progress in advancing its sustainability agenda through strengthened governance and continued progress toward net-zero targets. Renewable energy utilisation increased to 5–6%, while decarbonisation and resource-efficiency initiatives reduced reliance on fossil fuels and lowered energy, water, and waste intensity across properties. The phased introduction of glass water bottling systems further supports the elimination of single-use plastics, reinforcing the sector's commitment to sustainable operations and responsible tourism.

The Maldives hotels segment delivered a strong performance, driven by higher Average Daily Rates (ADR), disciplined revenue management, and a diversified presence in premium leisure markets. Despite inflationary pressures and rising operating costs, the segment maintained resilient profitability through effective cost controls, financing efficiencies, and strong operational discipline. Sustainability and quality credentials were further enhanced with all five properties achieving Green Globe Certification, while Heritance Aarah became the Group's first property to adopt Leading Quality Assurance (LQA) standards. Continued progress in decarbonisation initiatives and investment in experience-led product enhancements strengthened the segment's competitive positioning and long-term value creation.

Turyaa Chennai delivered steady growth in revenue and profitability during the year, driven by higher room rates and increased food & beverage, banqueting, and catering revenues, particularly from the corporate, MICE, and medical tourism segments. Margin improvements were supported by cost optimisation initiatives, while investments in renewable energy, wastewater recycling, and digital infrastructure enhanced operational resilience and sustainability performance.

Despite geopolitical challenges, the Oman hotel segment delivered a strong turnaround performance, recording 32.6% revenue growth and a substantial increase in EBITDA. Improved occupancy levels, effective revenue management, and enhanced operational efficiencies contributed to the recovery from the previous year's loss. The successful acquisition of a four-year large-scale catering contract is expected to provide stable long-term revenue streams, while the optimisation and leasing of underutilised spaces improved cash flow and overall asset utilisation.

The Destination Management segment delivered a strong and resilient performance, achieving 31.4% growth in profit before tax driven by the recovery of Sri Lanka's tourism industry and increasing demand for experiential and high-value travel. Aitken Spence Travels maintained its market leadership as the country's leading inbound tour operator, supported by strong global partnerships and destination management expertise.

The segment enhanced operational efficiency and service quality through digitalisation initiatives, including CRM systems, digital concierge solutions, and improved data analytics. It also strengthened its sustainability credentials with GSTC Certification, while advancing responsible tourism practices across its operations and supply chain. Despite softer demand towards the end of the year due to geopolitical tensions in the Middle East, proactive market diversification and disciplined execution enabled the segment to sustain its strong overall performance.

The aviation services segment delivered a resilient performance during FY 2025/26 despite a challenging operating environment and geopolitical uncertainties. The Singapore Airlines GSA operations maintained stable performance, supported by recovering passenger demand, enhanced connectivity through increased flight frequencies, strong cargo operations, and the airline's premium market positioning. Continued investments in operational excellence, staff development, and disciplined yield management helped sustain margins and service standards.

Royal Spence Aviation (Pvt) Ltd., representing Jazeera Airways and VietJet Air, also recorded a robust performance. Jazeera Airways remained the key contributor, benefiting from strong demand on the Colombo–Kuwait route, high load factors, increased seasonal capacity, and strong commercial and operational performance. However, escalating Middle East conflicts and the subsequent closure of Kuwait airspace in February 2026 resulted in the suspension of direct Jazeera Airways flights towards the end of the financial year. Despite these challenges, strong market demand, operational agility, and effective execution supported overall segment performance.

OUTLOOK

According to global tourism forecasts, international tourism is expected to grow by 3%–4% in 2026 compared to 2025, supported by the continued recovery of Asia-Pacific markets, favourable economic conditions, and easing tourism-related inflation. However, ongoing geopolitical tensions in the Middle East remain a key source of uncertainty, with the potential to disrupt airline connectivity, increase fuel price volatility, elevate airfares, and influence traveller sentiment, all of which could weigh on global tourism demand.

Despite these challenges, the sector remains well positioned to navigate evolving market conditions through its strong value proposition, diversified portfolio, and operational resilience. To mitigate the impact of prolonged uncertainty, the sector is pursuing a proactive strategy centred on market diversification, agile pricing and revenue management, strengthened direct customer channels, cost optimisation, strategic airline and trade partnerships, scenario-based risk planning, and continued investment in differentiated products and experiences.

Over the medium to long term, the sector will focus on expanding its geographic footprint through an asset-light growth model, leveraging its extensive industry expertise, strong brand reputation, and trusted partnerships. Market diversification, accelerated digital transformation, enhanced service excellence through internationally recognised certifications and continuous learning, and further progress in sustainability-driven operations will remain central pillars of this strategy.

Digitalisation will continue to play a critical role across all business segments, supporting revenue growth, cost efficiencies, and operational effectiveness. Investments in advanced digital solutions will enhance decision-making speed, strengthen coordination across hotels and destination management operations, and unlock more sophisticated revenue management capabilities.

Sustainability will remain deeply embedded in the sector's long-term value proposition. Within the hotel segment, efforts will focus on expanding solar energy adoption and advancing decarbonisation initiatives across properties. In destination management operations, the gradual transition to electric vehicles and the implementation of low-carbon transport solutions will support emissions reduction and strengthen sustainable tourism practices.

Recognising the industry's ongoing shortage of skilled talent, the sector will also continue to invest in talent development, leadership pipelines, employee training, and employer branding initiatives to attract, develop, and retain the workforce needed to support future growth and service excellence.







MARITIME, FREIGHT & LOGISTICS



Melstacorp PLC's Maritime, Freight and Logistics sector is transitioning to meet the evolving demands of global trade and commerce, leveraging an extensive regional network to provide comprehensive, end-to-end logistics and transportation solutions across Sri Lanka and global markets. As the sector navigates this transition, its diversified portfolio of specialised services continues to deliver seamless connectivity across the supply chain enabling more efficient cargo movement, driving operational excellence, and creating lasting value for customers and stakeholders alike.

CONTRIBUTION TO THE GROUP

1,966
EMPLOYEES

5%
GROUP REVENUE

Rs.12,098Mn
PROPERTY, PLANT AND EQUIPMENT

FREIGHT FORWARDING AND COURIER



This segment delivers international freight forwarding, courier, and supply chain solutions across Sri Lanka, Maldives, Bangladesh, Cambodia, and Myanmar.

INTEGRATED CONTAINER SERVICES



Integrated Container Services offers end-to-end logistics services, including CFS operations, inland container terminals, transportation, warehousing, 3PL/4PL solutions, and mobile storage facilities.

MARITIME AND PORT SERVICES



This segment provides shipping agency, port management, and marine fuel supply services, serving global carriers and vessels across Sri Lanka, Fiji, and Mozambique.

AIRLINE GSA (CARGO)



The segment serves as the General Sales Agent (GSA) for Qatar Airways Cargo in Sri Lanka, and represents Pattaya Airways and Gulf Air Cargo operations in both Cambodia and Myanmar and Thai Air Asia Cargo in Myanmar.

EDUCATION



CINEC Campus is a leading Sri Lankan education provider with over 27,000 students, offering programmes ranging from vocational training to doctoral studies across diverse disciplines.

MELSTA LOGISTICS



Enhances the Group's logistics capabilities through a fleet of 268 vehicles and a 93,472 sq. ft. commercial facility, providing flexible, scalable, and efficient transport and warehousing solutions tailored to the diverse needs of its clients.

MARITIME, FREIGHT & LOGISTICS

KEY HIGHLIGHTS – FY 2025/26

- Implemented digital and process innovations across the maritime, cargo, logistics, and education segments, including real-time tracking capabilities, automated workflows, and data-driven dashboards, enhancing operational efficiency, decision-making, and visibility.
- Rationalised selected non-core and labour-intensive activities across business segments to improve scalability, sharpen operational focus, and optimise capital allocation.
- Secured extensions to long-term operational and service agreements within port management, integrated container services, and logistics businesses, strengthening revenue visibility and supporting sustainable earnings growth.
- Maintained a consistent brand presence across multiple geographies, particularly within overseas cargo and logistics operations, strengthening market visibility and enhancing brand recognition in new and emerging markets.
- Enhanced strategic partnerships with global shipping lines, airlines, and key logistics customers, deepening service offerings and reinforcing the sector's competitive position.
- Expanded specialised logistics capabilities through the development of cold chain solutions, project cargo handling services, and integrated 3PL/4PL offerings to meet evolving customer requirements.
- Finalised plans for investments in warehouse expansion and cold storage facilities in Bangladesh, supporting future growth and strengthening regional logistics infrastructure.
- Further enhanced cold chain logistics capabilities in Sri Lanka through increased reefer handling capacity and investments in state-of-the-art material handling equipment, improving operational efficiency and service reliability.
- CINEC strengthened its international presence during the year by establishing several academic partnerships with leading overseas institutions, enhancing both its local and global reach. Concurrently, the expansion of CINEC's operations in Jaffna was initiated, supporting greater access to quality education and training opportunities in the Northern Province.
- The commissioning of a state-of-the-art maritime simulator at MSTI Maritime Academy enhanced practical training capabilities and learning outcomes in maritime studies, further strengthening CINEC's leadership position in maritime education.

KEY ACHIEVEMENTS – FY 2025/26

FREIGHT FORWARDING AND COURIER

Aitken Spence Cargo (Private) Limited earned several notable achievements in industry knowledge competitions, including First Runners Up in the Warehousing & Logistics Sector at the CILT Next Generation Quiz Master 2024/2025, a Top 5 placement at the AMCHAM Quiz, and Joint Runners Up among Freight Forwarding & Logistics Service Providers at the Global Commerce Quiz.

DBS Logistics Ltd earned several prestigious industry accolades, including the Bronze Award for Logistics Service Provider (Extra Large Category) from the National Chamber of Exporters of Sri Lanka, recognition among the Top 10 Cargo Agents by Gulf Air and Singapore Airlines, and a Special Award for Compliance in Handling Sensitive Cargo from CMACGM.

AIRLINE GSA (CARGO)

The Sri Lanka station of Qatar Airways Cargo was recognised as the Best Station for eAWB Penetration in the Indian Subcontinent and Middle East region, while the Maldives station of Qatar Airways Cargo received recognition at the Velana International Airport Awards for being the highest contributor to Sea-to-Air and Air-to-Air transshipment volumes, reflecting the strong operational performance and market leadership of both stations.

INTEGRATED CONTAINER SERVICES

Aitken Spence Logistics (Pvt) Ltd achieved notable recognition for its excellence in supply chain management, sustainability, customer service, and workplace leadership, winning the Best Supply Chain Practicing Organisation (Medium Scale) award at the National Supply Chain Excellence Awards 2025, the Best Corporation for Women Leadership award at the Women in Management Awards 2025, and the Sustainability (Medium Scale) category at the CILT Awards 2025, while also securing Runner-up positions in Market Segment Customer Service at the CILT Awards 2024 and 2025.

MARITIME AND PORT SERVICES

Fiji Ports Terminal Ltd and Hapag Lloyd Lanka (Pvt) Ltd received notable industry recognition for their operational excellence and customer service. Fiji Ports Terminal Ltd was honoured with the Fiji Business Excellence Award, the prestigious President's Business Excellence Award, and the Green Sustainability Award 2025 at the Fiji Business Excellence Awards, reflecting its commitment to business excellence and sustainability. Hapag Lloyd Lanka (Pvt) Ltd was recognised as the Best Customer Service Provider in both the Colombo/Europe and Colombo/Mediterranean sectors at the Institute of Chartered Shipbrokers (ICS) Awards, highlighting its outstanding customer service performance.

EDUCATION

CINEC continued to strengthen its position as a leading education provider by receiving the Best Exporter Award in the Education Services Category at the Presidential Awards Ceremony for the fifth consecutive year and achieving the highest overall score (83.28%) among all non-state universities and several leading national universities in the Institutional Review conducted by the Ministry of Higher Education, demonstrating its excellence in educational quality and international competitiveness.

MARITIME, FREIGHT & LOGISTICS

KEY RISKS AND OPPORTUNITIES	
Opportunities	• Growth in regional trade, transshipment activities, and infrastructure development initiatives, creating new opportunities across logistics and maritime services. • Advancements in digitalisation and automation, enhancing operational efficiency, supply chain visibility, and customer experience. • Rising demand for specialised logistics solutions, including pharmaceutical logistics, project cargo handling, e-commerce fulfilment, and sustainable green logistics services. • Expansion opportunities through both asset-light and asset-controlled business models, encompassing ship operations, cold chain logistics, third-party and fourth-party logistics (3PL/4PL), and value-added logistics services. • Continued global demand for skilled Sri Lankan seafarers and industry-ready professionals, supporting growth in maritime and training-related services. • Leveraging sustainability leadership and responsible business practices to strengthen competitive advantage, attract customers and strategic partners, and enhance talent acquisition and retention.
Risks/ Challenges	• Continued reliance on agency- and principal-driven business models within certain segments, limiting direct control over revenue generation and market positioning. • Exposure to fluctuations in fuel, energy, and labour costs, which may exert pressure on operating margins and profitability. • Varying levels of digital maturity and workforce capabilities across business lines and geographic locations, potentially impacting operational efficiency and scalability. • Capital-intensive operations that require ongoing investment in assets, equipment, technology, and infrastructure to maintain competitiveness and support future growth. • Geopolitical uncertainties and trade disruptions that may adversely affect shipping routes, cargo volumes, and global supply chain stability. • Volatility in freight rates, fuel prices, and foreign exchange movements, creating earnings and cost management challenges. • Increasing regulatory requirements across maritime, environmental, labour, customs, and trade-related frameworks, resulting in higher compliance obligations. • Intensifying competition from global logistics providers and vertically integrated operators, placing pressure on market share, pricing, and service differentiation. • Climate-related risks, including extreme weather events and evolving environmental regulations, necessitating greater resilience and enhanced sustainability practices.

PEOPLE

Conducted comprehensive training needs assessments across the Maritime, Cargo, and Integrated Container Services segments to identify capability gaps and support workforce development.

Delivered a broad range of technical, digital, safety, leadership, and specialised skills training programmes to enhance employee competencies and operational excellence.

Promoted greater female participation through inclusive recruitment practices, targeted development initiatives, and leadership advancement opportunities. Strengthened workplace safety, role clarity, digital adoption, and employee engagement through continuous improvement initiatives and capability-building programmes.

Enhanced employee wellbeing through improved work practices, health and wellness initiatives, and employee welfare programmes designed to support a safe and productive work environment.

1,966 direct job opportunities created

84.7 % Retention Rate

542 employees received training during the year

20% female representation in the sector

23% females in managerial roles

PLANET

Invested Rs. 10.8 Mn in energy-efficient equipment and cleaner production initiatives, supporting the sector's commitment to operational sustainability and environmental stewardship.

Invested Rs. 73 Mn in energy- and fuel-efficient technologies, including electric forklifts, while piloting electric vehicle solutions for domestic courier operations to support the transition towards lower-carbon logistics.

Invested Rs. 11 Mn in solar photovoltaic installations within the Integrated Container Services segment, enhancing the use of renewable energy across operations.

Embedded sustainability KPIs and shipment-level emissions tracking across business segments to strengthen environmental performance monitoring and support data-driven decision-making.

Undertook mangrove restoration and shoreline clean-up initiatives in Sri Lanka and Fiji, contributing to biodiversity conservation, ecosystem resilience, and environmental stewardship.

13% reduction in sector emissions

13% reduction in water intensity

15% reduction in energy consumption

INDUSTRY BENCHMARKS

ENVIRONMENTAL MANAGEMENT

ISO 14001:2015 Certified

- Ace Aviation Services (Pvt) Ltd.
- Ace Cargo (Pvt) Ltd.
- Aitken Spence Cargo (Pvt) Ltd.
- Logilink (Pvt) Ltd.
- Hapag-Lloyd Lanka (Pvt) Ltd.
- Fiji Ports Corporation Ltd.
- Fiji Ports Terminal Ltd.
- CINEC Campus (Pvt) Ltd.

Green Building Certification

Logilink (Pvt) Ltd. (Certification in progress')

OCCUPATIONAL HEALTH & SAFETY

ISO 45001:2018 Certified

- Logilink (Pvt) Ltd.
- Ace Distriparks (Pvt) Ltd.
- Hapag-Lloyd Lanka (Pvt) Ltd.
- Ace Containers (Pvt) Ltd.
- Fiji Ports Corporation Ltd.

MARITIME, FREIGHT & LOGISTICS

QUALITY MANAGEMENT

ISO 9001:2015 Certified

- Ace Aviation Services (Pvt) Ltd.
- Ace Cargo (Pvt) Ltd.
- Aitken Spence Cargo (Pvt) Ltd.
- Ace Distriparks (Pvt) Ltd.
- Hapag-Lloyd Lanka (Pvt) Ltd.
- Fiji Ports Terminal Ltd.
- Aitken Spence Shipping Ltd.
- Fiji Ports Corporation Ltd.
- CINEC Campus (Pvt) Ltd.
- Global Parcel Delivery (Pvt) Ltd.

SUPPLY CHAIN SECURITY

C-TPAT (Customs-Trade Partnership Against Terrorism) Certified

- Ace Containers (Pvt) Ltd.
- Ace Distriparks (Pvt) Ltd.
- Logilink (Pvt) Ltd.

Authorised Economic Operator (AEO) Certified

- Fiji Ports Terminal Ltd.

INDUSTRY OVERVIEW

The Maritime and Freight Logistics industry operated in a complex and evolving environment in 2025. While global trade activity showed signs of recovery, the sector continued to face challenges arising from geopolitical tensions, shifting trade policies, freight rate volatility, and excess shipping capacity. These factors contributed to operational uncertainties and continued pressure on margins across the global logistics value chain.

Global merchandise trade expanded by 4.6% year-on-year (YoY), supported by a modest recovery in manufacturing output and consumer goods demand. Asian economies remained the primary driver of this growth, accounting for approximately 71% of the increase in merchandise trade volumes, underscoring the region's pivotal role in global supply chains.

The air cargo market demonstrated strong momentum, with international air cargo demand increasing by 4.2% YoY, driven largely by growth in Asia-Pacific markets and expanding cross-border trade flows.

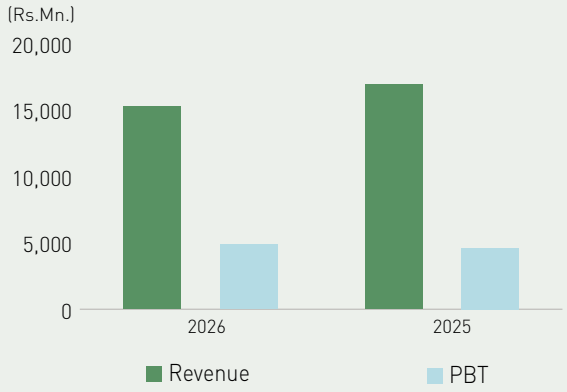
Within Sri Lanka, freight traffic through the Port of Colombo increased by 6.4% to 8.29 million TEUs, reinforcing its position as a key regional transshipment hub. Global containerised trade is estimated to have grown by 1.4%, reflecting a gradual improvement in shipping activity despite ongoing market disruptions.

Freight rates remained volatile throughout the year as geopolitical conflicts, changing trade policies, and port congestion continued to affect global shipping networks. At the same time, excess vessel capacity and frequent blank sailings disrupted schedule reliability, as shipping lines adjusted capacity deployment in response to soft demand, rate pressures, and evolving trade patterns.

Against this backdrop, industry participants continued to focus on operational efficiency, digitalisation, supply chain resilience, and value-added service offerings to navigate market uncertainties and position themselves for sustainable growth.

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	**15,264**	16,913	-10%
PBT	**4,875**	4,596	6%



The Maritime & Freight Logistics sector delivered a resilient performance during FY 2025/26, navigating a challenging global operating environment marked by geopolitical uncertainties, trade disruptions, and heightened competitive pressures across international freight and logistics markets. Despite these challenges, the sector recorded revenue of Rs. 15.3 billion and a profit before tax of Rs. 4.9 billion, representing a 6% increase in profit before tax compared to the previous year.

The sector's performance was supported by strong results from its core maritime and integrated logistics businesses, particularly shipping agency representation, port management, integrated container services, bunkering, and education. These gains offset weaker performances in freight forwarding, express logistics, and airline GSA representation, which were affected by geopolitical challenges, market instability, and changes in agency relationships. As a result, revenue growth remained modest, while improved operational performance and the sector's diversified portfolio contributed to continued earnings growth and resilience.

The Sri Lankan freight forwarding business reported lower revenue during the year, primarily due to the loss of the DB Schenker agency following its acquisition by DSV A/S and the subsequent restructuring of global agency and partnership networks. Despite the resulting decline in shipment volumes, the business successfully mitigated the impact by establishing new partnerships with international freight forwarding networks and retaining key customer accounts through its strong service standards and industry expertise. These initiatives helped maintain service continuity, preserve longstanding customer relationships, and sustain the business's presence across key trade corridors.

Performance of overseas freight forwarding operations was adversely affected by challenging market conditions in Bangladesh and Myanmar, where prolonged political instability disrupted trade activity and constrained business operations. These factors resulted in lower shipment volumes and reduced profitability. Nevertheless, the benefits of a diversified regional footprint were evident, with operations in Cambodia returning to profitability during the year and contributing positively to overall performance.

The Air Cargo GSA business experienced a decline in performance during the year due to increasing competitive pressures and margin contraction across key markets. Performance was further affected in the final quarter by heightened geopolitical tensions in the Middle East, which resulted in flight cancellations, reduced service frequencies, and disruptions to cargo movements. Despite these challenges, the impact was partially offset through prudent cost management, enhanced pricing strategies, and improved operational efficiencies.

While the agency and cargo-related businesses encountered short-term market challenges, management remained focused on business stabilisation, cost optimisation, and targeted capability development. These initiatives are expected to strengthen the segment's resilience and support a recovery in margins as market conditions improve.

The Shipping Liner Agency Representation segment recorded a strong performance in FY 2025/26, driven by growth in container volumes and increased transshipment activity. The segment benefited from strong relationships with global shipping principals, effective commercial strategies, and consistently high service standards within a highly competitive operating environment.

Enhanced operational efficiency and disciplined execution enabled the business to translate higher volumes into improved profitability, further strengthening its contribution to sector earnings. The segment's performance also underscored Colombo's strategic significance as a regional transshipment hub and reflected the Group's extensive experience and established presence in liner agency representation across key international trade routes.

MARITIME, FREIGHT & LOGISTICS

Port management operations recorded robust growth, supported by higher domestic and transshipment volumes, improved infrastructure utilisation, and enhanced operational efficiency. Strategic investments in equipment and handling capabilities further strengthened performance and supported regional trade facilitation.

The Integrated Container Services segment delivered an exceptional performance during FY 2025/26. Profitability increased significantly, driven by higher operating volumes, efficiencies gained through automation and energy-saving initiatives, and reduced financing costs. Strategic investments in modern handling equipment, infrastructure enhancements, and digital technologies strengthened operational efficiency, improved turnaround times, increased capacity utilisation, and enhanced service reliability.

The segment maintained its leadership position in Sri Lanka's integrated container services and container freight station (CFS) market, supported by modern infrastructure, an extensive depot network, and strong operational expertise. These competitive advantages continued to support sustainable and scalable growth.

The Bunkering segment reported a strong performance during the year, supported by increased vessel traffic and a substantial rise in bunker fuel sales volumes in Sri Lanka. Higher demand and improved capacity utilisation contributed to notable growth in operational volumes.

Despite fluctuations in fuel prices, the segment sustained strong profitability through effective operational management, disciplined cost controls, and close coordination with port management and shipping agency operations. The business continued to strengthen its role as an important contributor to the sector's overall earnings.

The Education segment, represented by CINEC Campus, delivered an outstanding performance and achieved its highest profit on record. Results were driven by strong revenue growth supported by increased student enrolments across multiple academic disciplines.

Beyond its financial contribution, CINEC continues to play a vital role in developing industry-ready talent for the maritime, logistics, and related sectors, while supporting a broad range of professional and academic programmes. By offering internationally recognised qualifications locally, the institution enhances access to globally benchmarked education and contributes to retaining higher education expenditure within Sri Lanka.

OUTLOOK

The Maritime & Freight Logistics sector is well positioned for its next phase of growth, supported by the strength of its port management, integrated logistics, shipping agency, and bunkering businesses. Continued growth in regional trade, Colombo's strategic importance as a transshipment hub, and sustained demand for asset-backed maritime and logistics services provide a solid foundation for future performance.

Going forward, the sector will focus on improving earnings quality and enhancing long-term resilience through operational excellence, expansion of value-added and asset-backed services, and continued investments in digitalisation, automation, and energy-efficient infrastructure. Efforts are also underway to transform cargo and agency-related businesses by expanding specialised logistics capabilities, cold chain solutions, and integrated service offerings, thereby reducing reliance on cyclical and principal-driven business models.

Although geopolitical uncertainties and evolving regulatory and sustainability requirements continue to present challenges, the sector remains well equipped to manage these risks through geographic diversification, disciplined capital allocation, proactive stakeholder engagement, and the integration of sustainability practices across its operations. These strengths position the sector to navigate near-term market volatility while delivering sustainable long-term growth.


HINA SHIPPING


YALA

PLANTATIONS



The Plantations sector of Melstacorp, represented by Balangoda Plantations PLC, Madulsima Plantations PLC, and Elpitiya Plantations PLC, remains a key contributor to national socio-economic development through its extensive agricultural operations and community impact.

As one of the Group's largest employers, the sector accounts for 29% of Melstacorp's workforce, providing sustainable livelihoods and supporting the well-being of rural communities across the country. Its operations span 46 estates, forming a diverse and resilient agricultural portfolio. This includes 18 dedicated tea estates, 11 estates cultivating both tea and rubber, 4 focused exclusively on rubber production, and 13 estates managing a combination of tea, rubber, palm oil, and other crops, all of which contribute meaningfully to national agricultural output and export earnings.

Guided by a commitment to operational excellence and sustainable growth, Melstacorp continues to implement strategic initiatives that enhance productivity, optimise financial performance, and strengthen the sector's economic and social impact. Through these efforts, the Group remains focused on ensuring the long-term sustainability and competitiveness of its plantation operations while creating enduring value for stakeholders and the nation.

CONTRIBUTION TO THE GROUP

9,667	3%	Rs.4,206Mn
EMPLOYEES	GROUP REVENUE	PROPERTY, PLANT AND EQUIPMENT

ELPITIYA PLANTATIONS



Elpitiya Plantations PLC operates 13 estates and 8 factories across Sri Lanka's low, mid, and up-country regions. Its primary crops include tea, rubber, coconut, cinnamon, and oil palm, supported by a diversified portfolio of complementary non-core business operations.

MADULSIMA PLANTATIONS



Through its 12 tea estates and 10 tea factories and extensive portfolio of tea, rubber, timber, and diversified crop plantations, Madulsima Plantations manages 5,433 hectares of agricultural land across the Uva and Central Provinces.

BALANGODA PLANTATIONS



Spanning 9,076 hectares across the Sabaragamuwa and Uva Provinces, Balangoda Plantations operates 15 tea estates, 6 rubber estates, 10 tea factories and 2 rubber factories. BPL cultivates tea, rubber, timber, and a variety of other crops, supporting a diverse and sustainable plantation business.

KEY HIGHLIGHTS – FY 2025/26

ELPITIYA PLANTATIONS

- Initiated direct tea exports to Fiji through a contract packing arrangement.
- Enhanced productivity and crop quality across 8,800 hectares through improved agronomic practices, crop management programmes, replanting, and infilling with high-yielding cultivators.
- Expanded mechanisation initiatives, including machine plucking, drone-assisted crop monitoring, and mechanised weeding, improving labour productivity and operational efficiency.
- Generated 27 million kg of Fresh Fruit Bunches (FFB) from oil palm operations, reinforcing agribusiness profitability.
- Expanded cinnamon and coconut cultivation to 144 hectares, strengthening crop diversification.
- Adopted sustainability-focused agricultural practices, including soil carbon enhancement, rainwater harvesting, and reduced chemical input usage.
- Increased berry production by 56% through the expansion of controlled-environment cultivation to 53 polytunnels covering 22 hectares.
- Generated 5.96 million kWh of renewable energy through solar and mini-hydro operations with a combined installed capacity of 4,210 kW.
- Introduced three new products under the Berry Much and Tropifrut brands and expanded distribution to 502 retail outlets islandwide.
- Generated Rs. 128 million in export revenue from tea, berries, and spices through expanded export operations.
- Advanced regenerative tourism initiatives and continued R&D into emerging agribusiness opportunities, including agarwood cultivation.

PLANTATIONS

KEY HIGHLIGHTS – FY 2025/26

MADULSIMA PLANTATIONS

- Capital investment in manufactured assets increased by 86% year-on-year, rising from Rs. 167 million to Rs. 311 million, reflecting the Company's continued focus on strengthening its asset base and supporting long-term sustainable growth.
- The Company pursued a proactive crop diversification strategy, converting carefully assessed low-yielding tea lands to high-value crops including pepper, cinnamon, cardamom, coffee, and citrus, now spanning 30.9 hectares. Marginal lands are also being utilised for the cultivation of fast-growing species to support biomass energy initiatives.

BALANGODA PLANTATIONS

- Crop diversification efforts included pineapple cultivation across several estates, generating a profit of Rs. 3.7 million during the year under review, while cinnamon cultivation was also expanded in selected estates as part of the Group's broader diversification strategy.
- Total capital expenditure for the year amounted to Rs 154 million mainly on upgrading factory machinery.

KEY ACHIEVEMENTS – FY 2025/26

ELPITIYA PLANTATIONS

- Gold Award at the Green Productivity Awards presented by the Sri Lanka Association for the Advancement of Quality and Productivity (SLAAQP).
- Recognised among the Ten Best Corporate Citizens by the Ceylon Chamber of Commerce.
- 1st Runner-up in the Best Corporate Citizen Award – Category B (entities with turnover below Rs. 15 billion), awarded by the Ceylon Chamber of Commerce.
- Winner of the Corporate Citizen Category Award for Community Relations, presented by the Ceylon Chamber of Commerce.
- Received a Merit Award for Project Best Harvest under the Best Project Sustainability Award category at the Ceylon Chamber of Commerce awards.
- Awarded a Bronze Award at the TAGS Awards 2025, organised by CA Sri Lanka.

MADULSIMA PLANTATIONS

Achieved 152 Top Prices during Season 2025 across 11 tea grades.

BALANGODA PLANTATIONS

- Telbedde Tea Factory was recognised as the Outstanding Tea Producer in the Uva Region at the Tea Exporters Association Awards during the year under review.
- The factory further distinguished itself by being crowned the Overall Winner and Gold Medalist at the Ceylon Specialty Estate Tea of the Year 2025 Awards.
- In recognition of its excellence in specialty tea production, Telbedde Tea Factory was selected to represent Sri Lanka at Expo Osaka 2025, Japan.
- Balangoda Plantations PLC achieved an exceptional market performance during Season 2025, securing 100 top prices for tea and 50 top prices for rubber, underscoring the quality and competitiveness of its produce.

KEY RISKS AND OPPORTUNITIES

Opportunities

- By implementing reforestation, agroforestry, and enhanced soil management practices, plantation companies can increase carbon sequestration, strengthen biodiversity, and deliver valuable ecosystem services. These initiatives also create opportunities to participate in carbon credit markets, generating additional revenue streams while advancing sustainability objectives.
- Growing global and local demand for sustainability certifications presents opportunities to enhance environmental and social performance, improve market competitiveness, and gain access to premium markets and customers.
- Increasing government incentives for renewable energy create opportunities to expand solar and other clean energy projects, reducing operating costs, improving returns on investment, and supporting decarbonisation efforts.
- Diversification into high-value crops and organic agriculture can unlock new market opportunities, enhance profitability, and meet rising consumer demand for healthier and sustainably produced products.
- The adoption of digital technologies, including drone-based precision agriculture and data analytics, can optimise resource utilisation, improve yield forecasting, enhance operational efficiency, and strengthen financial performance.
- Greater crop and revenue diversification can reduce exposure to climate-related disruptions and commodity price volatility, enhancing long-term business resilience.
- Strengthening community engagement and development initiatives can enhance the social licence to operate, improve employee retention, and foster more resilient rural economies, creating shared value for both plantation businesses and surrounding communities.

Risks/ Challenges

- Talent shortages, driven by an ageing workforce and the limited availability of skilled supervisors and critical operational personnel, continue to pose a significant challenge to long-term business sustainability and productivity.
- Cybersecurity risks are increasing with the rapid adoption of digital technologies and artificial intelligence, exposing businesses to potential data breaches, operational disruptions, and system vulnerabilities.
- Industrial relations challenges, including labour disputes and workforce unrest, may disrupt operations, reduce productivity, and adversely impact employee morale and engagement.
- Escalating labour, fertilizer, and energy costs continue to place pressure on profit margins, impacting the sector's overall cost competitiveness.
- Exchange rate volatility, remains a challenge, affecting financial performance despite the continued global competitiveness of tea auction prices in USD terms.
- Climate and weather-related risks continue to affect plantation operations, with strong winds, storms, and reduced sunlight impacting crop health and productivity in the Up-Country and Mid-Country regions, while flooding in the Low Country contributes to infrastructure damage, soil erosion, and operational disruptions.

PLANTATIONS

PEOPLE

Enhanced employee skills, welfare, and community well-being through key initiatives, including the development of a comprehensive Health and Safety Policy, the introduction of an online learning platform, and strengthened community engagement programmes.

Maintained effective management of occupational health and safety risks, fostering a safer and healthier workplace for all employees.

Strengthened employee engagement and retention through a holistic and inclusive people-focused approach that promotes well-being, motivation, and workplace satisfaction.

Provided fair and competitive remuneration and benefits to all employees in full compliance with applicable labour laws, regulations, and industry standards.

Supported employee health and nutrition through the provision of midday meals and dry ration packs to employees and their families.

Fostered a safe, inclusive, and empowering work environment, with particular emphasis on supporting female employees through the enforcement of a strict zero-tolerance policy on sexual harassment, gender-based violence, and workplace discrimination.

PLANET

Expanded renewable energy capacity through the installation of new rooftop solar power projects, supporting energy efficiency and reducing the Company's carbon footprint.

Enhanced green cover and climate resilience through strategic tree-planting initiatives that contribute to biodiversity conservation, carbon sequestration, and ecosystem health.

Developed dedicated fuelwood plantations to ensure a reliable and sustainable biomass fuel supply, reducing dependence on external sources while mitigating supply risks and fuel cost volatility.

Maintained dedicated fuelwood plantations to secure a reliable and sustainable biomass fuel supply, reducing dependence on external sources while mitigating supply risks and fuel cost volatility.

Improved fleet energy efficiency through initiatives that reduced fuel consumption per kilometre travelled and reliance on fossil fuels, contributing to lower Scope 1 emissions, reduced transportation costs, and enhanced environmental performance.

Strengthened sustainable procurement practices by optimising supply chains and prioritising local sourcing, thereby reducing transportation-related emissions and lowering the Company's Scope 3 carbon footprint.

Protected water resources and aquatic ecosystems through comprehensive water conservation measures, including the maintenance of grass buffer zones, riparian habitats, vegetative barriers, and chemical-free buffer areas to safeguard surface and groundwater quality.

Promoted responsible agrochemical management through the implementation of a strict zero-use policy on pesticides classified as Extremely Hazardous or Highly Hazardous, supporting environmental protection and worker safety.

Advanced circular economy practices through in-house and on-site composting programmes, the productive utilisation of agricultural by-products, and the conversion of non-marketable berries into value-added products, enhancing resource efficiency and reducing waste generation.

Strengthened responsible agrochemical management in line with Rainforest Alliance (RA) and Forest Stewardship Council (FSC) standards by eliminating highly hazardous pesticides, prioritising safer alternatives, and providing regular training to field staff on safe handling and application practices.

Maintained a strict no-deforestation commitment in accordance with FSC principles, ensuring the protection and conservation of natural forest ecosystems and preventing the conversion of natural forests for commercial purposes.

Promoted biodiversity conservation and sustainable land stewardship through adherence to internationally recognised certification standards and the preservation of ecologically sensitive areas within plantation operations.

INDUSTRY BENCHMARKS

ELPITIYA PLANTATIONS

- Rainforest Alliance Certification
- Forest Stewardship Council (FSC) Certification
- ISO 22000 Food Safety Management System Certification
- Hazard Analysis and Critical Control Points (HACCP) Certification
- Roundtable on Sustainable Palm Oil (RSPO) Certification
- RegenAgri Certification

MADULSIMA PLANTATIONS

- Rainforest Alliance (RA)
- Sustainable Agriculture Network (SAN)
- ISO 22000: Food Safety Management System
- Biodiversity Sri Lanka
- Carbon Footprint Verification (ISO 14064-1)

BALANGODA PLANTATIONS

- ISO 22000/HACCP: 2005 Certified Food Safety Systems
- Fully compliant with the European Union Deforestation Regulations (EUDR).

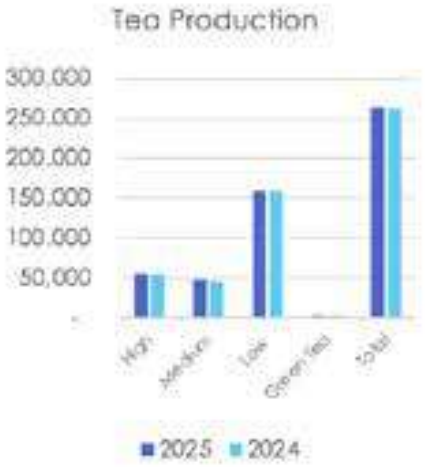
INDUSTRY OVERVIEW

TEA

The tea industry enters 2026 with renewed optimism, demonstrating resilience following the disruptions caused by Cyclone Ditwah in late 2025. While the sector continues to benefit from favourable growing conditions, strong global recognition for Ceylon Tea, and emerging opportunities in premium tea segments, it also faces challenges from increasing international competition and evolving market dynamics. Maintaining Ceylon Tea's premium positioning through a continued focus on quality, purity, and brand differentiation remains critical. Industry performance in 2025 showed modest growth, with increases in both production and exports, providing a positive foundation for the year ahead.

For the period January to December 2025, national tea production reached 264.12 million kilograms, reflecting an increase of 1.43 million kilograms compared to 262.69 million kilograms recorded in 2024. Notably, all elevation categories reported growth over the corresponding period of the previous year.

Compared to the 256.09 million kilograms produced in 2023, cumulative production in 2025 increased by 8.03 million kilograms. On a cumulative basis, all elevation categories recorded positive growth relative to 2023, with the exception of the High Grown elevation, which registered a decline.



PLANTATIONS

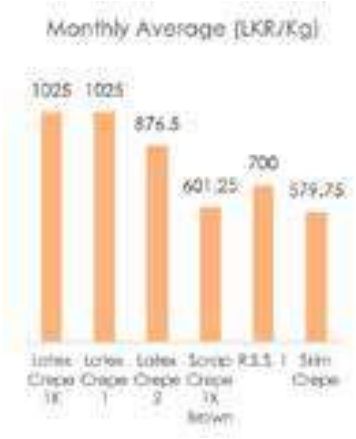
RUBBER

The global rubber industry continued to navigate challenges arising from climate change, energy price volatility, and geopolitical uncertainties, while adapting to increasing demands for sustainability, traceability, and mechanisation. Global production patterns are also evolving, with cultivation expanding in emerging regions such as Africa, while traditional producing countries face declining acreage due to competition from more profitable crops.

In Sri Lanka, the rubber industry remained an important contributor to export earnings despite declines in both production and export revenue in 2025. Natural rubber production decreased by 3.9% compared to the previous year, falling to 66.49 MT in 2025 from 69.18 MT in 2024.

The rubber industry continued to be a significant source of export earnings, although the sector experienced a contraction during 2025. Total export earnings from rubber and rubber-based products amounted to US$ 945.3 million, representing a 5.6% decline compared to 2024.

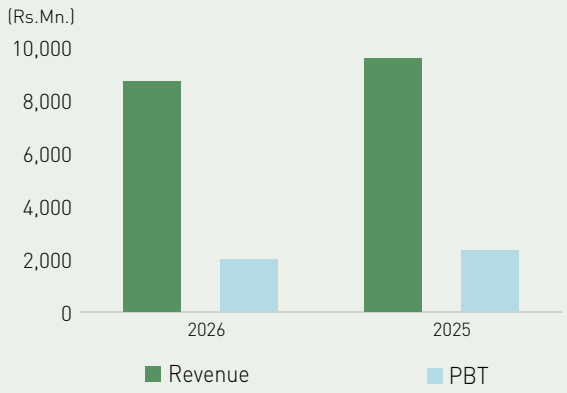
Despite these setbacks, the industry maintained its focus on value-added manufacturing, which remains a key strength of



Sri Lanka's rubber sector. However, the industry continues to face several structural challenges, including adverse weather conditions, ageing plantations, and labour shortages that affect tapping operations and productivity. Nevertheless, local auction prices improved toward the latter part of the year, supported by constrained supply and relatively stable global demand, providing some relief to producers and exporters.

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	**8,664**	9,530	-9%
PBT	**1,988**	2,308	-14%



The Plantations sector recorded revenue of Rs. 8.66 billion in FY 2025/26, compared with Rs. 9.53 billion in the previous year, a decline of approximately 9%. Profit Before Tax (PBT) fell to Rs. 1.99 billion from Rs. 2.31 billion, a decrease of approximately 14%, reflecting a challenging year shaped by cost pressures, climate disruption, and mixed commodity market conditions across the sector's tea and rubber operations.

The decline in performance took place against a backdrop of modest recovery at the national industry level: tea production rose to 264.12 million kilograms in 2025, up from 262.69 million kilograms in 2024, with growth recorded across all elevation categories. The rubber segment operated in a tougher environment nationally, with production down 3.9% to 66.49 MT and export earnings down 5.6% to US$ 945.3 million, although local auction prices firmed toward year-end on constrained supply. The sector's own results were further affected by the impact of Cyclone Ditwah in late 2025, which disrupted operations and infrastructure across several estates, and by escalating labour, fertiliser, and energy costs including the wage revision effective January 2026, which raised the daily wage from Rs. 1,350 to Rs. 1,550.

OUTLOOK

The Plantations sector enters the new financial year with cautious optimism, underpinned by the tea industry's renewed momentum and Ceylon Tea's continued global recognition as a premium, ethically produced product, alongside a rubber sector that is stabilising after a challenging 2025. Improving global demand fundamentals, coupled with Sri Lanka's differentiated positioning in high-grown and specialty tea segments, provide a constructive backdrop for the sector's performance in the year ahead, even as input cost pressures and climatic uncertainty continue to warrant a measured approach to planning and capital deployment.

The sector will continue to focus on strengthening productivity through targeted replanting and infilling programmes designed to improve yield per hectare and rejuvenate ageing fields, alongside proactive disease and pest management to safeguard crop health and quality. In parallel, continued investment in agronomic best practices, including soil nutrition management and precision cultivation techniques, is expected to enhance both output consistency and cost efficiency across estates. Crop diversification remains a central pillar of the sector's medium-term strategy, with expansion into coconut, king coconut, and other high-value crops aimed at reducing dependence on any single commodity and building greater resilience to price and climate volatility, while unlocking new revenue streams from underutilised land.

Continued investment in sustainability certification, renewable energy adoption, and biodiversity conservation initiatives is expected to support both premium market access particularly in markets that increasingly demand verifiable ethical and environmental credentials and cost efficiency over the medium term through reduced reliance on grid energy and improved resource utilisation. The sector also continues to explore opportunities in value-added and specialty product lines, including orthodox and speciality teas, to capture higher margins and strengthen brand differentiation in competitive export markets.

The sector's focus on employee welfare and community development will remain central to maintaining its social licence to operate, particularly amid a tightening labour market for skilled estate personnel and evolving expectations around wages, living conditions, and workforce development. Sustained investment in worker housing, healthcare, education, and skills training is expected to support both retention and productivity, while reinforcing the sector's long-standing commitment to the wellbeing of estate communities.

Looking ahead, the sector remains committed to disciplined capital allocation and operational excellence, prioritising investments that deliver the strongest risk-adjusted returns while maintaining balance sheet resilience. This disciplined approach positions the sector to navigate near-term cost pressures including rising input, energy, and labour costs alongside climate-related risks such as erratic rainfall patterns and extreme weather events, while sustaining long-term value creation for stakeholders, employees, and the communities it serves. The sector will continue to monitor regulatory and policy developments affecting land use, labour, and export markets, adapting its strategy as needed to safeguard competitiveness and ensure continued alignment with national and global sustainability priorities.



FINANCIAL SERVICES



The Financial Services sector continues to navigate a period of transition, evolving in step with a dynamic operating environment while remaining a key pillar of Melstacorp Group's portfolio and a steady contributor to long-term value creation. As the industry transitions toward greater digitalisation, evolving regulatory frameworks, and shifting customer expectations, the sector has strengthened its market position through product innovation, customer-centric solutions, and the growing adoption of technology-driven capabilities. Its operations comprise Continental Insurance Lanka Limited, Continental Insurance Life Lanka Limited, the Aitken Spence Insurance sector, and MMBL Money Transfer.

Together with the sector's other operations, these businesses are steering the Group through this transition with discipline enhancing portfolio diversification, deepening its presence in the financial services landscape, and contributing meaningfully to sustainable growth and shareholder value creation as the sector repositions itself for the next phase of the journey.

CONTRIBUTION TO THE GROUP

729	3%	Rs. 198 Mn
EMPLOYEES	GROUP REVENUE	PROPERTY, PLANT AND EQUIPMENT

CONTINENTAL INSURANCE LANKA LIMITED (CILL)



Melstacorp's wholly owned subsidiaries, Continental Insurance Lanka Limited and Continental Insurance Life Lanka Limited, have established strong positions within Sri Lanka's general and life insurance industries, offering comprehensive insurance solutions that meet the evolving needs of individuals and businesses.

AITKEN SPENCE INSURANCE



Provides specialised marine cargo and general insurance solutions, offering services that include insurance broking, risk advisory, surveys, claims management, and claims settlement for both corporate and individual clients. This segment comprises Aitken Spence Insurance Brokers (Pvt) Ltd (ASIB) and Aitken Spence International Consulting (Pvt) Ltd (ASIC).

ASIB specialises in insurance brokerage and risk management advisory services, arranging general and long-term insurance solutions while facilitating efficient claims handling and resolution. ASIC serves as the representative of Lloyd's of London and W.K. Webster, providing marine surveys, claims settlement, and cargo recovery services. In addition, ASIC acts as the Superintendent for the United Nations World Food Programme.

MMBL MONEY TRANSFER (PVT) LTD



MMBL Money Transfer (Pvt) Ltd operates one of Sri Lanka's largest remittance networks, supported by a nationwide network of more than 3,000 sub-agents who offer extended service hours. This extensive network of micro-entrepreneurs is seamlessly connected to the global remittance market through strategic partnerships with leading international money transfer providers, including Western Union, MoneyGram, and Ria.

Through these well-established relationships, MMBL has developed a strong presence in facilitating both inbound and outbound remittances for Sri Lankan migrant workers. The company is committed to delivering fast, reliable, and accessible remittance services across the country, ensuring convenient financial connectivity for its customers.

FINANCIAL SERVICES

KEY HIGHLIGHTS – FY 2025/26

CONTINENTAL INSURANCE LANKA LIMITED (CILL)

- Continued to enhance customer value and service delivery through strategic investments in technology and digital transformation, strengthening operational efficiency and customer experience.
- Implemented an end-to-end automated medical claims process, delivering improved speed, convenience, and service effectiveness, while further automation initiatives are underway across other claims functions.
- Maintained a strong growth trajectory, consistently outperforming many well-established industry players through robust premium growth and disciplined underwriting practices.
- Demonstrated financial and operational resilience, navigating pandemic-related disruptions and economic challenges while sustaining long-term business growth and profitability.

AITKEN SPENCE INSURANCE

- Commenced building a broker front end system and a surveyor workflow platform, which are expected to improve operational efficiency significantly.

MMBL MONEY TRANSFER (PVT) LTD.

- Reviewed its operating model and sharpened its focus on higher-performing lines of Business
- Strengthened the presence in higher-margin businesses while advancing its digitalisation agenda.
- Ongoing brand building initiatives across geographies to access the Sri Lankan diaspora in the EU and USA.

KEY ACHIEVEMENTS – FY 2025/26

CONTINENTAL INSURANCE LANKA LIMITED (CILL)

- Recognised as Domestic General Insurer of the Year – Sri Lanka at the Insurance Asia Awards 2025, held in Singapore, reaffirming CILL's position among the leading insurance providers in the Asia-Pacific region.
- Secured the prestigious award for the fourth consecutive year, reflecting the company's consistent commitment to excellence, resilience, innovation, and sustainable growth despite challenging market conditions.
  - » Earned its third international accolade in 2025, following recognition at the Global Banking and Finance Awards as:
  - » Best Health Insurance Company – Sri Lanka
  - » Fastest Growing Non-Life Insurance Company – Sri Lanka
- Strengthened governance and information security standards by achieving ISO 27001:2022 certification for Information Security Management Systems, complementing its existing ISO 9001:2015 certification for quality management.

AITKEN SPENCE INSURANCE

- Obtained Life Insurance Brokerage License from the IRCSL, making the segment well-positioned to explore opportunities in this new segment

MMBL MONEY TRANSFER (PVT) LTD.

- Automation of sub-agent compliance audits.

KEY RISKS AND OPPORTUNITIES

Opportunities

- Expanding outreach to underserved customer segments and emerging geographic markets, including rural populations and younger demographics, offers significant opportunities to grow the customer base while supporting greater financial inclusion.
- Introducing affordable and accessible microinsurance solutions for low-income and underserved communities can enhance financial resilience, address protection gaps, and create new avenues for sustainable growth.
- Developing specialised insurance products that address environmental and climate-related risks, including natural disasters and sustainability-linked assets, enables insurers to meet evolving customer needs while aligning with global sustainability priorities.
- Enhancing the value proposition beyond traditional insurance offerings by integrating health and wellness services can improve customer engagement, encourage preventive care, and strengthen long-term customer relationships.
- Strengthening distribution capabilities through bancassurance partnerships, retail channels, and embedded insurance models can improve accessibility, expand market reach, and deliver more seamless customer experiences.
- Leveraging artificial intelligence, advanced analytics, and digital technologies can support more accurate risk assessment, streamlined underwriting processes, and the development of personalised, on-demand insurance solutions tailored to individual customer requirements.
- A well-established network of sub-representatives across Sri Lanka, complemented by strategic partnerships with world-renowned remittance principals, provides a strong platform for delivering accessible and reliable remittance services.

Risks/ Challenges

- Managing macroeconomic volatility, including inflationary pressures, fluctuating interest rates, and geopolitical uncertainty, remains a key challenge, as these factors can influence investment returns, underwriting performance, pricing strategies, and overall profitability.
- Addressing the insurance protection gap requires sustained efforts to enhance financial literacy, strengthen consumer awareness, and develop affordable, relevant insurance solutions that build trust and encourage wider adoption across the market.
- Navigating an increasingly complex regulatory landscape demands continuous monitoring and adaptation to evolving requirements related to data privacy, solvency, governance, and consumer protection, resulting in heightened compliance and operational obligations.
- Strengthening cybersecurity resilience is critical as digital transformation accelerates across the sector. Insurers must continually invest in advanced security frameworks to safeguard sensitive customer information, protect critical systems, and mitigate the growing risk of sophisticated cyber threats.
- Balancing customer expectations for fast and seamless claims settlement with robust fraud detection and prevention mechanisms remains essential to maintaining customer satisfaction while protecting financial performance and operational integrity.
- Attracting, developing, and retaining specialised talent in areas such as data analytics, artificial intelligence, cybersecurity, and digital innovation is increasingly important. Simultaneously, organisations must invest in upskilling and reskilling their existing workforce to meet evolving industry requirements and technological advancements.
- Adapting to changing customer expectations and increasing competition from both traditional insurers and emerging digital players requires continuous innovation, differentiated value propositions, and enhanced customer experiences.
- Managing the growing impact of climate-related and catastrophe risks presents an ongoing challenge, as the increasing frequency and severity of extreme weather events can lead to higher claims costs, greater underwriting complexity, and increased pressure on risk management frameworks.
- The growing adoption of banking services and digital payment channels, coupled with improving financial literacy levels, has reduced dependence on traditional agent-based remittance services, driving a shift toward more convenient and formal remittance platforms.
- Customer preference for conventional service channels, combined with the gradual uptake of digital remittance platforms, remains a challenge to accelerating digital transformation and enhancing service accessibility.

FINANCIAL SERVICES

PEOPLE

Strengthened workforce expertise through investments in professional education, technical certifications, and continuous learning initiatives, fostering a culture of knowledge sharing and industry engagement to keep pace with evolving insurance market trends and best practices.

Provided ongoing focus on enhancing technical knowledge of the money transfer segment.

Achieved 50% female representation at Head of Department level in Money Transfer operations.

Maintained 50% female workforce participation in Money Transfer.

Expanded flexible shifts, hybrid work, and safe workplace practices supporting women's retention and progression.

PLANET

The Insurance segment continued to advance its sustainability agenda through initiatives such as flexible work-from-home arrangements, increased use of virtual meetings, and the implementation of energy-efficient practices across its office operations. These measures contributed to reducing operational resource consumption, lowering its environmental footprint, and promoting more sustainable ways of working.

Paper and fuel saving initiatives were carried out by the money transfer segment

Achieved 44.64% reduction in paper consumption in money transfer operations.

Achieved a significant reduction in fuel consumption, lowering usage from 10,024 litres to 6,181 litres, surpassing annual targets through effective route optimisation, enhanced travel planning, and continuous fuel usage monitoring.

INDUSTRY OVERVIEW

Sri Lanka's insurance industry continued to build on the strong momentum established in the previous year, demonstrating resilience and sustained growth in 2025 despite ongoing economic challenges. The sector remained a vital component of the country's financial services landscape, with the life insurance segment recording robust expansion, driven by growing demand for long-term savings, financial security, health protection, and wealth accumulation solutions.

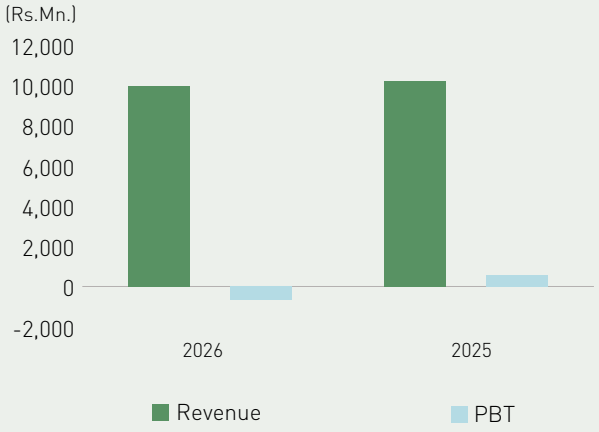
The general insurance sector also maintained steady growth, supported by heightened awareness of risk management, increased asset protection needs, and continued improvements in underwriting discipline and risk assessment practices.

Insurers further strengthened their financial stability through prudent capital management while accelerating digital transformation initiatives aimed at enhancing operational efficiency, customer engagement, and service accessibility.

The expansion of bancassurance partnerships, coupled with the growing adoption of micro-insurance products, contributed to broader insurance penetration across the country, particularly among underserved and emerging customer segments. Additionally, ongoing efforts toward enhanced financial reporting and governance standards, including developments related to IFRS 17 implementation, reinforced transparency, accountability, and stakeholder confidence.

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	**9,939**	10,187	-2%
PBT	**(646)**	565	-214%



The Financial Services sector generated revenue of Rs. 9.9 billion in FY2025, compared with Rs. 10.2 billion in the previous year, reflecting a 2% year-on-year decline amid a challenging operating environment. The sector reported a Loss Before Tax (LBT) of Rs. 0.7 billion, compared with a Profit Before Tax (PBT) of Rs. 0.6 billion in FY2025, representing a -214% year-on-year decline. This deterioration in performance was largely driven by challenging market conditions, rising operating expenses, and the significant impact of Cyclone Ditwah, which resulted in elevated insurance claims across the industry.

Despite these challenges, CILL remained focused on advancing its long-term strategic priorities centred on market expansion, operational excellence, and stakeholder value creation. During the year, the company further strengthened its distribution footprint through strategic bancassurance partnerships with leading banking institutions while continuing to implement its comprehensive Digital Transformation Roadmap. These initiatives were aimed at improving operational efficiency, enhancing customer experience, and supporting sustainable future growth. CILL also continued to foster its strong people-centric culture, with its Great Place to Work® certification underscoring high levels of employee engagement, workplace satisfaction, and organisational excellence.

Aitken Spence Insurance segment delivered mixed results during the year, with business volumes increasing despite profitability being affected by portfolio adjustments and margin pressures. Revenue declined by 8.4%, while Profit Before Tax decreased by 16.3%.

A key achievement during the year was the acquisition of a Life Insurance License from the Insurance Regulatory Commission of Sri Lanka (IRCSL), enabling the segment to diversify into long-term insurance products and broaden its service offering. The segment also continued to strengthen its capabilities through investments in human capital, enhanced technical expertise, and digital transformation initiatives, including broker-facing platforms and workflow automation systems. Despite near-term profitability challenges, the segment remains well positioned for future growth through diversification, digital innovation, and expansion into the life insurance market.

The Money Transfer segment faced a challenging year, with revenue declining compared to the previous period, largely due to the strategic exit from lower-margin business segments. Despite this, the segment improved its financial performance by implementing targeted cost optimisation measures, enhancing operational efficiency, and rebalancing its business portfolio, resulting in a reduced loss before tax.

During the year, the segment strengthened its principal network through the addition of Instant Cash, while deepening relationships with existing partners, including Ria and Western Union. It also continued to advance its digital transformation initiatives through the development of a centralised Agent Pay Network (APN) platform, automation of compliance processes, and enhancements to digital reporting and monitoring systems, improving operational effectiveness and supporting future growth.

FINANCIAL SERVICES

OUTLOOK

Melstacorp's Financial Services sector is well positioned to deliver sustainable long-term growth by maintaining stability, resilience, and adaptability in an increasingly dynamic industry environment. Anchored by strong governance practices, prudent risk management frameworks, and a commitment to continuous innovation, the sector is equipped to navigate economic volatility, evolving regulatory requirements, and emerging market challenges while creating lasting value for stakeholders.

The sector remains focused on enhancing customer-centric solutions and leveraging digital technologies to deepen market penetration, broaden its product offerings, and improve service delivery. Ongoing investments in digital transformation, data security, and cybersecurity capabilities are strengthening operational efficiency while fostering greater customer confidence and trust. At the same time, a strong emphasis on regulatory compliance, particularly in relation to data privacy, solvency requirements, and consumer protection standards, reinforces the sector's reputation as a responsible and reliable financial services provider.

To support inclusive growth, the sector continues to expand insurance accessibility through awareness-building initiatives and tailored solutions designed to address the needs of underserved communities. Strategic partnerships across bancassurance, retail, and embedded insurance channels are expected to further strengthen distribution capabilities and provide customers with seamless, convenient access to financial protection products.

Looking ahead, investments in talent development, data analytics, and artificial intelligence will play a pivotal role in enhancing agility, driving innovation, and enabling the delivery of more personalised and data-driven solutions. By combining operational excellence with technological advancement and a strong customer focus, Melstacorp's Financial Services sector is poised to navigate future challenges with confidence while delivering stable and sustainable value to customers, shareholders, and the wider economy.



STRATEGIC INVESTMENT



The Strategic Investments sector represents a diversified portfolio of businesses operating across three key industries, namely, power generation, apparel manufacturing, and printing and packaging. As a significant contributor to Sri Lanka's industrial landscape, the sector supports economic growth through value creation, employment opportunities, skills development, and enhanced productivity. By strategically expanding its presence in these high-impact sectors, the Group continues to strengthen its growth prospects while contributing to the nation's sustainable economic development.

CONTRIBUTION TO THE GROUP

7,808
EMPLOYEES

4%
GROUP REVENUE

Rs.26,118Mn
PROPERTY, PLANT AND EQUIPMENT

POWER GENERATION



As a pioneer in private sector-led renewable energy development, the Group has established a diversified portfolio of wind, solar, hydro, and waste-to-energy projects. These operations play a vital role in supporting the nation's energy needs while contributing to a more sustainable and resilient energy future.

APPAREL MANUFACTURING



With a heritage dating back to 1977, the Group is among Sri Lanka's pioneering apparel manufacturers. Through its three manufacturing companies, the segment produces high-quality garments for leading international fashion brands, supported by a strong commitment to innovation, quality, and sustainability.

PRINTING AND PACKAGING



Through Aitken Spence Printing & Packaging (Pvt) Ltd. and Ace Exports (Pvt) Ltd., the Group provides innovative and sustainable printing and packaging solutions. The segment serves a diverse range of industries with products including packaging materials, publications, tags, labels, and seasonal products, delivering quality and value to customers across local and international markets.

STRATEGIC INVESTMENT

KEY HIGHLIGHTS – FY 2025/26

POWER GENERATION

Generated 118.0 GWh of renewable energy for the national grid while facilitating the responsible disposal of 180,241 MT of municipal solid waste through the country's only waste-to-energy power plant. The facility also marked its fifth year of operations and has sustainably processed more than 1 million tonnes of municipal solid waste since commissioning, reinforcing its contribution to Sri Lanka's waste management and renewable energy objectives.

APPAREL MANUFACTURING

Continued to face challenging market conditions, prompting a strategic review aimed at strengthening competitiveness and supporting long-term growth.

PRINTING AND PACKAGING

Expanded its international presence through successful entry into the Australian and UK markets.

KEY ACHIEVEMENTS – FY 2025/26

POWER GENERATION

- Generated 118.0 GWh of renewable energy, supporting Sri Lanka's clean energy transition and contributing to national emissions reduction efforts.
- Processed municipal solid waste through waste-to-energy operations, reducing landfill volumes and supporting cleaner, more sustainable urban environments. Since commissioning in 2021, the plant has sustainably processed over 1,000,000 MT of municipal solid waste, demonstrating its long-term environmental impact.
- Facilitated the transfer of waste-to-energy technology to Sri Lanka, advancing innovation in sustainable waste management and renewable energy generation.

APPAREL MANUFACTURING

Secured new international customers to maintain production capacity and workforce stability while supporting the segment's recovery and future growth.

Faced a significant business challenge following the loss of a major customer, which previously accounted for approximately 80% of the segment's business volume, prompting an accelerated focus on customer diversification and operational resilience.

PRINTING AND PACKAGING

WorldStar Award 2026

Aitken Spence Printing achieved a significant milestone by winning the WorldStar Award 2026 in the Luxury Category, becoming the first and only offset printing company in Sri Lanka to receive this prestigious international recognition.

LankaStar Awards 2025

Aitken Spence Printing secured the Platinum Trophy at the LankaStar Awards 2025 for the third time and for the second consecutive year, earning the highest cumulative score with 4 Gold, 7 Silver, and 8 Bronze awards across multiple categories.

Expanded its international footprint through the export of high-quality packaging solutions to the food and tea industries in Australia and the United Kingdom.

Strengthened sustainability credentials through the adoption of FSC-certified materials, promoting responsible forest management and environmentally conscious manufacturing across key customer portfolios.

KEY RISKS AND OPPORTUNITIES

Opportunities

- Growing demand for renewable energy, supported by the Government's increased focus on expanding the renewable energy sector.
- Emerging Independent Power Producer (IPP) opportunities, creating potential for capacity expansion and long-term growth.
- Rising demand for sustainable and environmentally friendly packaging solutions across local and international markets.
- Expanding export market opportunities for eco-friendly printing and packaging products, driven by increasing global sustainability requirements.

Risks/ Challenges

- Delayed implementation of key energy sector policies and regulations continues to hinder market expansion and investment opportunities in the power generation sector.
- Market concentration risk arising from high dependence on local customers and insufficient customer diversification in the printing and packaging sector.
- High financing costs for capital investments, compounded by rising costs of imported machinery due to currency depreciation.
- Intense competition from small and medium-scale printing companies, placing pressure on market share and pricing.
- Changing customer expectations and evolving ESG compliance standards require ongoing innovation and investment.
- Geopolitical risks in international power generation markets may affect operational performance and growth opportunities.

PEOPLE

A comprehensive training needs assessment was conducted across the Power Generation segment, leading to the implementation of a structured training plan designed to strengthen technical competencies, enhance operational capabilities, and support employee development.

The Printing and Packaging segment continued to strengthen its talent pipeline through targeted technical, soft skills, and leadership development programmes, enhancing employee capabilities and fostering future leadership.

Partnered with the National Apprentice and Industrial Training Authority (NAITA) and the Vocational Training Authority (VTA) to support skills development, nurture future industry talent, and strengthen the pipeline of qualified professionals.

Continued efforts to promote workplace diversity by increasing female participation in roles traditionally dominated by men, fostering a more inclusive and balanced workforce. Across the Strategic Investments sector, women represent approximately 68% of the workforce, significantly exceeding the Group average and reflecting the sector's commitment to diversity and inclusion.

PLANET

The Power Generation segment contributes exclusively renewable energy to the national grid, supporting Sri Lanka's clean energy transition and aligning with national priorities for sustainable development and energy security.

The printing and packaging segment expanded the use of Forest Stewardship Council (FSC)-certified materials among key high-volume customers, reinforcing its commitment to responsible sourcing, sustainable forestry, and environmentally conscious production

118 GWh of Renewable energy generated

180,241 Municipal solid waste diverted from landfill

Enabled transfer of waste-to-energy technology to Sri Lanka

Supported Sri Lanka's transition towards sustainable packaging

STRATEGIC INVESTMENT

POWER		
Company & Location	**Type**	**Installed Capacity**
Ace Power – Embilipitiya (Non-operational; divestment in progress)	Thermal	100 Mw
Ace Wind Power - Ambewela	Wind	3 Mw
Branford Hydro Power - Matale	Hydro	2.5 MW
Western Power - Wattala	Waste to Energy	10 Mw
Waltrim - Lindula	Hydro	6.6 Mw
Sagasolar Power – Hambantota	Solar	10 Mw
Bogo Power - Bogawantalawa	Hydro	4 MW

Note: The Waltrim Energy portfolio comprises Waltrim Hydropower, Upper Waltrim Hydropower, and Elgin Hydropower plants with a combined installed capacity of 6.6 MW.

APPAREL	
Koggala	ISO 9001 2015
Matugama	• SEDEX registered supplier • Gold Certificate of Compliance- Worldwide Responsible Accredited Production

PRINTING
• LEED Gold Certified Facility • Carbon Neutral Certified Facility • ISO 9001, ISO 14001 and ISO 45001 Certifications • Sedex Member Ethical Audit by SMETA • Intertek Certificate for Ethical Business Practices and Health & Safety • FSC Certification
ISO 9001:2015 | ISO 14001:2015 ISO 9001:2005

INDUSTRY OVERVIEW

POWER GENERATION

The Group's power portfolio is already predominantly renewable, with six of its seven operating power assets comprising hydro, wind, solar, and waste-to-energy facilities, supporting its transition towards a low-carbon and sustainable energy portfolio.

Electricity demand continued to increase in 2025, supported by the gradual recovery of economic activity and higher energy consumption across key sectors. Amid this growing demand, hydro, fuel, coal, and Non-Conventional Renewable Energy (NCRE) sources contributed 35.5%, 12.5%, 27.4%, and 24.7%, respectively, to the national electricity generation mix. Within the renewable energy sector, notable capacity additions were recorded in solar power, driven primarily by increased investments in rooftop solar installations during the year.

The Government introduced key reforms to strengthen the long-term sustainability and efficiency of the power sector, including the restructuring of the Ceylon Electricity Board (CEB) and the implementation of a new National Electricity Policy and tariff framework aimed at promoting a more competitive market environment. However, the sector continued to face financial challenges, as lower electricity tariffs and higher thermal generation costs adversely impacted the CEB's financial performance, resulting in payment delays to Independent Power Producers (IPPs).

APPAREL MANUFACTURING

Despite tariff-related disruptions and policy uncertainties, Sri Lanka's textile and apparel sector demonstrated notable resilience in 2025. As the country's largest export industry, the sector recorded growth of 5.0%, supported by strengthening demand across key international markets. Exports to the European Union increased significantly by 12.4%, while exports to the United Kingdom grew marginally. Exports to the United States also recorded a 2.1% year-on-year increase, reflecting the sector's ability to navigate a challenging and uncertain global trade environment.

However, the industry continued to face significant competitiveness pressures arising from elevated energy and labour costs. These challenges were further compounded by the appreciation of the Sri Lankan Rupee, which affected export competitiveness relative to lower-cost regional manufacturing hubs such as Bangladesh and Vietnam. As a result, apparel manufacturers are increasingly focused on enhancing productivity, improving operational efficiencies, and strengthening value-added offerings to sustain their position in global markets.

PRINTING AND PACKAGING

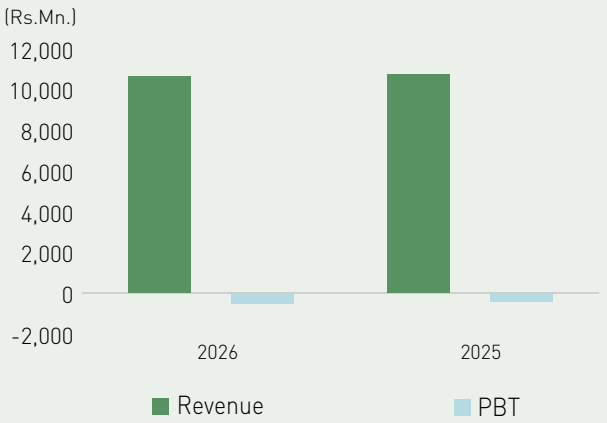
The printing and packaging industry benefited from the gradual improvement in domestic economic conditions during the year, with stronger retail activity and increased export volumes contributing to higher demand across the sector. While the upward revision of electricity tariffs in June 2025 and the associated inflationary pressures led to increased production costs during the mid-year period, these cost pressures moderated towards the latter part of the year.

At the same time, persistent margin pressures and growing sustainability requirements in end markets continued to reshape customer preferences, driving demand for cost-effective and environmentally responsible packaging solutions. In response, industry participants accelerated investments in advanced technologies and sustainable materials, including biodegradable, compostable, and recycled alternatives. These developments have supported the introduction of innovative packaging solutions, with paper-based products emerging as a key growth segment and a sustainable alternative to conventional plastic packaging.

STRATEGIC INVESTMENT

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	**10,639**	10,753	-1%
PBT	**(520)**	(401)	-30%



Despite resilient revenue generation, the Strategic Investments segment recorded revenue of Rs. 10.6 billion in FY 2025/26, compared to Rs. 10.8 billion in the previous year. The segment reported a pre-tax loss of Rs. 520million, an increase from the Rs. 401 million loss recorded in FY 2024/25, reflecting the challenging operating environment experienced during the year.

The overall loss was primarily attributable to the apparel manufacturing segment, which remained the principal contributor to the sector's under performance. Lower revenue, elevated operating and finance costs, and a decline in operational efficiency resulted in a significant segment-level loss. While the power generation and printing and packaging segments demonstrated resilience and recorded operational improvements, these gains were insufficient to offset the losses incurred by the apparel business, resulting in the sector reporting a higher overall loss for the year.

The Power Generation segment generated 118 GWh of renewable electricity through its diversified portfolio of hydro, solar, wind, and waste-to-energy assets. Excluding the non-operational Ace Power Embilipitiya thermal facility, the segment's operational power generation portfolio comprised entirely renewable energy assets during the year. While reported revenue and profitability declined compared to the previous year due to the absence of a one-off provision reversal recognised in FY 2024/25, which related to delayed payments received from the Ceylon Electricity Board (CEB), underlying operational performance improved and reflected more normalised business conditions. The segment also continued to operate Sri Lanka's only municipal waste-to-energy power plant, supporting both renewable energy generation and sustainable waste management.

The Printing & Packaging segment delivered a strong performance in FY 2025/26, achieving 10.3% revenue growth YoY and significantly improved profitability, driven by robust demand from the FMCG sector, enhanced operational efficiencies, and disciplined cost management. Strategic investments in automation strengthened production capabilities and cost competitiveness, while the segment successfully re-entered export markets through expansion into Australia and the UK. Sustainability efforts were further advanced through carbon emissions assessments and the adoption of FSC-certified materials, reinforcing the segment's commitment to responsible sourcing and environmentally sustainable production.

The Apparel Manufacturing segment faced a challenging year due to the loss of a major customer, subdued global market conditions, and operational inefficiencies during the transition period. Although new international customers were onboarded to diversify the customer base and maintain production capacity, lower margins, rising costs, and slower order conversions adversely impacted revenue and profitability, resulting in increased operating losses for the year.

OUTLOOK

Melstacorp's Strategic Investments sector is entering a phase of disciplined transformation focused on strengthening resilience, enhancing competitiveness, and creating sustainable long-term value. The portfolio is being strategically repositioned to balance near-term performance with future growth opportunities, while remaining agile in an evolving business and regulatory environment.

Within the Power Generation segment, the ongoing divestment of the Embilipitiya thermal power plant marks a significant step in the transition towards a predominantly renewable energy portfolio and supports the Group's commitment to achieving net-zero emissions by 2030. Future growth will be driven by investments in renewable energy, waste-to-energy projects, energy storage solutions, carbon offset initiatives, and other emerging low-carbon technologies. The segment will continue to pursue opportunities selectively, while focusing on optimising existing assets, improving operational efficiency, and strengthening resilience against regulatory, grid, and supply chain challenges.

The Printing & Packaging segment is well positioned to build on its recent momentum through market diversification, innovation, and targeted capacity expansion. Growth initiatives will focus on expanding into adjacent packaging categories, including flexible packaging, labels, and tags, while further strengthening its presence in export markets. Continued investments in automation, sustainable packaging solutions, responsible sourcing, and operational excellence will support scalable, capital-efficient growth and reinforce the segment's position as a leading sustainability-driven packaging provider.

The Apparel Manufacturing segment will remain focused on adapting to evolving trade dynamics, changing customer sourcing strategies, and shifting global market conditions. Management will continue to prioritise productivity improvements, margin enhancement, and the strengthening of the order book to support a more sustainable earnings profile. In view of the segment's recent performance challenges, the Group is also undertaking a strategic review to evaluate a range of options aimed at optimising the portfolio, improving capital allocation, and enhancing long-term shareholder value. This review is being conducted with careful consideration of market conditions, the segment's strategic positioning, and the interests of all stakeholders.

Together, these strategic priorities position the Strategic Investments sector to deliver sustainable growth, strengthen stakeholder value, and capitalise on emerging opportunities across its diverse portfolio.



SERVICES



The Services Sector of Melstacorp comprises a strategically important, diversified portfolio spanning property management, healthcare, elevator agency operations, business process outsourcing (BPO), and technology services. Operating in dynamic and high-growth industries, the sector delivers specialised solutions through strong partnerships with globally recognised principals and a commitment to operational excellence, innovation, and customer-centric service delivery.

With a strong presence across multiple service verticals, the sector continues to create sustainable value for stakeholders by enhancing efficiency, reliability, and service quality. Its diversified business model, combined with deep industry expertise and a focus on continuous improvement, enables the sector to respond effectively to evolving market needs and capitalise on emerging opportunities while maintaining the highest standards of professionalism and service excellence.

CONTRIBUTION TO THE GROUP

7,476	1%	Rs.6,010Mn
EMPLOYEES	GROUP REVENUE	PROPERTY, PLANT AND EQUIPMENT

TECHNOLOGY



Melsta Technologies (Pvt) Ltd is a trusted technology solutions provider dedicated to delivering reliable, scalable, and innovative services that help organisations enhance operational efficiency, strengthen security, and accelerate digital transformation. Supported by a team of skilled professionals and strong partnerships with leading global technology providers, the company offers comprehensive solutions tailored to diverse business needs.

Its core offerings span IT Infrastructure, Cybersecurity, Enterprise Cloud Solutions, and Managed IT Services. Melsta Technologies designs, implements, and supports robust IT environments, strengthens organisational cybersecurity frameworks, delivers enterprise-grade cloud solutions, and provides high-quality managed services to ensure optimal system performance, business continuity, and long-term operational excellence.

HEALTHCARE



The healthcare division operates Melsta Hospital Ragama, a 75-bed multispecialty healthcare facility providing a comprehensive range of diagnostic, medical, and surgical services. Equipped with state-of-the-art medical technology and modern healthcare infrastructure, the hospital is committed to delivering high-quality, patient-centred care. Through a focus on clinical excellence, advanced diagnostics, and continuous improvement in service delivery, Melsta Hospital Ragama continues to enhance healthcare outcomes while meeting the evolving needs of the communities it serves.

ELEVATOR AGENCY



The segment, with over 30 years of industry expertise, is the sole agent for Otis-branded elevators and escalators in Sri Lanka and the Maldives. Supported by its partnership with Otis, a global leader in people mobility solutions, the business provides safe, reliable, and technologically advanced vertical transportation systems. Its solutions are installed in many landmark developments, reflecting a strong reputation for engineering excellence, quality service, and responsive maintenance support.

PROPERTY MANAGEMENT



The property management division is focused on enhancing the value, functionality, and long-term sustainability of real estate assets through professional management, efficient maintenance, and disciplined asset stewardship. A key asset within the portfolio is Aitken Spence Towers, which houses the Group's corporate headquarters and several strategic business units.

Situated in Colombo's central business district, the development comprises two modern office towers offering approximately 200,000 square feet of premium office space, complemented by ample parking facilities and convenient access to major commercial and government institutions. In addition to serving the Group's operational requirements, a portion of the office space is leased to external tenants, generating a stable and recurring rental income stream supported by high occupancy levels and effective property management practices. Through its focus on operational efficiency and service excellence, the division continues to maximise asset value while maintaining high standards of quality and tenant satisfaction.

SERVICES

BUSINESS PROCESS OUTSOURCING (BPO)



Port City BPO (Pvt) Ltd is an Authorised Person approved by the Colombo Port City Economic Commission (CPCEC), providing Business Process Outsourcing (BPO) services through an innovative offshore operating model. Established in 2024, the company marks the Group's entry into a new growth sector, serving clients across multiple Asian markets. The business has demonstrated encouraging early performance while creating valuable employment opportunities for young talent. Leveraging an integrated service offering that combines talent sourcing, operational infrastructure, and access to international markets, Port City BPO is well positioned to support clients' outsourcing needs and drive future growth.

Bellvantage Private Limited is a leading Sri Lankan BPO provider delivering customer experience, contact centre, back-office, HR outsourcing, data management, analytics, and business support solutions across a diverse range of industries. Serving key sectors including Banking & Financial Services, Automobile, Government Services, Healthcare, and Transportation, the company leverages skilled talent, technology-enabled platforms, and robust operational processes to help clients improve efficiency, enhance customer satisfaction, and achieve sustainable growth. Through tailored sector-specific solutions, Bellvantage supports critical customer engagement, administrative, operational, and business process functions, enabling organisations to focus on their core business while benefiting from scalable, secure, and cost-effective outsourcing services.

KEY HIGHLIGHTS – FY 2025/26

BUSINESS PROCESS OUTSOURCING (BPO)

Achieved significant operational expansion, growing the workforce to over 6,000.

HEALTHCARE

- Commissioned Sri Lanka's first hospital-based Membrane Bioreactor (MBR) wastewater treatment plant, enabling the facility to treat and reuse wastewater, supporting environmental sustainability and resource conservation.
- Expanded hospital infrastructure by adding 3,500 square feet through the construction of two additional floors.
- Established a new auditorium named in honour of the late Group Chairman, Mr. D.H.S. Jayawardena.
- Developed a modern Board/Meeting Room equipped with advanced facilities, including telemedicine capabilities.
- Constructed a new administration office complex to accommodate administrative staff.
- Initiated plans to attract international patients, creating opportunities to generate foreign currency earnings for both the Group and the country.
- Explored opportunities to expand healthcare services to the Northern Province and other regions, leveraging improved land connectivity and accessibility.
- Implemented a new Laboratory Information Management System (LIMS) to facilitate paperless laboratory operations and initiated the implementation of a comprehensive Hospital Information System (HIS) to progressively digitise and streamline all hospital operations.
- Conducted community-based health camps and health promotion programs to educate the public on healthy lifestyles and the prevention of non-communicable diseases (NCDs).
- Expanded specialised healthcare services by introducing Urology and Kidney Transplantation Services and establishing a dedicated Gastrointestinal Care Facility.
- Enhanced clinical capacity through upgrades to operating theatres and patient care areas, added new patient rooms, and constructed two additional floors to accommodate support services and Training & Development functions. The hospital also acquired adjacent land to support its long-term expansion and growth plans.
- Initiated one million Donation from Melstacorp PLC for each Kidney transplant patient per month as the continuous CSR project of the Hospital and Group.

ELEVATOR AGENCY

- Introduced the Otis ONE IoT device to enable real time monitoring and predictive maintenance and rolled out a branded VIP service model enhancing the segment's value proposition.
- Enhanced operational efficiency and service delivery through process standardisation, digital adoption, strengthened cybersecurity, data-driven decision-making, and customer experience improvement initiatives.
- Expanded the Elevators segment's visibility in the Maldivian market by reinforcing brand awareness through updated corporate profiling initiatives.
- Strengthened its presence in the residential apartment segment.

PROPERTY MANAGEMENT

Continued to explore integration of smart building technologies

KEY RISKS AND OPPORTUNITIES

Opportunities

- Leverage JCI accreditation and the Group's hospitality expertise to position the hospital as a leading medical tourism destination.
- Serve the growing healthcare needs of Gampaha District by providing high-quality, affordable medical and surgical services.
- Utilise strong road and rail connectivity to attract patients from the Northern Peninsula and other regions of Sri Lanka.
- Expand capacity and infrastructure to establish the hospital as a leading tertiary care provider outside Colombo, catering to the growing middle-income segment.
- Growing demand for outsourcing solutions creates opportunities to expand service offerings and serve a broader client base.
- Digital transformation and automation can enhance operational efficiency, service quality, and customer experience.
- Expansion into new industry sectors can diversify the client portfolio and strengthen business resilience.
- Emerging Market Opportunities in South Asia and the Middle East to expand the elevator business.
- Increasing demand for high-quality office spaces with professional facility

Risks/ Challenges

- Increased government investment in public healthcare infrastructure may intensify competition, requiring higher private-sector investments in technology with longer returns on investment.
- Low health insurance penetration and stricter insurance claim assessments may increase out-of-pocket healthcare expenses, affecting affordability for middle-income patients.
- Migration of doctors and skilled staff, together with inflation, supply chain disruptions, and currency depreciation, may increase operating costs and impact the profitability of private healthcare providers.
- The low barriers to entry in the BPO industry continue to increase competition and pricing pressure.
- Attracting and retaining skilled talent remains a key challenge in a competitive job market.
- Rising infrastructure and workforce-related costs continue to impact operating margins.
- Aggressive market competition and pricing strategies place pressure on profitability.
- Rapid technological advancements require continuous investment in digital capabilities and employee upskilling.
- Increasing client expectations demand higher service standards, flexibility, and value-added solutions.
- Maintaining strong information security practices and regulatory compliance remains a critical business priority.
- Local and international competitors entering the market with competitive
- Economic instability and changing work patterns affecting demand for

SERVICES

PEOPLE

Bellavantage :

Provided extensive training and professional development opportunities, with 400 employees completing 18,836 training hours to enhance skills and operational excellence.

Promoted employee well-being through wellness, engagement, and recognition initiatives while fostering a safe, inclusive, and respectful workplace.

Strengthened talent management through career development, succession planning, and employee engagement initiatives, while continuing investments in employee retention and community-focused programmes.

Melsta Hospitals :

Initiated one million Donation from Melstacorp PLC for each Kidney transplant patient per month as the continues CSR project of the Hospital and Group.

Invested in workforce development across the Elevators segment, achieving over 80% participation in technical competence and safety training initiatives.

Strengthened maintenance team capabilities through specialised training sessions on MEP systems within the Property Management sector.

Created employment for **4,085 BPO** professionals as at March 2026

Employed **150+** technicians in elevator operations, with over **40%** of the workforce based outside Colombo

Trained **400+ employees**

PLANET

Bellavantage reinforced its commitment to environmental sustainability through a tree-planting initiative that supported environmental conservation and encouraged employee participation in sustainability efforts. The Company also continued to promote responsible resource management and environmentally conscious practices across its operations.

Melsta Hospital commissioned a Membrane Bioreactor (MBR) wastewater treatment plant and commenced the reuse of treated water, reinforcing environmental sustainability and resource conservation. Strengthened operational efficiency through an effective procurement system and advanced the digital transformation of medical and clinical records to enhance healthcare service delivery and information management.

Implemented a new Laboratory Information System and commenced Hospital Information System implementation to support a paperless hospital environment, improving operational efficiency while reducing paper consumption and environmental impact.

The Property Management segment continued to pursue long-term cost optimisation through energy and water efficiency initiatives, enhancing operational sustainability and resource efficiency.

The Elevators segment accelerated the adoption of innovative, energy-efficient solutions, including Gen2 and ReGen technologies, to enhance sustainability and operational performance.

Delivered 64.21% of elevator installations using energy-efficient technologies, reducing lifecycle energy demand

Achieved Rs. 26 Mn in biannual savings through a repair-over-replacement approach in elevator maintenance, maximising asset life, minimising waste, and driving sustainable cost efficiencies.

Ensured 100% licensed e-waste recycling for replaced elevator components

INDUSTRY BENCHMARKS

PROPERTY MANAGEMENT

- ISO 14001: 2015 Environmental Management System
- ISO 50001:2018 Energy Management System
- ISO 45001:2018 – Occupational Health & Safety Management System (certification to be completed in 2026)

ELEVATORS

- ISO 14001: 2015 Environmental Management System
- ISO 9001: 2015 Quality Management System
- ISO 45001:2018 – Occupational Health & Safety Management System
- EM1 Certification - Electromagnetic Compatibility Compliance

HEALTHCARE

- Joint Commission International (JCI) Accreditation (8th Edition)
- Integrated Management System (IMS) Certifications
  - » ISO 9001:2015 – Quality Management System
  - » ISO 14001:2015 – Environmental Management System
  - » ISO 22000:2018 – Food Safety Management System
  - » ISO 45001:2018 – Occupational Health and Safety Management System

BPO

- ISO/IEC 27001 Information Security Management System (ISMS) Certification

INDUSTRY OVERVIEW

The services sector continued to be the main contributor to Sri Lanka's economy in 2025, representing 58.4% of GDP and employing nearly half of the country's workforce. The sector also demonstrated strong performance, recording a 3.3% growth rate in 2025.

PROPERTY MANAGEMENT

Construction activity continued to gather momentum throughout the year, with the sector achieving 9% growth. This expansion was driven by a consistent rise in construction projects, supported by the revival of previously suspended developments and a gradual increase in investment and development initiatives. The resulting growth had a positive impact on the elevator segment.

BPO

Sri Lanka's Knowledge Process Outsourcing (KPO) industry is increasingly establishing itself as a key player in the global digital transformation ecosystem. This growth is being driven by the continued development of the Business Process Outsourcing (BPO) sector, which has consistently generated ICT/BPM export revenues of approximately USD 1.1 to 1.3 billion in recent years.

HEALTHCARE SECTOR

Sri Lanka's private healthcare sector continues to expand on the back of favourable demographics, with the population aged 65 and above set to double by 2030, alongside rising per-capita income and a growing burden of non-communicable diseases. Government-run hospitals alone have insufficient capacity to meet this demand, positioning private providers for sustained growth, although per-capita healthcare spending in Sri Lanka remains well below that of comparable upper-middle-income countries, pointing to significant headroom for further investment.

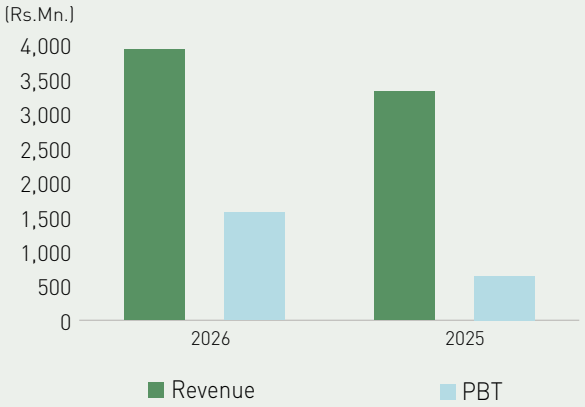
ELEVATORS

The industry is benefiting from the rebound in Sri Lanka's construction sector, which is estimated to have grown by around 7.9% in real terms in 2025, supported by higher gross fixed capital formation and renewed public and private sector investment. Regionally, elevator demand continues to be underpinned by rapid urbanisation, a healthy pipeline of residential, commercial and mixed-use developments, that are expected to sustain new installation and modernisation demand over the medium term.

SERVICES

PERFORMANCE

Rs. Mn	2026	2025	YoY Change
Revenue	**3,930**	3,322	18%
PBT	**1,567**	641	145%



The Services sector recorded a strong growth during the year, with revenue increasing by 18% to Rs. 3.9 billion and profit before tax rising by 145% to Rs. 1.6 billion. The stronger growth in earnings relative to revenue reflects the sector's improved profitability and operational effectiveness.

Consequently, the sector's contribution to Group revenue is 1%. Performance was underpinned by broad-based growth across the portfolio, supported by disciplined cost management, portfolio optimisation initiatives, and continued operational improvements.

Growth within the sector was primarily driven by the BPO segment, which recorded significant expansion in both scale and profitability, alongside notable contributions from the elevator and property management segments. These segments benefited from improved demand conditions, high asset utilisation, and targeted strategic initiatives.

The elevator segment achieved strong growth during the year, benefiting from a recovery in the construction sector. Revenue increased by 30.9%, driven by new installations and recurring maintenance contracts, while profitability rose by 171.3% due to improved operational efficiency.

However, growth was partly affected by construction project delays and fluctuating import costs. Strategically, the segment strengthened its presence in the residential apartment market, expanded partnerships with major property developers, and improved margins by focusing on higher-value projects and discontinuing lower-margin legacy products.

The business also advanced its technology and sustainability agenda through the pilot rollout of the Otis ONE IoT platform for predictive maintenance and increased adoption of Gen2 and ReGen energy-efficient systems, enhancing innovation, operational performance, and environmental sustainability.

The property management segment delivered stable performance, supported by high occupancy rates and strong tenant retention. Revenue remained steady, while Profit Before Tax improved moderately due to effective cost control and operational efficiency.

Strong service quality and tenant engagement helped maintain high tenant satisfaction and occupancy continuity. The segment also focused on enhancing existing assets through infrastructure upgrades, including improvements to central air conditioning systems, replacement of split AC units, and communication system upgrades, which improved energy efficiency and tenant experience.

The BPO segment was the key growth driver within the Services sector, delivering strong revenue and Profit Before Tax growth through rapid operational scaling and an expanding client base. Performance was supported by new client acquisitions, deeper service engagement from existing clients, and significant workforce growth to around 7,476 employees. A strategic partnership further strengthened expansion and capability-building efforts. Overall, the segment's success reflects its scale-driven strategy, diversified service portfolio, and growing contribution to export earnings, making it a major growth engine for the Group.

OUTLOOK

The Services sector is projected to achieve a gradual improvement in performance over the coming year, supported by sustained growth in key business segments and the benefits of corrective measures undertaken within underperforming operations. However, the pace and durability of this recovery will remain dependent on prevailing macroeconomic and geopolitical developments, including ongoing events in the Middle East, which could influence overall market conditions.

Growth is expected to be driven primarily by the continued expansion of the BPO business, supported by new client acquisitions, a broader range of service offerings, and increased delivery capacity. These factors are anticipated to strengthen the business's contribution to overall sector performance.

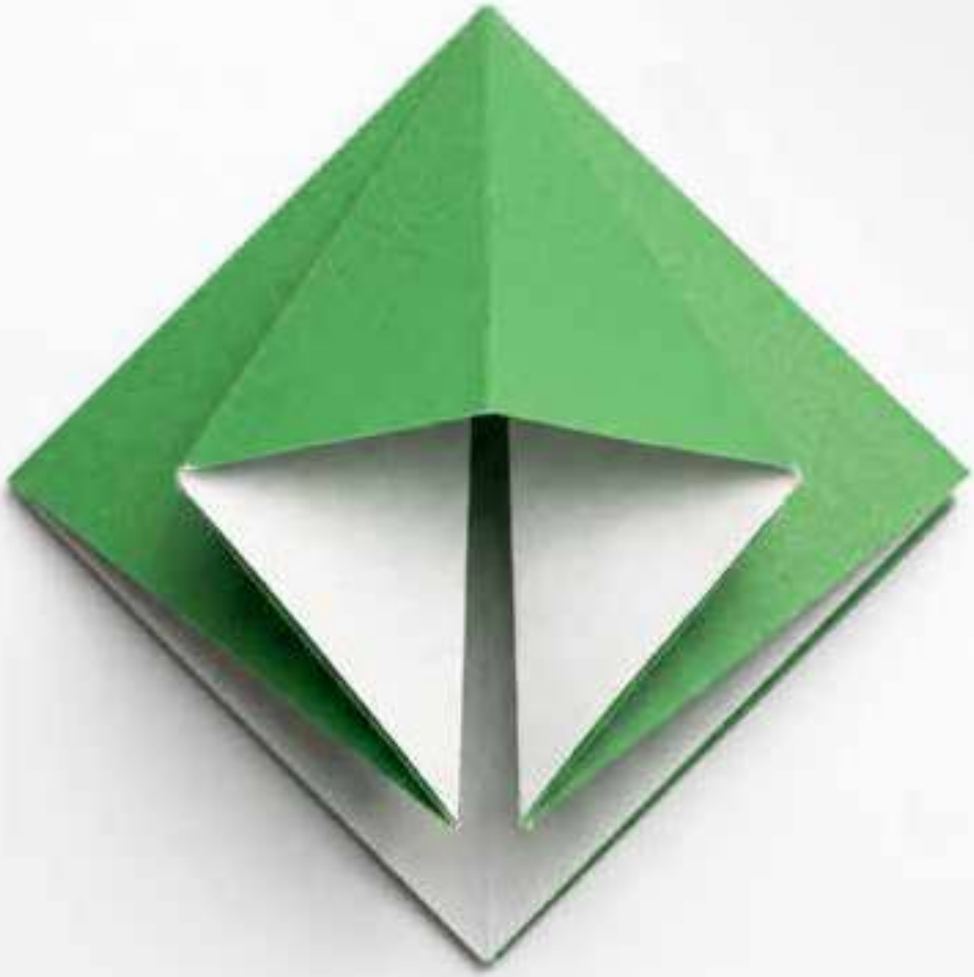
Bellvantage is well positioned to capitalise on the growing demand for business process outsourcing as organisations increasingly seek strategic partners that deliver operational excellence, technology-driven solutions, and superior customer experiences. As a subsidiary of the Melstacorp Group, Bellvantage continues to strengthen its reputation as a trusted outsourcing partner by expanding its capabilities, enhancing service delivery, and creating sustainable value across diverse industries. Through a strategic focus on expanding service offerings, driving digital transformation, strengthening its industry presence, enhancing operational excellence, investing in its people, and fostering sustainable growth, Bellvantage is well equipped to support the evolving needs of its clients and achieve long-term success in a competitive global marketplace.

Within construction-related businesses, a gradual rebound in activity, particularly in residential and mixed-use developments, is expected to support demand. The Group's vertical transportation business is well positioned to capitalise on this trend, benefiting from long-term drivers such as urbanisation and a healthy construction pipeline. Accordingly, the segment will continue to focus on higher-value residential and mid-rise projects while selectively reducing exposure to lower-margin developments to improve portfolio quality. This strategy will be reinforced through the expansion of maintenance services, greater adoption of technology, and a continued commitment to service excellence. Strong relationships with principal partners and established brand reputation will further support the delivery of compliant, cost-effective, and space-efficient solutions, strengthening the Group's position as a trusted partner within the construction industry.

The property management business is expected to deliver stable performance, supported by high occupancy rates, strong tenant retention, and ongoing asset enhancement initiatives aimed at improving operational efficiency and service standards.

Despite these positive growth drivers, the sector remains vulnerable to both global and domestic uncertainties. Any slowdown in economic activity, particularly through its impact on labour migration and foreign currency inflows, could negatively affect remittance volumes. Similarly, weaker construction activity may reduce demand across construction-linked businesses.

The future of Sri Lanka's private healthcare sector remains promising; however, investors are likely to adopt a cautious approach due to several regulatory and policy-related challenges. Government support for private healthcare development appears to be progressing slowly, while various limitations and legal challenges have hindered several large-scale investment projects. A lack of clear policy direction regarding medical tourism initiatives, the introduction of price-control mechanisms, inconsistent treatment of the private healthcare sector in comparison with other industries (such as electricity tariff concessions), and delays in approval processes may discourage both local and foreign investment. Nevertheless, targeted investments in specialised healthcare services and strategic improvements to private healthcare facilities can create a competitive advantage, reducing the impact of state sector expansion. To elevate Sri Lanka's healthcare standards to match or surpass those of regional competitors, a clear, transparent, and investor-friendly policy framework, particularly with respect to foreign direct investment (FDI), is essential. While the Company envisages a prudent approach to expansion in the current environment, the industry remains compelled to invest in medical infrastructure to meet growing healthcare demand, despite longer return-on-investment horizons.



MANAGING OUR RESOURCES

TRANSITIONING INTO INTEGRATED VALUE

At Melstacorp, we manage our financial, human, intellectual, manufactured, social and natural resources as an interconnected system. By directing each resource with discipline and foresight, we strengthen our resilience and create value that extends across businesses, communities and generations.

The squash fold opens a confined section of paper and transforms it into a broader form by redistributing the same material to create greater dimension. Its strength lies in revealing hidden potential, allowing the structure to expand without losing its integrity. What was once constrained becomes a stronger, more versatile foundation for the form to evolve.

FINANCIAL CAPITAL

Melstacorp PLC delivered a strong financial performance for the year ended 31 March 2026, with profit after tax increasing by 18% and total comprehensive income rising by 42%. This growth was achieved while maintaining the financial discipline that has long underpinned the Group's diversified business model. Performance was broad-based across our core sectors, driven by the continued strength of the Beverages segment and a significant recovery in Tourism and Services. Notably, these results were achieved despite ongoing cost pressures across the Group, reflecting the resilience of our businesses and the effectiveness of our strategic execution.



RELATED STAKEHOLDERS

- Customers
- Employees
- Business Partners
- Investors
- Government and Regulators
- Community

RELATED STRATEGIC PILLAR

- Global Expansion and Market Penetration
- Operational Excellence and Synergy
- Sustainability and Social Responsibility
- Talent Development and Leadership
- Strategic Investments and Portfolio Optimisation
- Innovation & Digital Transformation

KEY FOCUS AREAS

- Improving Profitability
- Sustainable Returns
- Cost Management
- Liquidity Management
- Capital Allocation

RELATED STRATEGIC PILLAR

- Financial performance, stability and managing liquidity
- Cost efficiency
- Property, investment portfolio and strategic diversification
- Macroeconomic conditions
- Risk management

OUR FINANCIAL CAPITAL AT A GLANCE

Earning

Rs.286Bn Revenue	Rs.26.3Bn PAT
Rs.45.3Bn EBIT	Rs.45.5Bn PBT

Liquidity and Funding

31.86% Net Debt to Equity	1.23 Current Ratio
6.60 Interest Cover	0.73 Quick Asset Ratio

Profitability

49.44% Gross Profit Margin

15.10% Net Profit Margin

26.1% Operating Margin

0.67 Asset Turnover

Value to Shareholders

Rs.16.89 Earnings per Share

9.95Times PE ratio

Rs.134.81 Net Asset per Share

Rs.168 Market Price per Share

OUR TRANSITION JOURNEY

Our evolution has been defined by a continuous process of reinvention and growth, shaped by opportunities across industries, markets, and communities. Guided by experience, disciplined execution, and a strong entrepreneurial spirit, the Group has steadily expanded its reach, strengthened its capabilities, and built the resilience that continues to support its long-term success.

Today, this transformation is reflected throughout the organisation. Operational excellence, robust governance, innovation, and agility are embedded across our businesses, creating an integrated platform for sustainable value creation. Together, these strengths provide stability, drive growth, and deliver lasting value to our stakeholders. The results presented in this report reflect a Group that remains grounded in its heritage while confidently positioning itself for the opportunities of the future.

Financial Year 2025/26 represented a significant milestone in this journey. Having successfully emerged from a period of consolidation, the Group entered a new phase of growth and transformation, supported by disciplined stewardship, entrepreneurial leadership, and a steadfast focus on value creation. This progress was achieved against a contrasting economic backdrop. While Sri Lanka experienced encouraging signs of stabilisation, including moderating inflation, lower interest rates, relative currency stability, and improving investor sentiment, global markets remained challenged by geopolitical uncertainty, shifting trade patterns, and renewed tensions in the Middle East that disrupted energy and shipping markets.

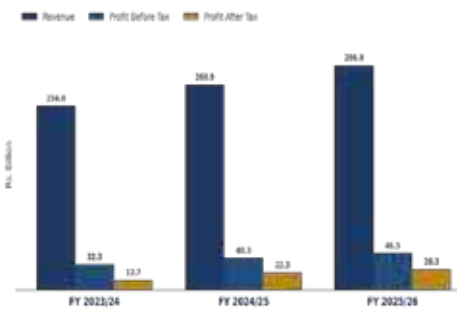
Against this backdrop, the resilience of our diversified portfolio once again proved to be a key strength. The Group remained well-positioned to navigate evolving market conditions, capture emerging opportunities, and mitigate sector-specific challenges, including the impact of Cyclone Ditwah on our Plantation and Financial Services businesses and lower freight-forwarding volumes following the loss of a key logistics agency. The strength of our business model was further affirmed when Fitch Ratings reaffirmed Melstacorp's AAA credit rating with a Stable Outlook, a distinction reserved for only a select number of Sri Lankan corporates and a testament to the Group's financial strength, prudent management, and long-term resilience.

Our transformation was also reflected in several strategic developments during the year. The establishment of Mels Automobiles (Pvt) Ltd, followed by its appointment as the authorised importer and dealer for BMW in Sri Lanka in April 2026, created an exciting new growth platform and highlighted the Group's ability to cultivate trusted global partnerships. Leadership succession progressed with the appointment of Mr Jude Fernando as Group Chief Executive Officer, effective 1 December 2025, further strengthening the Group's execution capabilities. Across the portfolio, continued investments in enterprise automation, data-driven decision-making, and cybersecurity reinforced our commitment to building the capabilities required to support the next phase of sustainable growth and value creation.

A YEAR OF STRONG SHAREHOLDER RETURNS

In the 2025/26 financial year, Melstacorp continued to deliver value to our shareholders, building on the momentum of the prior year. This is reflected in our key metrics:

- Earnings Per Share (EPS): Rose 15% year-on-year to Rs. 16.89.
- Net Assets Per Share: Increased by 19% to Rs. 134.81.
- Dividend Per Share: Shareholders received three interim dividends totalling Rs. 8.15 per share, an 11% increase over the previous year.



Group Revenue, Profit Before Tax and Profit After Tax – 3-Year Trend (Rs. Billion)

FINANCIAL CAPITAL

These results were achieved during a year of significant portfolio realignment. In line with SLFRS 5, the Group classified its investments in the Lanka Bell Group, Melsta Laboratories (Pvt) Ltd, and Texpro Industries (Pvt) Ltd as discontinued operations, with prior-year figures restated to ensure comparability on a continuing-operations basis throughout this report, unless otherwise stated. Notwithstanding these changes, the Group's diversified portfolio continued to demonstrate its resilience and strength. We further consolidated our leadership in the Beverages sector, recorded a strong recovery in Tourism, and delivered a 42% increase in Total Comprehensive Income to Rs. 44.99 billion, driven by improved operating performance and significant gains arising from the revaluation and fair valuation of key assets.

KEY FINANCIAL RATIOS

Ratio (Company)	FY 2025/26	FY 2024/25	Change
Return on Shareholders' Funds	**10.35%**	9.68%	+0.67 pp
Dividend Payout Ratio	**70.7%**	75.3%	-4.6 pp
Dividend Yield	**4.9%**	5.76%	-0.86 pp

Return on Shareholders' Funds improved to 10.35%, up from 9.68% in the previous year, reflecting profit growth that outpaced the increase in shareholders' funds. While the Dividend Per Share increased during the year, the Dividend Payout Ratio moderated to 70.7% from 75.3%, as earnings per share grew at a faster rate. This reflects a balanced approach to capital allocation, enabling the Group to retain a greater share of earnings to support future growth initiatives. At the Group level, both liquidity and leverage metrics strengthened, with the Net Debt-to-Equity Ratio declining to 31.86% from 34.59% and the Current Ratio improving to 1.23 from 1.09, underscoring continued deleveraging, prudent financial management, and a stronger balance sheet.

REVENUE

Melstacorp PLC generated gross revenue of Rs. 286.0 billion from continuing operations in FY 2025/26, representing a 9.6% increase over the previous year's Rs. 260.9 billion*. Growth was broad-based across the portfolio, with five of the Group's seven sectors recording revenue expansion, led by the continued strong performance of the Beverages sector and a notable recovery in Services.

Sri Lanka remained the Group's largest market, accounting for 84.0% of total revenue, while the Maldives contributed 12.8% and other international markets represented 3.2%. This geographic revenue profile remained largely consistent with the previous year, underscoring the strength of the Group's established presence in its core markets.



Sector	Revenue FY 2025/26	Revenue FY 2024/25*	% Change	Remark
	Rs. 170.2 Bn	Rs. 145.2 Bn	+17.3%	The Group's largest revenue contributor recorded strong growth, driven by sustained brand leadership across arrack, beer, and foreign liquor categories, alongside continued momentum in the beer segment.
	Rs. 67.3 Bn	Rs. 65.0 Bn	+3.5%	Growth was supported by higher occupancy levels and improved performance from overseas properties, partially offset by currency movements and softer travel demand in certain markets.
	Rs. 15.3 Bn	Rs. 16.9 Bn	-9.7%	Revenue declined amid evolving global trade patterns, reduced freight-forwarding volumes, and continued margin pressures across logistics operations.

Sector	Revenue FY 2025/26	Revenue FY 2024/25*	% Change	Remark
	Rs. 10.6 Bn	Rs. 10.8 Bn	-1.1%	Performance remained broadly resilient, with a recovery in power generation activities helping to offset lower volumes in apparel manufacturing.
	Rs. 9.9 Bn	Rs. 10.2 Bn	-2.4%	Revenue moderated marginally as lower interest rates impacted investment income and yields across the portfolio.
	Rs. 8.7 Bn	Rs. 9.5 Bn	-9.1%	Revenue normalised following the exceptional performance recorded in the preceding year, reflecting softer commodity prices and weather-related disruptions.
	Rs. 3.9 Bn	Rs. 3.3 Bn	+18.3%	The sector recorded the highest growth rate within the Group, supported by sustained demand and expanded business activity across service offerings.
Total Group Revenue	Rs. 286.0 Bn	Rs. 260.9 Bn	+9.6%	Revenue growth was broad-based across the portfolio, underpinned by the strength of the Beverages sector and continued recovery in Tourism and Services.

OPERATING EXPENSES

Total operating expenses from continuing operations increased by 3.0% to Rs. 132.23 billion, significantly below the 9.6% growth in revenue, reflecting the Group's continued focus on cost discipline while investing in key growth initiatives.

Cost of Sales declined marginally by 0.2% to Rs. 87.91 billion, despite higher sales volumes, driven by ongoing procurement efficiencies, disciplined cost management, and operational improvements across the portfolio. Administrative Expenses increased by 10.9% to Rs. 36.32 billion, while Selling and Distribution Expenses rose 6.5% to Rs. 7.44 billion, reflecting strategic investments to support growth in the Tourism and Beverages sectors, as well as the impact of inflation on operating overheads.

The Group's ability to contain overall operating expense growth well below the pace of revenue expansion highlights the effectiveness of its cost management initiatives and contributed to the preservation of healthy operating margins.

BREAKDOWN OF OPERATING EXPENSES

Expense Category	FY 2025/26	FY 2024/25	% Change
Cost of Sales	**Rs. 87.91 Bn**	Rs. 88.10 Bn	-0.2%
Administrative Expenses	**Rs. 36.32 Bn**	Rs. 32.76 Bn	+10.9%
Selling & Distribution	**Rs. 7.44 Bn**	Rs. 6.99 Bn	+6.5%
Other Operating Expenses	**Rs. 0.57 Bn**	Rs. 0.54 Bn	5%
Total Operating Expenses	**Rs. 132.23 Bn**	Rs. 128.39 Bn	+3.0%

PROFIT BEFORE TAX

The Group's Profit Before Tax grew by 12.89% to Rs. 45.5 billion, with performance across our diversified portfolio more mixed than the prior year – strong gains in Tourism and Services were partly offset by a swing to a loss in Finance Services and softer results in Plantation.

FINANCIAL CAPITAL

KEY PROFIT DRIVERS

Sector	Performance	Key Drivers and Highlights
	Segment profit increased by 12.5%	Continued its strong growth trajectory, supported by robust consumer demand, operational efficiencies, and effective cost management. The sector further strengthened its brand portfolio through initiatives such as the rebranding of its flagship White Label Arrack, enhancing its premium positioning and reinforcing market leadership.
	Segment profit surged by 44.7%	Delivered its highest profitability on record, driven by higher occupancy levels and stronger contributions from overseas properties. Growth was broad-based across the Sri Lanka, Maldives, and Oman hotel clusters, as well as destination management and aviation services businesses.
	Segment profit grew by 144.6%	Recorded the highest profit growth within the Group, underpinned by the continued expansion of the BPO business, which scaled to approximately 6,300 employees, and a strong recovery in the elevator business following increased construction activity.
	Segment profit increased by 6.1%	Achieved earnings growth despite lower revenue, supported by strong performances in shipping agency representation, port management, and bunkering operations. These gains more than offset the impact of the loss of the DB Schenker freight-forwarding agency and persistent margin pressures in the air cargo GSA business.
	Segment profit declined by 13.8%	Performance moderated as commodity prices normalised following exceptionally favourable market conditions in the prior year. Results were further affected by operational disruptions arising from Cyclone Ditwah and higher labour costs following the estate wage revision effective January 2026.
	Segment loss widened to Rs. 520 million (FY 2024/25: Rs. 401 million loss)	The decline was primarily attributable to weaker performance in the apparel manufacturing business following the loss of a major customer. This was partially offset by resilient contributions from the Printing & Packaging business, which expanded into Australia and the UK, and stable performance from Power Generation.
	Recorded a loss of Rs. 646 million (FY 2024/25: Profit of Rs. 565 million)	The segment experienced the largest earnings decline within the portfolio, driven by elevated insurance claims following Cyclone Ditwah and challenging market conditions. Management remains focused on strengthening performance, with the recently obtained Life Insurance license providing a platform for future growth and diversification.



TAXATION

The Group's tax expense increased to Rs. 20.24 billion, representing a 12.1% YoY increase, broadly in line with the growth in pre-tax profits generated across its core operating sectors. The increase reflects stronger earnings performance and the continued contribution of the Group's principal businesses.

PROFIT AFTER TAX

Profit After Tax grew by 17.9% to Rs. 26.25 billion, reflecting the strength and diversification of the Group's portfolio. Earnings growth was driven primarily by exceptional performances in the Tourism and Services sectors, supported by the continued resilience of the Beverages

business. These gains were partially offset by the decline in Financial Services, which recorded a loss during the year.

TOTAL ASSETS AND EQUITY

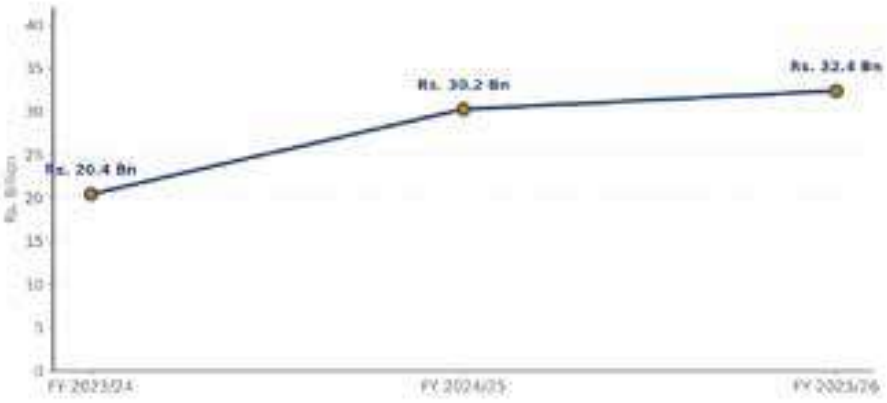
The Group's financial position strengthened further during the year, with Total Assets increasing by 13.9% to Rs. 428.9 billion and Total Equity rising by 17.7% to Rs. 229.8 billion. This growth was supported by continued investment in the Group's operating platform, including a significant expansion in Right-of-Use Assets, as well as substantial revaluation and fair value gains recognised during the year.

CASHFLOW

Melstacorp continued to demonstrate strong cash-generating capabilities, with net cash flows from operating activities increasing by 7.0% to Rs. 32.36 billion in FY 2025/26, compared with Rs. 30.23 billion in the previous year. Building on the strong operating cash flow growth achieved in the prior year, this performance further strengthened the Group's liquidity position and financial flexibility.

The sustained growth in operating cash generation reflects the underlying strength of the Group's diversified portfolio and provides a solid foundation to support strategic investments, fund future growth opportunities, enhance shareholder returns, and execute the Group's ongoing portfolio transformation while maintaining a strong and resilient balance sheet.

Net Cash Flows Generated from Operating Activities



SECTOR OUTLOOK

Looking ahead, each of our sectors enters FY 2026/27 with a distinct outlook shaped by its own market dynamics, though united by the Group's shared focus on discipline, resilience, and long-term value creation:

Sector	Key Drivers and Highlights
	The outlook remains positive, supported by continued investments in premiumisation, product innovation, production capabilities, and the expansion of both domestic and international market presence. These initiatives position the sector to sustain its growth momentum and reinforce its market leadership.
	With global tourism forecast to grow by 3%-4% in 2026, the sector is well positioned to capitalise on increasing travel demand. While prospects remain encouraging, geopolitical tensions in the Middle East continue to present potential risks to airline connectivity, travel patterns, and consumer sentiment.
	The sector is poised for its next phase of growth, supported by expanding regional trade flows and Colombo's strategic position as a leading transshipment hub. Efforts remain focused on increasing value-added and asset-backed service offerings, reducing reliance on cyclical principal-driven agency businesses, and enhancing earnings resilience.
	The outlook remains cautiously optimistic, underpinned by improving conditions in the tea sector and a gradual stabilisation of rubber markets following a challenging period. However, persistent input cost pressures and climatic uncertainties continue to warrant careful management.
	The portfolio is undergoing a period of disciplined transformation, with a focus on strengthening near-term performance while positioning for long-term growth. Key priorities include operational improvements, portfolio optimisation, and continued export market expansion within the Printing & Packaging business.
	The sector remains focused on restoring profitability through digital transformation initiatives, expanded bancassurance partnerships, and the strategic opportunities presented by the newly acquired Life Insurance licence, which is expected to diversify earnings streams and support future growth.
	Further growth is anticipated, driven primarily by the continued expansion of the BPO business and improving demand across service-related activities. While the outlook is positive, the pace of growth will remain sensitive to broader macroeconomic conditions and geopolitical developments.

FINANCIAL CAPITAL

LOOKING AHEAD

Building on a stronger financial foundation and a more focused portfolio following the classification of certain businesses as discontinued operations, we enter the coming year with cautious optimism and a clear commitment to disciplined execution. Our strategy is anchored on six interconnected pillars that collectively support sustainable growth, strengthen competitiveness, and enhance long-term value creation. From a financial capital perspective, each pillar reflects a considered approach to capital allocation, operational efficiency, and returns generation.

Strategic Pillar	Financial Capital Perspective
	Capital allocation will remain disciplined and value-driven. Priority will be given to strengthening the Financial Services segment following the impact of elevated insurance claims during the year, while continuing to reshape the Strategic Investments portfolio by reallocating capital from lower-performing businesses toward higher-growth and higher-return opportunities, including Printing and Packaging.
	The Group will leverage new growth platforms secured during the year, including the BMW dealership under Mels Automobiles and the expansion of Printing and Packaging exports. These investments are expected to broaden the Group's geographic reach, diversify earnings streams, and create new avenues for sustainable value creation.
	Maintaining rigorous cost and capital discipline remains a key priority. Building on a year in which operating expenses grew significantly slower than revenue, the Group will continue to focus on efficiency, productivity enhancement, and cross-sector synergies to protect margins and improve returns on invested capital.
	Continued investment in automation, digital infrastructure, data analytics, and cybersecurity will support operational scalability, drive productivity improvements, and unlock long-term efficiencies across the portfolio, strengthening profitability and competitiveness.
	Investment in people remains fundamental to successful execution. The strengthened leadership structure, including the appointment of the Group Chief Executive Officer during the year, provides the capability required to translate strategic priorities into measurable business outcomes and sustained shareholder value.
	The Group will continue to invest in sustainability governance, reporting, and risk management frameworks, including preparations for compliance with SLFRS S1 and S2. These initiatives are expected to enhance stakeholder confidence, strengthen long-term resilience, and support continued access to capital on competitive terms.

HUMAN CAPITAL

The driving force behind our growth is our team of dedicated professionals across seven industry segments. Their expertise provides a distinct competitive advantage, and their professionalism and commitment during a year of transition enabled the Group to move forward with resilience and determination.

We attract and retain this exceptional talent by fostering an environment where people can thrive, investing in the continuous development of their skills, and creating clear pathways for career growth and advancement.

In return, our people distinguish us through the values that have long defined our heritage: impeccable service, unwavering integrity, and professional excellence. The diversity of backgrounds, perspectives, and experiences across our workforce enriches our culture, strengthens our collective wisdom, and fuels the innovation and collaboration that continue to drive our success.



RELATED STAKEHOLDERS

- Customers
- Employees
- Business Partners
- Investors
- Government and Regulators
- Community

RELATED STRATEGIC PILLAR

- Talent Development and Leadership
- Operational Excellence and Synergy

KEY FOCUS AREAS

- Employee well-being
- HR governance
- Employee benefits
- Training and development
- Occupational health and safety
- Diversity and inclusion

HUMAN CAPITAL

MANAGEMENT APPROACH

Our success is built on the talent, dedication, and ingenuity of our people. We are committed to fostering an inclusive and supportive culture where individuals are empowered to grow, excel, and build long-term careers. By investing in employee well-being, continuous learning, and performance-driven development, we cultivate a highly skilled, engaged, and future-ready workforce that advances our strategic ambitions.

The importance of this approach was underscored in FY2025/26, as our people demonstrated remarkable resilience and adaptability in navigating both a period of leadership transition and the challenges posed by climate-related disruption. Their commitment, professionalism, and collaborative spirit enabled the Group to maintain momentum, continue delivering value to stakeholders, and emerge stronger in the face of change.

HUMAN RESOURCES GOVERNANCE

The Group's Human Resources function is led by the General Manager of HR & Administration, who provides strategic oversight of the people agenda across the organisation. Day-to-day HR operations are managed by the Head of HR, supported by a team of specialists responsible for key areas including Operations & Compliance, Learning and Development, Performance Management, and People Analytics.

To ensure responsive and tailored support, dedicated HR professionals are embedded within each business unit. This structure enables close partnership between the central HR function, business leaders, and the Environmental, Social and Health Affairs (ESHA) team, promoting a coordinated and consistent approach to people management across the Group. Through this collaborative model, we align workforce initiatives with business priorities while fostering a strong, values-driven culture throughout the organisation.

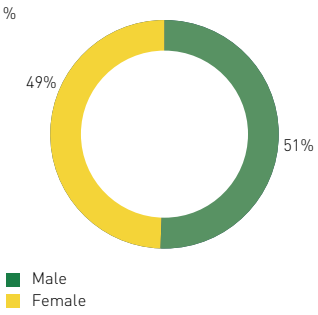
GROUP HUMAN CAPITAL

Our people remain our greatest asset and the cornerstone of our achievements. With 32,860 employees across the Group, we foster a culture of innovation, collaboration, and excellence. Their dedication, expertise, and resilience have been key to our evolution into a diversified, industry-leading conglomerate, enabling us to create lasting value for all stakeholders.

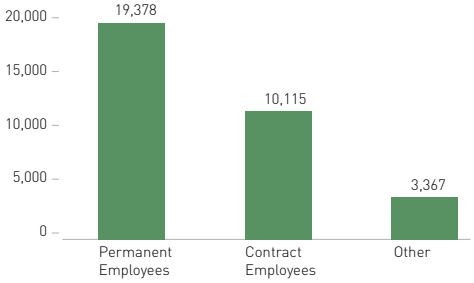
Our people continue to be a key driver of the Company's resilience, adaptability, and sustained performance. Their ability to navigate challenges, embrace change, and capitalise on emerging opportunities has contributed significantly to the Company's progress. Through their collective commitment and capabilities, our employees continue to strengthen our organisational culture, enhance our competitive advantage, and create a strong foundation for sustainable long-term growth.

The snapshot below provides an overview of the Group's workforce as of 31 March 2026.

Gender Analysis of employees



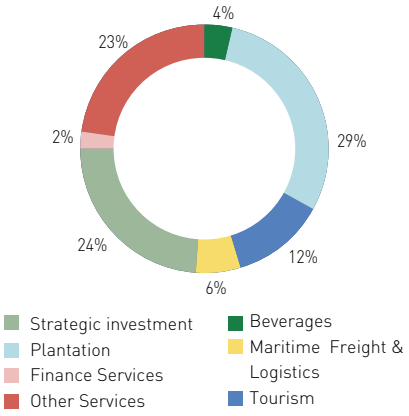
By employment type



EMPLOYMENT BY SECTOR

As at 31 March 2026, the Plantations sector was the Group's largest employer, accounting for 29% of the workforce, followed by Strategic Investments at 24%. In terms of permanent employees, Strategic Investments had the largest workforce, with 7,577 employees, followed by Plantations.

Total Employees by sector



TRAINING AND DEVELOPMENT

In FY2025/26, the Group invested Rs. 92 million in training and development, which is a significant increase from Rs. 86 million in the previous year. During the year, employees completed over 359,243 training hours, This strong focus on capability development was evident in FY2025/26 through several Group-wide initiatives:

Rs. 92 million

INVESTMENT IN TRAINING AND DEVELOPMENT

359,243

TRAINING HOURS



The Aitken Spence Institute of Hotel Management surpassed 9,000 graduates, continuing to equip future hospitality professionals with industry-relevant technical skills and a strong grounding in responsible tourism practices.



The Green Graduates programme continued to prepare hotel trainees in areas such as energy management, waste reduction and community engagement prior to deployment across the Group's eco-certified hotel network.



Balangoda Plantations and Madulsima Plantations expanded specialised agronomic training programmes in partnership with the Rubber Research Institute of Sri Lanka and Uva Wellassa University, focusing on disease-resistant clone management, crop diversification and sustainable soil management.



Madulsima Plantations' Forestry, GIS and Research & Development Unit continued to strengthen internal expertise in GIS mapping, timber inventory management and land-use planning.

HUMAN CAPITAL

OCCUPATIONAL HEALTH AND SAFETY

We maintain a safe and healthy workplace across all our operations, with a continued focus on high-risk operating environments, particularly within the Manufacturing and Beverage sectors. Our approach is centred on fostering a proactive safety culture, supported by systems and training that enable employees to identify, manage and mitigate workplace risks.

The Group's Occupational Health and Safety (OHS) framework includes:

- Provision of appropriate personal protective equipment (PPE).
- Ongoing health, safety and hygiene training for employees.
- Regular 5S audits to identify and address potential hazards.
- A contributory medical scheme to support employees' hospitalisation needs.

During FY2025/26, Aitken Spence Hotels continued to strengthen safety awareness through its Green Graduates programme, which equips trainees with knowledge of energy management, waste reduction and safe operating practices before deployment across the hotel network in Sri Lanka and the Maldives. Plantation operations also continued to reinforce field and factory safety protocols as part of their broader environmental and safety management systems, particularly in response to the operational challenges arising from Cyclone Ditwah in November 2025.

EMPLOYEE HEALTH AND WELL-BEING

We foster a workplace that supports employee well-being, engagement and development. Our approach combines competitive remuneration and performance-based incentives with a range of employee welfare initiatives designed to support the diverse needs of our workforce. We also promote a strong sense of belonging through sporting, cultural and social activities that strengthen employee engagement across the Group.

Recognition

During the year, the Group's human resource practices received external recognition:

- Aitken Spence PLC was ranked among the Top 10 Companies at the inaugural EFC National Best Employer Awards 2025, reflecting the Group's commitment to maintaining a positive and people-centred work environment.
- Aitken Spence Hotels received the World's Leading Sustainable Female Empowerment Initiative 2025 award at the World Sustainable Travel & Hospitality Awards, recognising its efforts to create career opportunities for youth, particularly women from rural communities, through targeted training and skills development programmes.

Employee Engagement

The Group continued to promote employee engagement and camaraderie through a range of initiatives during the year.

- Balangoda Plantations conducted its annual Chairman's Trophy Cricket Tournament in September 2025, bringing together estate and corporate employees.
- Sports tournaments, cultural celebrations and employee engagement activities were held across the Group, fostering teamwork, collaboration and a shared sense of achievement.

Despite the challenges encountered during the year, including the passing of the Group's Founding Chairman and the operational disruptions caused by Cyclone Ditwah, the Group remained focused on creating supportive and engaging workplaces while continuing to deliver on its operational priorities.

STRENGTHENING HUMAN CAPITAL

"Organisational capability, like the folds of origami that define this year's Annual Report theme, is built deliberately and cumulatively each investment in our people adding definition and strength to the whole."

Our people remain the foundation of Melstacorp's performance and resilience. As the Group navigated this defining year of transition, we invested deliberately in employee wellbeing, capability, and engagement each initiative a fold that added strength and shape to the organisation as a whole, without disrupting the integrity of the whole.

PROTECTING WELLBEING

We enhanced our employee medical insurance scheme, raising hospitalisation coverage limits to strengthen financial protection amid rising healthcare costs reaffirming that employee wellbeing extends beyond the workplace.

DEEPENING ENGAGEMENT

A structured Outbound Training programme at Hanwella (15–16 November 2025) brought employees together through experiential team-building that broke down hierarchies and built cross-functional trust. This was reinforced through a calendar of connection New Year celebrations, the Annual Get-Together, and quarterly recognition programmes that strengthened belonging across the Group.









BUILDING DIGITAL FLUENCY

Our "Enhancing Workforce Experience through Digitalisation" programme equipped employees with hands-on HRIS and Google Workspace training, alongside an introduction to Google Gemini's AI capabilities, preparing our people for a rapidly evolving workplace.



HUMAN CAPITAL

INSTITUTIONALISING ACCOUNTABILITY

We introduced a formal Executive KPI framework across Senior Executive and leadership tiers, aligning individual accountability with corporate strategy across growth, efficiency, risk, and talent development a milestone in our performance management maturity, to be progressively extended across management tiers.

EMBEDDING SUSTAINABILITY LITERACY

In step with our preparations for SLFRS S1/S2 compliance, role-relevant sustainability training empowered employees to move from awareness to ownership, translating learning into workplace action.









ADVANCING INCLUSION

International Women's Day (9 March 2026) at the DCSL Auditorium celebrated the contributions of our women employees, while at Melsta Hospitals Ragama, multicultural celebrations and mandatory safety/emergency-response training strengthened both belonging and workplace readiness.





Each of these initiatives, like the successive folds of origami, is small in isolation but cumulative in effect together strengthening the resilience, capability, and shared purpose that will carry Melstacorp through its next phase of growth.

LOOKING AHEAD

We will continue to strengthen our people strategy while building on the enduring legacy of our Founding Chairman, Deshamanya Harry Jayawardena, whose emphasis on people development has been fundamental to the Group's success.

We will also continue to invest in talent development through structured learning and career progression pathways, building on initiatives such as the Aitken Spence Institute of Hotel Management and the Green Graduates programme, while exploring opportunities to extend similar frameworks across our plantation and manufacturing operations. Workplace health and safety will remain a key priority, particularly as our plantation and coastal businesses continue to enhance operational resilience following the impacts of Cyclone Ditwah.

Moreover, we will continue to benchmark our people practices against recognised external standards and pursue independent recognition that reflects our commitment to creating a high-performing and inclusive workplace culture. Through these efforts, we remain focused on strengthening employee engagement, developing future leaders and ensuring our workforce remains well positioned to support the Group's long-term growth and success.

INTELLECTUAL CAPITAL

In a year marked by significant transition, Melstacorp PLC's Intellectual Capital continued to serve as a key source of resilience, continuity and long-term strength. This capital is underpinned by the expertise and experience of our people, strong knowledge-sharing frameworks, ongoing digital transformation initiatives and a culture that encourages innovation while maintaining operational discipline.

FY2025/26 represented an important period of evolution for the Group. We successfully navigated a generational leadership transition while preserving strategic continuity and simultaneously expanded into a new business vertical through Mels Automobiles' appointment as the authorised importer and dealer for BMW vehicles in Sri Lanka. By fostering collaboration, facilitating the transfer of knowledge and encouraging innovation across both established and emerging businesses, we continue to strengthen our competitive position. The strength of our brands, the institutional knowledge embedded within our workforce and the efficiency of our systems and processes collectively demonstrate the value of our Intellectual Capital and its contribution to sustainable growth.



RELATED STAKEHOLDERS

- Customers
- Employees
- Business Partners
- Investors
- Government and Regulators
- Community

RELATED STRATEGIC PILLAR

- Innovation & Digital Transformation
- Operational Excellence and Synergy

KEY FOCUS AREAS

- Brands
- Processes & Certifications
- Tacit Knowledge
- Awards & Accolades
- Culture of Innovation

OUR BRANDS

Across a diverse portfolio of businesses, now extending into the premium automotive sector, our brands remain a powerful source of competitive advantage and market leadership. More than commercial identities, they represent enduring trust, quality and credibility, built over decades through consistent performance, customer focus and innovation. Each brand embodies the values of the Melstacorp Group, strengthening stakeholder confidence while enhancing our ability to create value across industries. Together, our portfolio of trusted brands not only reinforces our leadership positions in existing markets but also enables us to successfully enter new sectors, catalysing growth, progress and sustainable development in Sri Lanka and beyond.

Beverages	DCSL, DCSL Breweries, Periceyl
Plantations	Madulsima Plantations PLC, Balangoda Plantations PLC, elpitiya
Tourism	Aitken Spence Hotels, Heritance Hotels & Resorts, Heritance Negombo, Adaaran Maldives, turyaa, Aitken Spence Travels, Aitken Spence Aviation
Maritime, Freight & Logistics	Aitken Spence Maritime, Aitken Spence Logistics, Aitken Spence Freight, Aitken Spence Express, MelstaLogistics
Strategic Investments	Aitken Spence Printing, Aitken Spence Apparel, Aitken Spence Power, Aitken Spence International, Berry Much, tropifrut, Harrow Ceylon Choice, HH, BOGO POWER
Services	Aitken Spence Hotels, Aitken Spence Property, Port City, Melsta Hospitals, Melstasoft, Melsta Technologies, Melsta Tower, Melsta Properties
Financial Services	Continental Insurance, Continental Life, Aitken Spence Insurance, Money Master

INTELLECTUAL CAPITAL

AWARDS AND ACCOLADES

The companies within the Group continue to be recognised as leaders within their respective industries, distinguished by a strong commitment to operational excellence, innovation and sustainable value creation. This reputation, built through consistent performance, customer trust and continuous improvement, was further reinforced during the year through a range of prestigious industry awards, accolades and independent recognitions that acknowledged the achievements of our businesses and people.

Sector	Key Awards and Recognitions
	• Aitken Spence Travels secured Gold Awards for South Asia's Leading Inbound Travel Agent and Leading Cruise Travel Agent for the third consecutive year at the 9th South Asian Travel Awards (SATA) 2025. The awards ceremony also honoured the late Chairman Emeritus, Deshamanya Harry S. Jayawardena, with a Special Recognition Award. • Aitken Spence Hotels won four national honours at the 32nd Annual World Travel Awards 2025, including Heritance Ahungalla being named Sri Lanka's Leading Luxury Hotel 2025. • Heritance Kandalama received Silver at the 2025 International Centre for Responsible Tourism (ICRT) Global Responsible Tourism Awards, becoming the only Sri Lankan hotel to be recognised at the global event. • Aitken Spence Travels won the Hospitality & Tourism Services category at the CPM Best Management Practices Company Awards 2025. • Aitken Spence Hotels was recognised as the World's Leading Sustainable Female Empowerment Initiative 2025 at the World Sustainable Travel & Hospitality Awards.
	• Aitken Spence Logistics received the Sustainability Award at the CILT Awards 2025 for its Accelerating Green Growth in Logistics Operations initiative and was also named Runner-up in the Market Segment Customer Service category. • At the inaugural National Logistics Awards organised by the Sri Lanka Logistics & Freight Forwarders Association, strategic partner Hapag-Lloyd Lanka won Gold in the Medium Scale Ocean Carrier category, while DBS Logistics Ltd secured Bronze in the Freight Forwarding category. • Aitken Spence Logistics was further recognised as Sustainable Logistics Provider 2026 at the Sri Lanka Sustainability Awards.
	• Elpitiya Plantations PLC was once again recognised among the Top Ten Best Corporate Citizens of Sri Lanka at the Best Corporate Citizen Sustainability Awards 2025 and was named First Runner-Up in Category B (annual turnover below Rs. 15 billion). • Telbedde Estate, managed by Balangoda Plantations PLC, secured the Overall Gold Award in a national estate-level recognition programme, reflecting excellence in plantation management and operational performance.
	• Aitken Spence Garments Ltd and Ace Apparels (Private) Limited continued their strong track record of industry recognition through inclusion among the Top 20 CPM Best Management Practices Award recipients, underscoring their commitment to operational excellence, governance and workplace best practices.
	• The appointment of Mels Automobiles (Private) Limited as the authorised importer and dealer for BMW in Sri Lanka was widely recognised as a landmark industry development. The partnership represents a significant strategic milestone for the Group and establishes Melstacorp as a meaningful participant in Sri Lanka's premium automotive sector.

PROCESS AND CERTIFICATIONS

To support operational excellence, enhance efficiency and ensure consistent standards across its diverse businesses, the Melstacorp Group maintains an extensive framework of nearly 200 management systems. These systems underpin the effective management of operations, resources, information, quality, safety and sustainability across the Group. Their effectiveness and robustness continue to be validated through rigorous internal review processes, independent audits and a broad range of internationally recognised certifications, reflecting the Group's commitment to global best practices, continuous improvement and disciplined governance.

Sector	Key Certifications and Management Systems Maintained During FY2025/26
	Continued maintenance of internationally recognised ISO 14001:2015 (Environmental Management), ISO 9001:2015 (Quality Management) and ISO 45001:2018 (Occupational Health & Safety Management) certifications across Ace Aviation Services, Ace Cargo, Aitken Spence Cargo, Logilink, Hapag-Lloyd Lanka and related entities. In addition, all Container Freight Station (CFS) operations, including Ace Containers, Ace Distriparks and Logilink, maintained C-TPAT (Customs Trade Partnership Against Terrorism) certification, reinforcing supply-chain security and international trade compliance.
	Maintained Green Globe Certification across Maldivian resort properties and renewed ISO 22000 Food Safety Management System certification across hotel operations. Heritance Kandalama continued to hold Sri Lanka's longest continuously certified ISO 14001 Environmental Management System, first obtained in 1996, while also maintaining Travelife Gold Certification, recognised by the Global Sustainable Tourism Council (GSTC).
	Printing and packaging businesses continued to maintain an integrated management-system framework comprising ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications, alongside Forest Stewardship Council (FSC) Chain of Custody Certification and SMETA 4-Pillar Ethical Compliance Certification. Apparel operations continued to maintain internationally recognised certifications including WRAP, Global Organic Textile Standard (GOTS), Higg Index and OEKO-TEX® standards.
	Balangoda Plantations PLC and Madulsima Plantations PLC continued to maintain internationally recognised Rainforest Alliance, Forest Stewardship Council (FSC) and ISO 14001 Environmental Management System certifications. During the year, Balangoda Plantations also confirmed continued compliance with the European Union Deforestation Regulation (EUDR) requirements, further strengthening access to global markets and demonstrating adherence to evolving international sustainability standards.

INNOVATION

We champion a decentralised approach to innovation, empowering our businesses to act as engines of entrepreneurship and growth. We believe that the most impactful ideas emerge closest to the customer, where teams have a deep understanding of market dynamics, emerging opportunities and evolving stakeholder needs. By fostering a culture that encourages initiative, creativity and calculated risk-taking, we enable our companies to continuously adapt and innovate within their respective sectors.

To support this culture, Group companies invest in targeted capability-building programmes and maintain structured mechanisms to recognise and reward employees who contribute innovative ideas, process improvements and new business opportunities. During FY2025/26, the entrepreneurial spirit embedded across the Group was demonstrated at its highest level through the strategic entry into the premium automotive sector. The appointment of Mels Automobiles as the authorised importer and dealer for BMW vehicles in Sri Lanka represents a significant milestone, reflecting the Group's ability to identify and pursue new avenues for growth while leveraging its established strengths in governance, execution and brand stewardship. This expansion exemplifies the same disciplined, opportunity-driven approach to innovation that continues to drive value creation across the Group's existing businesses.

INTELLECTUAL CAPITAL

DIGITAL TRANSFORMATION AND TECHNOLOGY ENABLEMENT

Our commitment to operational excellence continued to accelerate the Group's digital transformation journey during FY2025/26. Through targeted investments in technology, data analytics and digital infrastructure, we continued to modernise core business processes, enhance operational efficiency and strengthen organisational agility across our diverse portfolio of businesses.

Digital initiatives focused on streamlining operations, improving data integrity, increasing automation and providing timely, actionable insights to support informed decision-making at all levels of the organisation. These investments not only improved productivity and service delivery but also strengthened the Group's ability to respond to evolving customer expectations and rapidly changing market conditions.

By embedding digital capabilities across functions and sectors, the Group is building a more connected, data-driven and future-ready operating model, positioning our businesses to drive sustainable growth, unlock new opportunities and maintain a competitive advantage in an increasingly technology-enabled business environment.

Sector	Key Certifications and Management Systems Maintained During FY2025/26
	Continued to enhance operational efficiency and customer responsiveness through the use of a Customer Relationship Management (CRM) platform for liner operations, Robotic Process Automation (RPA) across liner and container freight station (CFS) operations, and real-time cargo tracking and tracing capabilities supporting cargo agency and overseas operations.
	Leveraged an integrated Revenue Management System (RMS), booking engine and channel management platform to optimise revenue performance. Digital guest engagement was further strengthened through AI-powered chatbots, RPA-enabled guest support services and CRM systems that facilitate personalised customer experiences through enhanced guest data and preference management.
	Continued to strengthen data-driven decision-making through process engineering initiatives and the use of Business Intelligence (BI) tools, enabling improved operational visibility, performance monitoring and strategic planning across portfolio businesses.
	Advanced precision agriculture and estate management capabilities through the deployment of field technologies including tablets, soil analysis probes and hyperlocal weather-monitoring systems. These were complemented by cloud-based management systems, spatial data analytics and drone-enabled monitoring technologies to enhance productivity and resource optimisation.
	Progressed the evolution from traditional automation towards more intelligent, AI-driven solutions, including the adoption of Large Language Models (LLMs) and deep-learning technologies. The successful rollout of an enterprise-wide CRM platform further strengthened customer management, operational integration and service excellence across service-sector businesses.

KNOWLEDGE MANAGEMENT AND ORGANISATIONAL CONTINUITY

At the heart of our long-term success is the collective knowledge, experience and expertise of our people. We recognise that sustainable competitive advantage is created not only through individual talent, but through our ability to capture, share and institutionalise that knowledge across the Group. By transforming individual expertise into organisational capability, we strengthen resilience, enhance business continuity and ensure that critical knowledge remains embedded within the organisation for future generations.

This approach assumed particular importance during FY2025/26, a year characterised by significant leadership and business transitions. Through structured knowledge-transfer mechanisms, collaborative learning and succession planning, the Group successfully preserved continuity while positioning itself for future growth.

KEY INITIATIVES UNDERTAKEN DURING THE YEAR INCLUDED:

- Continued the transfer of knowledge, leadership responsibilities and institutional experience through structured mentorship and succession-planning programmes. This included the transition of key leadership roles to the next generation of leadership across Melstacorp PLC, Distilleries Company of Sri Lanka PLC and Aitken Spence PLC, ensuring continuity of strategic direction and governance.
- Fostered a culture of continuous learning and shared expertise through cross-functional workshops, leadership forums, town hall engagements and collaborative platforms that facilitate the exchange of ideas and best practices across business sectors.
- Strengthened the centralisation of organisational knowledge by documenting critical processes, institutional best practices and operational insights within accessible digital platforms, supporting consistency, efficiency and informed decision-making across the Group.
- Implemented structured knowledge-transfer and integration processes to support new business ventures and strategic transitions. A notable example was the establishment of Mels Automobiles as the authorised importer and dealer for BMW in Sri Lanka, where continuity planning and specialist knowledge transfer were prioritised to ensure a seamless customer experience and preserve the high standards associated with the BMW brand.

LOOKING AHEAD

As we navigate a period of generational renewal and strategic expansion, continued investment in Intellectual Capital will remain fundamental to sustaining long-term growth, strengthening organisational resilience and enhancing the Group's competitive advantage. By building the capabilities, knowledge networks and digital foundations required for the future, we aim to ensure that every transition becomes an opportunity for value creation and innovation.

KEY PRIORITIES FOR THE YEARS AHEAD INCLUDE:

- Developing specialised expertise, operational systems and digital infrastructure required to establish Mels Automobiles as a leading force in Sri Lanka's premium automotive industry, while maintaining global brand standards and delivering exceptional customer experiences.
- Expanding the Group's digital capabilities through enhanced data analytics, predictive forecasting tools and integrated risk-management systems to support more agile, informed and data-driven decision-making.
- Strengthening knowledge-sharing platforms and cultivating vibrant communities of practice to encourage collaboration, innovation and the exchange of expertise across both established and emerging business sectors.
- Investing in advanced learning and development programmes to equip employees with the leadership, digital and technical capabilities needed to succeed in an increasingly complex business environment and support the Group's next generation of leadership.
- Aligning innovation initiatives with the Group's sustainability ambitions to develop solutions that create long-term economic, environmental and social value.
- Deepening collaboration with universities, research institutions, industry bodies and subject-matter experts to access emerging knowledge, foster innovation and remain at the forefront of developments across our key sectors.

MANUFACTURED CAPITAL



Manufactured capital remains a key pillar of Melstacorp's business model, providing the foundation for operational excellence across its diverse portfolio. Our extensive asset base, encompassing production facilities, hospitality properties, plantation estates, logistics infrastructure, and advanced technology platforms, enables efficient operations, supports service excellence, and drives sustainable growth. Through disciplined investment and continuous asset enhancement, we strengthen our competitiveness, improve resilience, and create long-term value for our stakeholders.

RELATED STAKEHOLDERS

- Customers
- Employees
- Business Partners
- Investors
- Government and Regulators
- Community

RELATED STRATEGIC PILLAR

- Sustainability and Social Responsibility
- Strategic Investments and Portfolio Optimisation
- Innovation & Digital Transformation

KEY FOCUS AREAS

- Commitment to environmental sustainability
- Capacity improvement
- Efficiency improvement
- Infrastructure development

MANAGEMENT APPROACH

Disciplined stewardship of our capital assets is a cornerstone of our operational approach. Management maintains rigorous oversight of capital allocation decisions, ensuring that every significant investment in infrastructure, facilities, and property undergoes comprehensive evaluation and due diligence.

Each capital expenditure proposal is assessed against clear strategic, operational, and financial criteria to ensure alignment with our long-term objectives and value creation priorities. Through active engagement in the decision-making process, senior leadership helps ensure that investments are purposeful, sustainable, and positioned to deliver measurable returns. This disciplined approach strengthens our asset base, enhances operational resilience and efficiency, and supports the creation of lasting value for all stakeholders.

GROUP MANUFACTURED CAPITAL





SECTOR -WISE MANUFACTURED CAPITAL

During FY 2025/26, our manufactured capital comprised a strategic asset portfolio valued at Rs. 162,236 Mn, supporting operations across the Group's Beverages, Plantation, Tourism, Maritime & Freight Logistics, Strategic Investments, Services, and Financial Services segments. This extensive physical asset base, encompassing state-of-the-art manufacturing facilities, hospitality properties, plantation estates, logistics infrastructure, and other operational assets, continues to serve as a critical enabler of the Group's sustainable growth, operational resilience, and long-term value creation

- The Beverages sector is anchored by the manufacturing operations of Distilleries Company of Sri Lanka PLC (DCSL), Periceyl (Private) Limited, and DCSL Breweries Lanka Limited (DBL), whose production facilities form a key component of the Group's manufactured capital. During FY 2025/26, this asset base was further strengthened through the development of a new bottling facility in Seeduwa, supported by an investment of approximately Rs. 1.3 Bn to date. The facility will house a state-of-the-art Krones bottling plant manufactured in Germany, with a production capacity of approximately 36,000 bottles (180ml) per hour, enhancing production efficiency, expanding capacity, and supporting the continued modernisation of the sector's manufacturing capabilities.



MANUFACTURED CAPITAL

- The Financial Services sector's physical footprint is anchored by Continental Insurance Lanka Limited's branch network, which provides nationwide access to insurance solutions and customer support services. Supported by operational infrastructure and digital platforms, the sector continues to enhance customer accessibility, service efficiency, and market reach across Sri Lanka.



- The Plantation sector's manufactured capital consists of extensive tea, rubber, and agricultural estates, together with supporting infrastructure including factories, estate roads, irrigation systems, housing facilities, vehicles, and machinery. Continuous investments in field development, factory modernisation, estate infrastructure, and equipment upgrades support productivity enhancement, operational efficiency, and sustainable agricultural practices. These assets remain fundamental to maintaining the long-term competitiveness and resilience of the sector.



- The Tourism sector's manufactured capital comprises a portfolio of hospitality assets, including hotels, resorts, and leisure facilities operated across Sri Lanka, the Maldives, India, and Oman. These properties are supported by modern guest amenities, operational infrastructure, and destination management assets that collectively enable the delivery of high-quality tourism experiences. Ongoing investments in refurbishments, infrastructure enhancements, and technology-driven improvements continue to strengthen service delivery, enhance guest satisfaction, and maintain the competitiveness of the sector's asset portfolio.



- The Maritime, Freight & Logistics sector is supported by an extensive portfolio of logistics infrastructure, including third-party logistics (3PL) warehousing facilities, container freight stations, inland container depots, cold storage facilities, and transportation assets. These facilities are complemented by Melsta Logistics' fleet of vehicles and specialised cargo-handling equipment, enabling seamless end-to-end logistics solutions across the Group and for external customers. Continued investments in warehousing infrastructure, container handling systems, and digital tracking technologies have strengthened operational efficiency, supply chain visibility, and service reliability across the sector.



- The Services sector is supported by a portfolio of specialised operational assets across healthcare and IT-enabled services. Melsta Hospitals Ragama provides modern medical infrastructure and clinical facilities that support the delivery of quality healthcare services. Meanwhile, Melsta Technologies leverages its technology infrastructure to provide a comprehensive range of business solutions, including contact centre operations, data processing, software development, and IT consulting services. These assets enable efficient service delivery while supporting innovation and business growth.



- The Strategic Investments sector encompasses a diverse portfolio of physical assets spanning power generation, printing, and apparel manufacturing. A key asset within the sector is Bogo Power, a hydropower generation facility that contributes renewable energy to Sri Lanka's national grid, supporting the country's sustainable energy objectives. These assets provide stable operational capabilities while supporting the Group's long-term diversification and value creation strategy.



KEY CAPITAL INVESTMENTS UNDERTAKEN DURING THE YEAR

Across our business segments, we have achieved strong growth, enhanced service quality, and improved productivity while reducing our environmental footprint. These outcomes have been enabled by strategic investments in the infrastructure, facilities, equipment, and technology that support our operations.

	• During FY 2025/26, Distilleries Company of Sri Lanka PLC (DCSL) continued to enhance its manufacturing capabilities through significant investments in production and operational infrastructure. Approximately Rs. 1.3 Bn was invested in the development of a new bottling facility in Seeduwa, centred around the installation of a state-of-the-art Krones bottling plant manufactured in Germany. With a production capacity of approximately 36,000 bottles (180ml) per hour, this investment is expected to strengthen operational efficiency, increase production capacity, and support the Company's evolving growth aspirations while reinforcing its commitment to technological advancement and manufacturing excellence.
	• After the financial year end, the Group invested Rs. 2.68 Bn in acquiring land, buildings, and related assets to support its newly established BMW operations in Sri Lanka. This investment follows the appointment of Mels Automobiles (Private) Limited as the authorised importer and dealer for BMW vehicles in the country. The acquisition provides a solid operational foundation for the business. It reflects the Group's strategic commitment to strengthening its presence in the premium automotive sector while positioning the business for long-term growth.
	• Investments during the year were directed towards enhancing productivity and operational effectiveness through ongoing field development initiatives, upgrades to estate infrastructure, and the acquisition of motor vehicles to improve field mobility, supervision, and resource accessibility across plantation operations. • Madulsima plantations invested Rs. 311 million to enhance its manufactured capital, compared to Rs. 167 million in the prior year, which is an 86% increase reflecting the Company's commitment to reinvestment and long-term asset development. • Balangoda Plantations PLC recorded total capital expenditure of Rs. 154 million during the year, compared to Rs. 114 million in the previous year. Investments were primarily directed towards field development initiatives, factory improvements, and the acquisition of vehicles and equipment, aimed at enhancing operational efficiency, supporting productivity improvements, and strengthening the Company's long-term asset base.
	• Capital investments within the Tourism segment during the year were directed toward upgrading key assets and advancing digital transformation efforts to enhance guest experiences, service standards, and operational effectiveness. Expenditure focused on hotel refurbishment projects, strategic infrastructure improvements, and upgrades to critical systems and facilities. In addition, the destination management business expanded its fleet capacity to support growing demand, improve operational capabilities, and strengthen service delivery across its operations.
	• During the year, the sector's capital investments were directed towards expanding operational capacity, enhancing efficiency, and advancing sustainability objectives. Key initiatives included the development of cold storage and warehouse facilities in Bangladesh, the acquisition of trailers and material-handling equipment, and enhancements to container-tracking and gate-management systems to enable greater real-time visibility and operational control. • The sector also continued to strengthen its environmental sustainability agenda through investments in fuel-efficient equipment, electric forklifts, and solar energy solutions. These initiatives are expected to improve cost efficiency, optimise resource utilisation, and support the transition towards more sustainable and environmentally responsible operations.
	• The Services sector continues to operate under an asset-light business model, requiring comparatively lower levels of manufactured capital while enabling efficient capital deployment and greater operational agility. During the year, capital investments were primarily directed towards strengthening critical communication infrastructure, including enhancements to PABX systems. These upgrades improved connectivity, operational reliability, and service efficiency, supporting the seamless delivery of services across the sector's operations.

MANUFACTURED CAPITAL

LOOKING AHEAD

Building on a strong foundation of asset stability, operational resilience, and prudent capital management, the Group remains committed to strategically enhancing its manufactured capital to support sustainable growth, improve competitiveness, and unlock long-term value. Investments will continue to focus on modernising infrastructure, expanding capacity, strengthening operational efficiency, and embedding sustainability considerations across the asset portfolio.

KEY PRIORITIES

- Complete the new Seeduwa bottling facility and Krones production line, significantly enhancing DCSL's manufacturing capacity, operational efficiency, and ability to meet evolving market demand.
- Advance the integration and infrastructure development of the BMW business, following the acquisition of land, buildings, and related assets, to establish a robust platform for premium automotive operations in Sri Lanka.
- Continue investing in hotel refurbishments, guest experience enhancements, and digital infrastructure across the Tourism sector, supporting service excellence, operational efficiency, and the long-term competitiveness of hospitality assets.
- Strengthen logistics and supply chain infrastructure through targeted investments in warehousing, cold chain facilities, transportation assets, and technology-enabled tracking solutions, improving capacity, visibility, and service reliability.
- Enhance productivity within plantation operations through continued field development, factory modernisation, estate infrastructure upgrades, mechanisation initiatives, and investments in mobility and operational support assets.
- Expand sustainability-focused investments across the Group, including energy-efficient technologies, renewable energy solutions, resource conservation initiatives, and environmentally responsible infrastructure, supporting the transition towards lower-carbon and more resilient operations.
- Maintain a disciplined capital allocation framework, ensuring that investments across all sectors are strategically aligned, financially sound, and capable of delivering sustainable returns while preserving the Group's strong financial position.


MELS Automobiles
MINI SERVICE
RELAX, WE CARE

SOCIAL & RELATIONSHIP CAPITAL

We are defined by our principles. Our commitment to responsible business is the reason a growing community chooses to journey with us. Travellers seeking authenticity, investors committed to ethical growth, and individuals who believe in a company that stands for something greater are all drawn to our purpose. The result is loyalty built on shared values and a common vision.

FY 2024/25 tested the strength of this foundation as the Group navigated a significant leadership transition. Mr. Hasitha Jayawardena assumed the Chairmanship of Melstacorp PLC and Distilleries Company of Sri Lanka PLC, while Ms. Stasshani Jayawardena took the helm of Aitken Spence PLC, continuing the relationship-driven ethos established by our Founding Chairman, Deshamanya Harry Jayawardena. The Group's response to Cyclone Ditwah in November 2025 further underscored our belief that stakeholder relationships are forged through trust and demonstrated in moments that matter most.



RELATED STAKEHOLDERS

- Customers
- Employees
- Business Partners
- Investors
- Government and Regulators
- Community

RELATED STRATEGIC PILLAR

- Sustainability and Social Responsibility
- Operational Excellence and Synergy
- Global Expansion and Market Penetration

KEY FOCUS AREAS

- Customer relationship management
- Strengthening our supply chain
- Product responsibility
- Community engagement
- Customer experience

CUSTOMERS

We honour the trust our customers place in us by ensuring every interaction is guided by a commitment to quality, authenticity, and personalised service excellence. While our businesses span diverse sectors, our commitment remains consistent: every customer interaction is guided by our non-negotiable values of reliability, integrity, warmth, and the ability to inspire confidence. By continuously investing in our people, technology, and service capabilities, we strengthen trust and create lasting relationships across the Group.

Initiatives to improve customer experience

At Melsta Hospitals Ragama, investments in patient-centred technology and infrastructure continued during the year, including the introduction of advanced transplant and urology equipment, the establishment of a dedicated renal transplant ICU, and the expansion of diagnostic capacity through Melsta Laboratories. These enhancements support improved clinical outcomes and a more seamless patient experience.

At Aitken Spence Hotels, guest experience remained at the forefront through the continued rollout of the Green Graduates programme, which equips new associates with sustainability knowledge and service excellence skills. This ensures a consistent, values-driven guest experience across properties in Sri Lanka and the Maldives.

Across the Group, subsidiary companies continued to invest in digital channels and self-service solutions, enabling faster, more transparent, and convenient interactions for customers, policyholders, patients, and guests alike. Through these ongoing efforts, we remain focused on delivering service excellence while deepening the trust our stakeholders place in us.





Ensuring product responsibility

Our foremost commitment is to the well-being of our customers and the communities we serve. We ensure that our products and services are safe, responsible, and beneficial, while mitigating any potential adverse impacts on health and well-being. To uphold this standard, we embed quality controls across our operations and align our practices with leading principles of social sustainability, occupational health and safety, food safety, and ESG performance. This commitment extends beyond product and service delivery to our communications, where we maintain the highest standards of responsible marketing and transparent, accurate disclosure.

In the Beverage sector, we continued to put this commitment into action by addressing the risks associated with illicit and illegal alcohol. Through targeted awareness initiatives, we educated consumers on the serious health dangers and absence of quality assurance associated with unregulated products, helping them make safer and more informed choices while promoting responsible drinking. This remained an important public health issue in Sri Lanka during FY2025/26.

In the Healthcare sector, Melsta Hospitals Ragama achieved accreditation under the Joint Commission International (JCI) USA 8th Edition standards during the year, a globally recognised benchmark for healthcare quality and patient safety. This achievement reinforces the Group's commitment to maintaining the highest standards of service responsibility, extending our focus on quality and safety beyond manufacturing and distribution into clinical care.

Across the Group, businesses continued to strengthen governance, quality assurance, and customer protection practices, ensuring that stakeholder trust is supported by responsible products, safe services, and transparent engagement at every touchpoint.

Enhancing customer experience

Our subsidiary companies continued to strengthen customer loyalty by delivering innovative, technology-enabled solutions

SOCIAL & RELATIONSHIP CAPITAL

that enhance convenience, create meaningful value, and improve customer outcomes. By anticipating evolving needs and consistently exceeding expectations, they foster enduring relationships built on trust, quality, and service excellence.

At Aitken Spence Hotels, recognition as the World's Leading Sustainable Female Empowerment Initiative 2025 at the World Sustainable Travel & Hospitality Awards reflected the success of programmes that empower employees with skills, confidence, and purpose.

These investments in people not only create positive social impact but also translate into more attentive, authentic, and community-centred guest experiences across the Group's hospitality portfolio.

Aitken Spence PLC's inclusion among the Top 10 Companies at the inaugural EFC National Best Employer Awards 2025, announced in January 2026, further underscored the connection between employee engagement and customer satisfaction. By fostering an inclusive, supportive, and high-performing workplace, the Group continues to strengthen its ability to deliver exceptional service and consistent customer experiences across its hospitality and services businesses.

Across the Group, a continued focus on innovation, workforce development, and customer-centric service delivery has enabled businesses to create lasting value for customers while building loyalty that endures over the long term.



OUR SUPPLIERS

At Melstacorp, we view our suppliers as valued partners who play an essential role in our long-term success. We are committed to fostering collaborative, transparent, and mutually beneficial relationships built on trust, integrity, and shared responsibility. Our approach promotes fairness and open communication at every stage of engagement, ensuring that all suppliers, regardless of size or scale, are afforded equal opportunities to compete and grow within our value chain.

By nurturing an environment of respect, accountability, and partnership, we create lasting relationships that support innovation, operational excellence, and sustainable value creation. Through these strong partnerships, we work together to navigate challenges, enhance resilience, and drive shared success for all stakeholders.

Supplier development

Our strength lies in a diverse and resilient supply chain, comprising partners that range from local micro-entrepreneurs and small businesses to leading multinational corporations. We recognise that the long-term success of our business is closely linked to the success of our suppliers, and we are committed to fostering relationships built on trust, collaboration, and mutual growth.

Through ongoing engagement, support, and knowledge sharing, we encourage our suppliers and business partners to continuously enhance their practices and capabilities. We seek to build partnerships with organisations that share our commitment to ethical conduct, responsible business practices, and sustainability, ensuring that our values extend throughout the supply chain.

By working together to uphold high standards of quality, integrity, and environmental and social responsibility, we strengthen supply chain resilience, create shared value, and contribute to sustainable growth for all stakeholders.

	• Continued to support a key supplier of carbonic manure in strengthening business capabilities through hands-on guidance aimed at formalising administrative processes. By transitioning from informal, handwritten records to structured purchase orders, delivery notes, and invoicing systems, the partnership enhanced operational efficiency, traceability, and reliability for both organisations. • Balangoda and Madulsima Plantations continued to collaborate with leading agronomic institutions, including the Rubber Research Institute of Sri Lanka and Uva Wellassa University, to strengthen supplier and contractor capabilities in disease-resistant clone management and sustainable cultivation practices, contributing to the long-term resilience of the plantation sector.
	• Continued its partnership with a local Sri Lankan supplier producing high-quality craft paper laundry bags that serve the Group's hotel portfolio in Sri Lanka. Supported by this long-standing relationship, the supplier has continued to expand its operations and secure additional opportunities within the wider hospitality industry, demonstrating the value of sustainable local sourcing and supplier development.
	• Continued to advance a two-pronged approach to supply chain sustainability by establishing clear expectations and guidelines to minimise environmental impacts across operations, while encouraging and recognising suppliers that demonstrate leadership and innovation in environmental stewardship.
	• Continued collaborating with key local suppliers to enhance the quality and performance of adhesives and varnishes to meet and exceed international standards. Through technical collaboration, product testing, and continuous improvement initiatives, these partnerships have strengthened local manufacturing capabilities, supported employment creation, reduced dependence on imports, and contributed to the development of a secure, high-quality local supply chain that benefits the business, its partners, and the broader economy.

Strengthening the Supply Chain

We view our suppliers as essential partners in creating long-term value, building relationships based on trust, collaboration, and mutual benefit. By supporting local enterprises and fostering responsible business practices, we contribute to economic development while creating opportunities for growth across our value chain. Through strategic partnerships, we drive supplier capability building, support employment generation, and promote sustainable industrial development.

Manufacturing excellence begins with a strong and responsible supply chain. We maintain rigorous quality assurance processes to ensure that every ingredient and raw material meets stringent quality, safety, and compliance standards before entering production. To reinforce these standards, we work closely with local and international experts for independent testing, analysis, and verification. This disciplined, science-based approach helps ensure that our products consistently meet the highest standards of quality, safety, and reliability.

During FY2025/26, our supply chain resilience was tested by Cyclone Ditwah, which disrupted logistics networks and estate operations across parts of the plantation sector in late November 2025. The speed and effectiveness of the recovery highlighted the strength of the Group's diversified supplier network and the close collaboration maintained with contractors, transport providers, and other business partners. These relationships played a critical role in restoring operations and reinforcing the resilience of our supply chain in the face of external challenges.

OUR COMMUNITIES

We are more than a business operating within communities; we are an integral part of the communities we serve. We believe that our success is most meaningful when it contributes to the prosperity and well-being of those around us. Guided by this belief, we seek to create shared value by embedding community development into our business activities and growth strategy.

We bring this commitment to life by strengthening local economies, supporting local suppliers and entrepreneurs, creating employment opportunities, and investing in initiatives that address critical community needs. Through targeted programmes in areas such as housing, healthcare, sanitation, education, and livelihood development, we work to enhance quality of life and foster inclusive, sustainable growth.

By building strong partnerships with the communities around us and investing in their long-term resilience, we ensure that our growth creates lasting positive impact, empowering people and contributing to a stronger, more sustainable future for all.

SOCIAL & RELATIONSHIP CAPITAL

Madulsima Plantations

In partnership with the Plantation Human Development Trust (PHDT) and other stakeholders, Madulsima Plantations continued to advance a holistic community development agenda centred on three key pillars. These efforts focused on strengthening social well-being through improvements in housing, infrastructure, disaster preparedness, childcare nutrition, immunisation, and maternal health; expanding opportunities through education, school attendance, and skills development initiatives; and fostering environmental stewardship through community-led reforestation programmes and biodiversity awareness activities.







Balangoda Plantations

- Completed the Clean Sri Lanka Ministry Programme during the year and launched a Leopard Conservation Education and Awareness Programme for estate communities, building on previous collaborations with the Leopard Research and Conservation Project to promote greater awareness and support for human-leopard coexistence.
- Hosted the Chairman's Trophy Cricket Tournament on 13 September 2025, bringing together estate and corporate employees and their families in a celebration of teamwork, camaraderie, and the Group's shared culture and values.
- Achieved national recognition with Telbedde Estate being named the Overall Gold Award Winner in a prestigious estate-level awards programme. During the year, cinnamon cultivation was also introduced at Palmgarden Estate as part of ongoing crop diversification efforts, creating new economic opportunities and supporting long-term community development.
- Continued to invest in the health and well-being of estate communities through programmes implemented in partnership with local authorities, healthcare institutions, and non-governmental organisations. These initiatives built on ongoing efforts in preventive healthcare, nutrition awareness, and improved living conditions, including collaborations with Tea Vision Lanka to support community welfare and sustainable household practices.







Healthcare Sector

In response to Sri Lanka's growing burden of chronic kidney disease, Melstacorp PLC continued its flagship corporate social responsibility initiative of sponsoring one deserving patient each month with Rs. 1 million towards a kidney transplant at Melsta Hospitals Ragama. By covering a significant portion of the treatment cost, the programme helps ease the financial burden associated with this life-saving procedure, improving access to critical healthcare for vulnerable patients. During the year, the initiative also extended support to patients from the Northern Province through targeted outreach and referral efforts.

Reflecting the Group's long-term commitment to community well-being, this programme remains an open-ended initiative, with Melstacorp pledging to support a new deserving patient every month for as long as the transplant centre remains in operation.

During FY2025/26, Melsta Hospitals Ragama further strengthened its contribution to healthcare excellence by achieving accreditation under the Joint Commission International (JCI) USA 8th Edition standards, one of the world's most respected benchmarks for healthcare quality and patient safety. The hospital also marked several important milestones, including the opening of the Deshamanya D.H.S. Jayawardena Memorial Auditorium, commemorating the legacy of the Group's founder while supporting the institution's continued growth and development.





LOOKING AHEAD

As we look to the future, we recognise that sustainable success is built on strong, enduring relationships. Our continued growth is inseparable from the success and well-being of the people and communities we serve. Guided by this belief, we remain committed to strengthening the partnerships that underpin our business and contribute to shared prosperity.

- **To our customers,** we will continue to enhance experiences through innovation, digital transformation, and service excellence, leveraging technology and insight to better understand and anticipate evolving needs. Furthermore, we will continue to earn and sustain customer trust through products and services that are safe, high quality, innovative, and responsibly delivered.
- **To our suppliers and business partners,** we will remain a trusted partner in progress, fostering collaboration, supporting capability development, and promoting resilient and sustainable business practices throughout our value chain.
- **To our communities and our nation,** we will continue to invest in initiatives that create meaningful social impact, support economic development, and address pressing national priorities, including ongoing recovery and resilience-building efforts in areas affected by Cyclone Ditwah.

NATURAL CAPITAL

Protecting the natural systems that sustain our businesses

WHY NATURAL CAPITAL MATTERS

At Melstacorp, our ability to create long-term value is closely linked to the health and availability of the natural systems on which our businesses depend. Land and soil support our plantations; water is essential to agriculture, tourism and manufacturing; biodiversity and healthy ecosystems contribute to watershed protection, agricultural productivity and the attractiveness of our tourism destinations; while energy and material resources underpin operational continuity across the Group.

As a diversified Group with interests spanning beverages, plantations, tourism, strategic investments, maritime and freight logistics and services, our natural capital dependencies and impacts vary by sector. We therefore seek to manage natural resources responsibly, reduce environmental impacts, strengthen climate resilience and preserve the ecosystems that support our operations and surrounding communities.

Our approach is guided by environmental responsibility, regulatory compliance, continuous improvement and the efficient use of resources. During FY2025/26, the impacts of Cyclone Ditwah provided a further reminder that climate resilience, water



security, soil conservation, biodiversity and business resilience are interconnected. The Group continues to strengthen adaptation measures including watershed protection, rainwater harvesting, soil conservation, crop diversification and renewable energy adoption.

RELATED STAKEHOLDERS

- Customers
- Employees
- Business Partners
- Investors
- Government and Regulators
- Community

RELATED STRATEGIC PILLAR

- Sustainability and Social Responsibility

NATURAL CAPITAL AT A GLANCE

Indicator	FY2025/26	Reference / latest disclosed position
Certified green cover	8,000+ ha	Plantations; maintained under RA/FSC aligned management
Biodiversity Conservation Areas	376 ha	Madulsima Plantations; GPS-mapped and protected with chemical-free buffer zones
Conservation forest	211 acres	Heritance Kandalama, privately managed conservation forest
Land managed by Madulsima Plantations	7,369 ha	Latest figure disclosed in FY2023/24 Annual Report
Timber and fuelwood cultivation	1,685 ha	Latest figure disclosed in FY2023/24 Annual Report
Eucalyptus planted	175,000 trees / 178 ha	Five-year cumulative figure disclosed in FY2023/24 Annual Report
Hotel wastewater treated and recycled	100%	Sri Lanka and Maldives hotels – latest Group disclosure
Renewable energy generated	693,384 GJ	FY2025/26 – Group total to be validated; FY2024/25: 645,523 GJ

Indicator	FY2025/26	Reference / latest disclosed position
Renewable energy portfolio	32.85 MW	FY2025/26 – to be validated; FY2024/25: 22.1 MW
Renewable electricity supplied to national grid	118 GWh	FY2025/26 – to be validated; FY2024/25: >117.7 GWh
Municipal solid waste processed through WTE	180,241 MT	FY2025/26 – to be validated; FY2024/25: 178,859 MT
Carbon-neutral apparel facilities	All	FY2024/25: all apparel production facilities certified carbon neutral
Total Group energy consumption	912,000 GJ	FY2025/26 – to be validated
Scope 1 & 2 emissions	62,977 tCO_2e	FY2025/26 – to be validated
Water withdrawal	1,445,323 m^3	FY2025/26 – to be validated
Total waste generated	22,618 MT	FY2025/26 – to be validated

OUR NATURAL CAPITAL VALUE PATHWAY

Natural capital dependency	Key risks / impacts	Management response	Value created or preserved
Land & soil	Erosion, degradation, land-use pressure, climate variability	Crop diversification, soil-moisture retention, riparian planting, responsible land management	Long-term productivity, soil health and resilience of plantation assets
Water	Water scarcity, over-abstraction, pollution and effluent impacts	Water audits, CROPWAT assessment, rainwater harvesting, micro-cascade reservoirs, wastewater treatment	Operational continuity, water security and protection of local water bodies
Biodiversity & ecosystems	Habitat disturbance, biodiversity loss, ecosystem degradation	Protected areas, conservation forests, ecological buffers, reforestation, wildlife corridors	Ecosystem resilience, watershed protection, tourism value and licence to operate
Climate & atmosphere	GHG emissions, extreme weather, energy-price exposure	Renewable energy, biomass, energy efficiency, carbon monitoring and adaptation measures	Lower fossil-fuel dependence, resilience and reduced environmental footprint
Materials & natural resources	Finite-resource use, packaging waste, landfill impacts	Reuse, recycling, sustainable procurement, packaging recovery and circularity	Resource efficiency, cost optimisation and reduced waste impacts

KEY FOCUS AREAS

- Responsible waste management
- Minimise carbon footprint
- Reduce energy utilisation
- Emissions management
- Water conservation

NATURAL CAPITAL

GROUP ENVIRONMENTAL MANAGEMENT

At Melstacorp, we recognise that the long-term success of our businesses is intrinsically linked to the health of the natural environment. The land, water, ecosystems, and biodiversity that sustain our operations represent critical forms of natural capital and are fundamental to our ability to create sustainable value for stakeholders. As a diversified Group with operations spanning plantations, tourism, manufacturing, logistics, and services, we have the opportunity and the responsibility to contribute positively to environmental sustainability by managing our environmental footprint responsibly.

Environmental stewardship remains a strategic priority embedded within our operating philosophy and long-term business strategy. Guided by our commitment to stability, resilience, and sustainable growth, we seek to balance economic performance with the responsible management of natural resources. This commitment extends across our operations, from the plantation estates of Balangoda and Madulsima to the coastal and highland destinations within our Tourism portfolio.

During FY2025/26, the importance of environmental resilience was brought into sharp focus by the impact of Cyclone Ditwah, which affected several regions in Sri Lanka in which our Group operates. The event underscored the growing challenges posed by climate change and reinforced the value of the adaptation measures already being implemented across our businesses, including watershed protection, rainwater harvesting, soil conservation, and crop diversification initiatives. These investments continue to strengthen the resilience of our operations while supporting the well-being of the communities and ecosystems that surround them.

Beyond compliance with environmental regulations and standards, the Group remains committed to continuous improvement through robust monitoring, transparent reporting, and proactive environmental management. Our operations are subject to regular environmental audits and oversight, enabling us to identify opportunities to improve performance and reduce environmental impacts. Throughout the year, we continued to advance initiatives focused on renewable energy adoption, energy efficiency, waste reduction, biodiversity conservation, reforestation, and sustainable resource management.

As we continue our journey of transition and transformation, responsible environmental stewardship remains central to our approach. By protecting and enhancing the natural capital upon which our businesses depend, we aim to strengthen long-term resilience, support national sustainability objectives, and create enduring value for future generations.

MANAGEMENT APPROACH

Melstacorp manages Natural Capital through a cycle of governance, identification, management and measurement. Environmental performance is monitored through business-sector systems and management processes, supported by environmental audits, applicable international standards and continuous improvement. The Group seeks to integrate environmental considerations into operational decisions and capital allocation, while strengthening the consistency and quality of environmental data reported across its businesses.

GOVERN	IDENTIFY	MANAGE	MEASURE
Environmental responsibilities embedded within Group and sector management	Assess key dependencies, impacts, risks and environmental hotspots	Implement resource-efficiency, conservation, restoration and mitigation initiatives	Track energy, emissions, water, effluents, waste, materials and biodiversity indicators

The Group's environmental management is supported by compliance with applicable legislation and standards, including the requirements of the Central Environmental Authority. Relevant businesses also maintain or align with internationally recognised standards and certifications, including Rainforest Alliance, FSC, ISO 14001, Travelife and LEED, as applicable.

Environmental performance is expected to increasingly inform decision-making through more consistent data collection, sector-level dashboards, operational intensity measures and clearer links between environmental outcomes, risk management and value creation. Where environmental data are material, the Group will continue to strengthen the basis of measurement, internal review and assurance.

ENVIRONMENTAL FOOTPRINT AND SECTOR HOTSPOTS

The Group's environmental footprint is not uniform across its portfolio. The most material dependencies are concentrated in sectors where land, water, energy, agricultural inputs, packaging or waste are central to operations. Accordingly, management attention is prioritised according to the significance of the dependency, impact and associated business risk.

Sector	Primary Natural Capital dependencies	Key environmental indicators	FY2025/26 performance
Beverages	Water, energy, packaging materials	Energy; GHG; water; packaging recovery; waste	Energy: 110,454 GJ | Water: 151,428 m^3 | GHG: 7,745.8 tCO_2e
Plantations	Land, soil, water, biodiversity, climate	Water footprint; energy; GHG; land under conservation; crop diversification	Energy :18,089 GJ | GHG: 1,849.6 tCO_2e | Conservation: 376 ha BCA + 8,000+ ha green cover
Tourism	Water, energy, biodiversity, coastal ecosystems	Water; energy; GHG; wastewater; waste; biodiversity	Wastewater treated/recycled: 100% | Energy: 437,525 GJ | Water: 912,755 m^3
Strategic Investments	Energy, materials, land, waste	Renewable generation; GHG; industrial waste; materials	Renewable energy: 693,384 GJ | WTE waste processed: 20,943 MT | Apparel carbon neutral: all
Maritime, Freight & Logistics	Energy, fuel, marine/coastal ecosystems, materials	Fuel/energy; GHG;	Energy: 42,906 GJ | GHG: 3,459 tCO_2e
Services	Energy, paper/materials, water	Energy; paper use; water; waste	Energy: 11,029 GJ | Paper consumption: 6,888 bundles | Water: 68,238 m^3

FY2025/26 GROUP ENVIRONMENTAL PERFORMANCE DASHBOARD

Metric	FY2024/25	FY2025/26	Trend
Total energy consumption	920,803 GJ	**912,000 GJ**	↓
Renewable energy generated	645,523 GJ	**693,384 GJ**	↑
Scope 1 emissions	43,860.3 tCO_2e	**47,958 tCO_2e**	↑
Scope 2 emissions	23,251.2 tCO_2e	**15,019 tCO_2e**	↓
Total GHG emissions	67,112 tCO_2e	**62,977 tCO_2e**	↓
Water withdrawal	1,478,345 m^3	**1,445,323 m^3**	↓
Waste generated	26,888 MT	**22,619 MT**	↓
Waste recycled / diverted	98%	**98%**	=
Significant environmental fines	none	**none**	=

NATURAL CAPITAL

BIODIVERSITY CONSERVATION AND ECOSYSTEM RESILIENCE

Melstacorp operates across diverse landscapes, including plantation ecosystems, forested areas, coastal environments and tourism destinations located in or near areas of significant ecological value. Healthy ecosystems provide services that are directly relevant to our businesses, including water regulation, soil stability, pollination, climate resilience, agricultural productivity and the attractiveness of tourism destinations.

Our biodiversity approach therefore seeks to move beyond protection alone towards the preservation, restoration and responsible management of ecosystems. Key actions include conservation areas, forest protection, ecological buffers, reforestation, habitat restoration, wildlife corridor protection and biodiversity awareness.



Balangoda Plantations and Madulsima Plantations continued to align their operations with the requirements of the Rainforest Alliance (RA), Forest Stewardship Council (FSC), and ISO 14001 standards, maintaining more than 8,000 hectares of certified green cover supported by ongoing biodiversity assessments and employee awareness programmes focused on ecosystem conservation.

Madulsima Plantations continued to protect 376 hectares of Biodiversity Conservation Areas (BCAs), which are GPS-mapped and clearly demarcated, with five-metre chemical-free buffer zones established around ecologically sensitive habitats including lakes, marshes, swamps, and waterfalls. The company also remained an active participant in the Peak Ridge Forest Corridor initiative, supporting conservation efforts for the mountain leopard population in the Bogawanthalawa region.

During the year, Balangoda Plantations expanded its environmental stewardship initiatives through the introduction of a Leopard Conservation Education and Awareness Programme for estate communities, complementing its ongoing reforestation and habitat restoration activities conducted in accordance with Central Environmental Authority guidelines and Rainforest Alliance standards.

Balangoda Plantations demonstrated compliance with the European Union Deforestation Regulation (EUDR), reaffirming the Group's commitment to responsible sourcing and sustainable land-use practices by ensuring that its agricultural produce is not associated with deforestation or forest degradation.



Heritance Kandalama, the flagship property of Aitken Spence Hotels, continued the stewardship of its 211-acre privately managed conservation forest, preserving a diverse range of flora and fauna while maintaining compliance with internationally recognised sustainability standards, including Travelife, ISO 14001, Green Globe, and LEED certifications across the hotel portfolio.

Through the Green Graduates Programme conducted by the Aitken Spence Institute of Hotel Management, more than 9,000 students have received training in environmental management practices, including energy conservation, waste minimisation, and biodiversity-conscious operations, contributing to the development of sustainability-focused hospitality professionals across Sri Lanka and the Maldives.

Aitken Spence Hotels was honoured with the World's Leading Sustainable Female Empowerment Initiative 2025 award at the World Sustainable Travel and Hospitality Awards, recognising programmes that integrate sustainability awareness and environmental responsibility alongside community capacity-building initiatives.

Employees continue to serve as advocates of the Group's sustainability agenda, engaging guests on responsible tourism practices, collaborating with suppliers to strengthen sustainable value chains, and supporting the protection and management of conservation forests that contribute to broader national environmental conservation efforts.



The Sector continues to contribute to marine ecosystem conservation through collaborative initiatives with the Group's hotel properties, supporting the collection and recycling of plastic waste recovered from coastal areas and beaches.



Paper utilised at Aitken Spence Towers continues to be sourced from Forest Stewardship Council (FSC)-certified suppliers, supporting responsible forestry practices and ensuring that administrative activities do not contribute to the degradation of virgin forest ecosystems.

SELECTED LONG-TERM PLANTATION NATURAL-CAPITAL ASSETS AND INTERVENTIONS

Indicator	Latest disclosed figure	Interpretation
Land managed by Madulsima Plantations	7,369 ha	Scale of land dependency disclosed in FY2023/24
Land managed by Balangoda Plantations	12,203 ha	Includes revenue extent for 2025; Tea 3,735 ha Rubber 1,205 ha.
Timber and fuelwood cultivation	1,685 ha	Supports productive land use and renewable biomass availability
Eucalyptus planted	175,000 trees across 178 ha	Five-year cumulative planting disclosed in FY2023/24
Protected plantations / conservation areas	376 ha	Protected across 12 estates in the FY2023/24 disclosure; FY2025/26 draft confirms 376 ha of BCAs
Certified green cover	8,000+ ha	Current FY2025/26 disclosure across plantation companies

CLIMATE RESILIENCE AND NATURAL CAPITAL

Climate change can affect the natural systems on which Melstacorp depends. Changes in rainfall patterns, extreme weather, temperature and water availability can influence crop productivity, soil stability, freshwater resources, tourism assets, infrastructure and supply chains. At the same time, the Group's energy use and greenhouse gas emissions contribute to climate-related impacts.

The impacts of Cyclone Ditwah during FY2025/26 reinforced the importance of adaptation. The Group's response includes watershed protection, rainwater harvesting, soil conservation, crop diversification, riparian planting and improved water retention measures. These initiatives are intended to reduce environmental impacts while strengthening operational continuity and resilience.

SELECTED LONG-TERM PLANTATION NATURAL-CAPITAL ASSETS AND INTERVENTIONS

Climate / nature risk	Business exposure	Management response	FY2025/26 outcome
Water stress	Plantations, Tourism, manufacturing	Water audits, CROPWAT, rainwater harvesting, treated-water reuse, micro-cascade reservoirs	Water withdrawal: 1,445,323 m³
Extreme rainfall / flooding	Plantations, tourism and infrastructure	Watershed protection, riparian vegetation, soil conservation and drainage controls	Sites / projects benefiting: 52
Drought / crop stress	Plantations	Crop diversification, soil moisture retention, water storage and climate-resilient practices	Area under diversified crops: 50+ ha
Energy transition	Group-wide	Solar PV, biomass, hydropower, waste-to-energy and energy efficiency	Renewable energy generated: 118 GWh
Biodiversity loss	Plantations, Tourism, coastal operations	Conservation areas, forests, wildlife corridors, restoration and plastic recovery	Conservation area: 376 ha

NATURAL CAPITAL

WATER MANAGEMENT

Water is a critical natural resource across the Group, with Tourism and Plantations representing the most water-intensive operations. Our objective is to use water efficiently, protect water quality and avoid material adverse impacts on local water bodies. Water stewardship therefore combines demand reduction, water retention, reuse, pollution prevention and responsible wastewater treatment.

Sector	Key initiatives and outcomes
	All wastewater generated at the Group's hotel operations in Sri Lanka and the Maldives continues to be fully treated and reused, supporting water conservation efforts and reducing pressure on local freshwater resources.
	The Sector's Environmental Management System continues to guide water conservation efforts by improving efficiency across water-intensive activities, standardising operational processes to reduce consumption, and implementing robust treatment measures to ensure the environmentally responsible management and disposal of wastewater.
	Madulsima Plantations continues to assess its water footprint using the FAO CROPWAT 8.0 model, with the findings informing water conservation initiatives, estate-wide water audits, employee awareness programmes, and ongoing resource management efforts. Madulsima has further strengthened water resource management through the development of micro-cascade reservoir systems and riparian vegetation planting along waterways to enhance water retention, improve soil conservation, and minimise surface runoff, while maintaining stringent controls to prevent contamination at source. Balangoda Plantations continued the operation of its upgraded Wastewater Management System at the Rambukkande Rubber Factory in Ratnapura, ensuring the effective treatment and environmentally responsible disposal of industrial effluent.
	The Sector's Environmental Management System continues to support an integrated water management approach centred on water conservation through initiatives such as rainwater harvesting and soil moisture retention, pollution prevention through effective operational controls, and the safe treatment and environmentally responsible disposal of wastewater.
	The Environmental Management System continues to underpin a holistic water stewardship approach, encompassing water conservation through rainwater harvesting and soil moisture retention initiatives, pollution prevention through effective operational controls, and the responsible treatment and disposal of wastewater.

ENERGY MANAGEMENT AND DECARBONISATION

Energy management is a strategic priority because energy consumption affects both operating costs and the Group's environmental footprint. Melstacorp's approach combines energy efficiency, route and process optimisation, renewable energy generation and the substitution of fossil fuels with lower-carbon or renewable alternatives where technically and economically feasible.

Sector	Key Certifications and Management Systems Maintained During FY2025/26
	The Sector continued to enhance operational efficiency by implementing its Environmental Management System, including route optimisation initiatives to improve fleet fuel performance and the continued use of electric forklifts within its operations.

Sector	Key Certifications and Management Systems Maintained During FY2025/26
	Aitken Spence Hotels continued to increase the adoption of solar photovoltaic (PV) systems and biomass gasification technology across its properties, replacing diesel consumption with renewable biomass sources such as Gliricidia and cinnamon wood, while maintaining energy management systems throughout the hotel portfolio. Route optimisation initiatives continued to enhance fuel efficiency within the fleet, complemented by ongoing measures to improve energy performance and reduce energy consumption across operations.
	Bogo Power's 4 MW hydropower facility continued to deliver renewable electricity to the national grid, while solar energy projects across the Strategic Investments portfolio further contributed to reducing reliance on conventional fossil-fuel-based power generation. The Sector continued to strengthen its environmental performance by developing carbon sequestration initiatives to support emissions monitoring, alongside the ongoing implementation of Environmental Management Systems to enhance operational efficiency and sustainability outcomes.
	Madulsima Plantations continued to reduce its reliance on fossil fuels by converting factory operations to biomass-based energy sourced from dedicated energy crops, while also evaluating solar energy opportunities in suitable locations across the Uva region to enhance energy security and reduce emissions. Balangoda and Madulsima Plantations continued to evaluate opportunities for mini-hydropower development, leveraging the favourable rainfall patterns and terrain characteristics of the Central and Uva Provinces where several of their estates are located.
	Environmental Management Systems continued to support operational efficiency improvements, including the ongoing use of the Energy Management System at Aitken Spence Towers to optimise energy consumption and enhance building-wide energy performance.

RENEWABLE ENERGY MILESTONES FROM PRIOR REPORTING

Indicator	FY2024/25 disclosed position	FY2025/26
Renewable energy portfolio	22.1 MW	32.85 MW
Electricity supplied to national grid	>117.7 GWh	118 GWh
Waste-to-energy municipal solid waste processed	178,859 MT	180,241 MT

CARBON FOOTPRINT MANAGEMENT

The Group continues to minimise emissions from operations through energy efficiency, renewable energy, biomass substitution, route optimisation and improved operational controls. Carbon management is increasingly linked to both climate-risk management and the transition towards a lower-carbon operating model.

- All apparel production facilities obtained carbon-neutral certification in FY2025/26.
- Madulsima Plantations has previously measured its carbon footprint, including direct fuel, electricity and transport emissions, in accordance with ISO 14064-1 and IPCC standards. Its prior ambition was to become carbon negative by 2025, with a target of absorbing 100 g CO_2 per kg of tea produced; FY2025/26.
- Group Scope 1 emissions FY2025/26: 47,958 tCO_2e; Scope 2 emissions: 15,019 tCO_2e.
- Additional Scope 3 categories assessed at Group level: 17.

NATURAL CAPITAL

WASTE MANAGEMENT

Waste management is approached through prevention, reduction, reuse, recycling, recovery and responsible disposal. The Group seeks to reduce the environmental impacts of waste while retaining material value within the economy and reducing reliance on landfill and finite resources.

Sector	Key initiatives and outcomes
	• Aitken Spence Hotels continued to advance its 7R waste management programme, focusing on reducing, reusing, and recycling waste streams to achieve zero waste to landfill, while further eliminating selected single-use plastic items across its resorts in the Maldives. • Comprehensive waste management systems remain operational across the hotel portfolio, with waste segregated into more than 20 categories. In destinations where recycling infrastructure is limited, particularly in the Maldives, the Group continues to manage non-recyclable waste in full compliance with regulatory requirements while directing plastic and hazardous waste streams to specialised treatment and disposal channels in accordance with applicable national standards.
	• The Sector continues to optimise resource utilisation by reusing and repurposing packaging materials while further advancing the digitisation of processes to reduce paper consumption and overall material usage.
	• Balangoda Plantations completed the Clean Sri Lanka Ministry Programme during the year, demonstrating its ongoing commitment to maintaining cleaner, environmentally responsible, and well-managed estate operations. • The Group's plantation operations continue to recycle all organic waste through composting processes, converting it into nutrient-rich organic matter that supports soil health and sustainable agricultural practices.
	• Our apparel manufacturing operations continue to benefit from redesigned production processes that significantly reduce fabric waste, while the waste-to-energy facility continues to transform municipal solid waste collected from Colombo into renewable electricity supplied to the national grid, contributing to circular economy objectives and sustainable waste management.
	• Business units within the Sector continue to leverage robotic process automation (RPA) and digital solutions to enhance operational efficiency, minimise paper consumption, and support streamlined solid waste management practices.

MATERIAL MANAGEMENT AND CIRCULAR ECONOMY

The Group seeks to progressively increase the use of renewable and sustainable materials, reduce dependence on finite resources and strengthen circularity across packaging, procurement and production processes.

- Distilleries Company of Sri Lanka continues to increase glass-bottle recovery and recycling, maximise reuse of transport crates and work with recycling partners to process cellophane and aluminium. Packaging labels are recycled into paper pulp.
- Tourism prioritises local suppliers, reduces plastic use and promotes biodegradable packaging, resource-efficient products and energy-saving technologies through engagement with suppliers and business partners.
- Plantations continue crop diversification, including cinnamon, pepper, coffee and cardamom at Madulsima and pineapple and coconut at selected Balangoda estates, improving land productivity and resilience through diversification.
- FSC-certified paper procurement at Aitken Spence Towers supports responsible forestry practices.

CIRCULARITY INDICATORS TO BE COMPLETED

Indicator	FY2025/26
Glass bottles recovered / recycled	98%
Packaging material recycled	60 MT
Plastic avoided / eliminated	1500 MT
Organic waste composted	100%

VALUE CREATED, PRESERVED AND AT RISK

Value created / preserved	How Natural Capital contributes	Evidence / indicator
Operational resilience	Water security, energy diversification and climate adaptation reduce exposure to disruptions	Water initiatives; renewable energy; climate adaptation
Long-term agricultural productivity	Soil health, water retention, biodiversity and crop diversification support plantation productivity	8,000+ ha green cover; 376 ha BCAs; diversified crops: 50 ha
Cost and resource efficiency	Energy, water and material efficiency can reduce operating costs and resource dependence	Energy savings; water savings; material savings
Tourism asset value	Conservation forests, healthy ecosystems and responsible operations support destination attractiveness	211-acre conservation forest; biodiversity initiatives
Circular economy value	Recycling, reuse, composting and waste-to-energy retain material or energy value	645,523 GJ green energy and 178,859 MT WTE feedstock in FY2024/25;
Value at risk	Climate events, water stress, biodiversity loss, pollution and resource-price volatility can affect continuity and financial performance	Financial impact / avoided loss

NATURAL CAPITAL TARGETS AND OUTLOOK

The Group intends to strengthen Natural Capital management by moving progressively from initiative-based reporting towards measurable outcomes, sector-specific targets and clearer links to enterprise risk management and capital allocation. The following priorities are proposed for continued management focus; numeric targets should be confirmed by the relevant business sectors before publication.

Priority	FY2025/26 position	2030 ambition / direction	Status
Renewable energy	276,448 GJ / 30.3%	Increase renewable generation and reduce fossil-fuel dependence	ongoing
GHG emissions	62,977 tCO_2e	Reduce Scope 1 & 2 emissions in line with Group climate pathway	ongoing
Water stewardship	100% recycled	Reduce freshwater intensity and increase reuse where feasible	ongoing
Waste circularity	75% recycled/diverted	Increase material recovery and reduce waste to disposal	ongoing
Biodiversity conservation	376 ha BCA; 8,000+ ha green cover	Maintain and expand conservation/restoration areas and biodiversity monitoring	ongoing
Climate adaptation	3 sites / initiatives	Strengthen watershed, soil and crop resilience measures	ongoing
Sustainable materials	98%	Increase recycled, renewable and responsibly sourced materials	ongoing

NATURAL CAPITAL

LOOKING AHEAD

Building on initiatives undertaken across the Group, Melstacorp will continue to strengthen the integration of Natural Capital considerations into business strategy, risk management and resource allocation. The focus will be on measurable environmental outcomes and on protecting the natural systems that underpin long-term value creation.

- Expand renewable energy generation, including solar, biomass and feasible mini-hydropower opportunities, while improving energy efficiency across operations.
- Strengthen digital monitoring of energy, emissions, water, effluent, waste and biodiversity indicators and improve the consistency of sector-level environmental data.
- Continue watershed conservation, rainwater harvesting, soil conservation and crop diversification to strengthen resilience to climate-related physical risks.
- Protect and restore biodiversity through conservation areas, forest stewardship, wildlife-corridor protection, habitat restoration and marine/coastal conservation initiatives.
- Advance circular economy practices through greater waste prevention, reuse, recycling, composting, packaging recovery and responsible procurement.
- Progressively strengthen natural-capital targets and performance reporting, including outcome indicators and intensity measures relevant to each material sector.
- Engage suppliers, customers, local communities and other stakeholders to extend environmental improvements beyond the Group's operational boundaries.

Ultimately, responsible stewardship of Natural Capital is both an environmental responsibility and a business resilience imperative. By protecting the land, water, biodiversity and ecosystem services on which our businesses depend, we seek to preserve long-term productive capacity, strengthen stakeholder confidence and create enduring value for future generations.



SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

1. STATEMENT OF COMPLIANCE

This report represents the Group's sustainability-related financial disclosures for Melstacorp PLC and its subsidiaries (the "Group") for the year ended 31 March 2026. This is the first year in which the Group has adopted the Sri Lanka Sustainability Disclosure Standards, namely SLFRS S1 and SLFRS S2, as issued by the Institute of Chartered Accountants of Sri Lanka. Where applicable, the Group has applied the transitional provisions permitted under the Standards in the year of initial adoption.

2. REPORTING ENTITY, ORGANISATION BOUNDARY AND VALUE CHAIN

Melstacorp PLC operates across Seven sectors creating a complex value chain with varied exposure to sustainability-related risks and opportunities. Key dependencies include energy availability and cost, workforce capability, climate-exposed assets, and third-party suppliers and service providers across operations.

Although the Group's revenue base is geographically diversified, some operations face greater climate-related and regulatory exposure because of location, asset intensity or reliance on natural resources. These differences inform the prioritisation of sustainability-related risks and the allocation of mitigation actions. The Group continues to improve its understanding of upstream and downstream value-chain impacts to strengthen future risk assessments and disclosures.

Refer to the "Our Value Creation Model" for more information.

Sectors	Reporting boundary/ operational segments	Geographical locations	The value chain	% of revenue
Beverages	Distilleries Company of Sri Lanka PLC (DCSL), Pericyl (Pvt) Ltd, DCSL Breweries Lanka Ltd (Heineken), DCSL Group Marketing (Pvt) Ltd	Sri Lanka	Raw material sourcing, automated processing, distillation, blending and maturation, high-speed bottling, and an island-wide distribution network for local arrack, beer, and international spirits	60%
Tourism	Hotels Destination management Airline GSA	Sri Lanka Maldives India Oman British Virgin Islands	Aitken Spence's tourism value chain brings together hotel ownership and management, destination services, GSA and travel agents, employees, suppliers, and local communities to deliver seamless end-to-end hospitality experiences for international travellers and tour operators.	24%
Maritime & Freight Logistics	Maritime & Port Services Freight Forwarding & Courier Integrated Container Services Airline GSA (Cargo) Education	Sri Lanka Maldives Fiji Myanmar Bangladesh Cambodia United Arab Emirates Mozambique Singapore	This sector connects shipping lines, ports, customs authorities, transport providers, warehouses and corporate clients to enable efficient movement of cargo from origin to final destination.	5%
Strategic investments	Apparel Manufacture Printing & Packaging Power Generation	Sri Lanka Fiji Singapore	The value chain centres on identifying, developing and operating long-term assets by aligning suppliers, regulators, financiers, employees and customers to generate stable, sustainable returns across power, plantations, printing and packaging and apparel manufacture	4%

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Sectors	Reporting boundary/ operational segments	Geographical locations	The value chain	% of revenue
Financial Services	Money Transfer, Insurance, Insurance Brokering	Sri Lanka	Providing tailored insurance policies, securing capital through diverse retail and corporate distribution channels, and optimise profitability by efficiently settling claims and reinvesting premium reserves into investments.	3%
Plantations	Balangoda Plantations PLC, Madulsima Plantations PLC	Sri Lanka	Plantations cultivate, harvest, and process tea and rubber. These commodities are then packaged at estate factories and distributed globally via the Colombo Auctions and direct B2B export channels	3%
Services	Money Transfer Property Management BPO Services Elevators Hospitals	Sri Lanka Maldives	The services value chain brings together principals, technology partners, regulators, skilled professionals and corporate customers to deliver specialised agency, Healthcare, BPO and property solutions.	1%

2.1 Reporting Boundary

Reporting entity (excluding GHG emissions)

(SLFRS S1.20, B38)

The entities, assets and operations included in Melstacorp PLC's sustainability report are consistent with the reporting entity used in the Group's consolidated financial statements. Accordingly, the disclosures cover all subsidiaries and operations controlled by the Group in line with financial consolidation principles.

Within this boundary, the scope and emphasis of sustainability-related disclosures are informed by the Group's materiality assessment, which considers both impact and financial materiality to identify and prioritise relevant risks and opportunities. Further details are provided in the About this Report and Determining Materiality sections. The reporting boundary for GHG emissions is defined separately herewith.

Reporting boundary for GHG emissions

(SLFRS S2.29(a)(iii)(1), B26(a), B27)

The reporting boundary for greenhouse gas (GHG) emissions differs from the financial reporting boundary and is based on an operational control approach, consistent with SLFRS S2 and the Greenhouse Gas Protocol. Scope 1 and Scope 2 emissions are reported for operations over which the Group can implement operating and environmental management policies, while Scope 3 emissions are reported for relevant material value-chain categories, including activities outside the financial consolidation boundary.

This boundary is applied consistently in setting the Group's emission targets, GHG emissions are measured using emission factors aligned with the IPCC Sixth Assessment Report (AR6), the latest UK DEFRA databases, publications of the Sri Lanka Sustainable Energy Authority and other relevant national sources. Where direct data are unavailable, reasonable estimates and proxy data are used, with material assumptions disclosed where relevant.

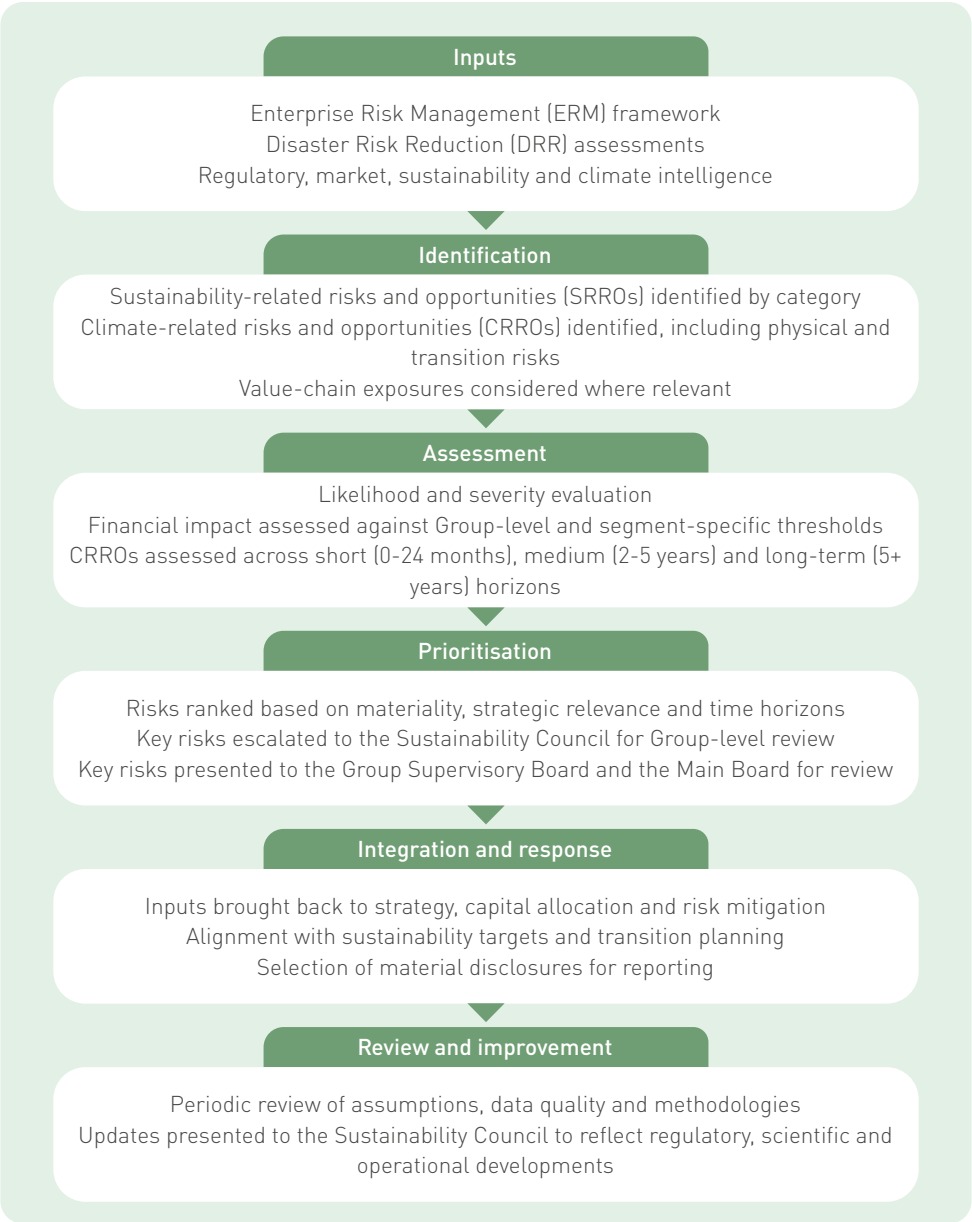
3. MATERIALITY

3.1 Basis of Materiality

Having identified the Group's material impacts on the economy, environment and society, Melstacorp PLC applies financial materiality in accordance with SLFRS when preparing its financial statements. Information is material if its omission, misstatement or obscuring could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures . In applying this principle, the Group considers quantitative thresholds together with qualitative factors such as the nature of transactions, geographic diversity, regulation and investor expectations. This assessment guides recognition, measurement, presentation and disclosure.

The Group applies a structured process to identify, assess and prioritise sustainability-related risks and opportunities, informed by its enterprise risk management (ERM) framework and disaster risk reduction (DRR) assessments. Long-standing sustainability governance arrangements were further strengthened following adoption of the SLFRS Sustainability Disclosure Standards (SDS) in Sri Lanka.

Following the introduction of the SLFRS SDS requirements, the Group established cross-functional teams from operations, sustainability, risk, finance and strategy. Supported by workshops and capacity-building, these teams used existing ERM and DRR assessments to identify and evaluate sustainability-related and climate-related risks in their operations and value chains.



3.2 Financial materiality thresholds

Financial materiality is guided by thresholds set and approved by the Board of Directors. Financial impacts are considered material where they meet or exceed the following thresholds:

- **Profit Before Tax (PBT):**
  - » An impact equivalent to 5% of average PBT, calculated using the PBT of the financial year under review and the two immediately preceding financial years.
- **Total Assets:**
  - » An impact equivalent to 0.5% of total assets, measured using the balance sheet as at end of the financial year under review.

In addition to Group-level thresholds, business segments apply segment-specific financial

materiality thresholds that reflect the nature, scale and risk profile of their operations.

3.3 Functional currency

Given the geographic diversity of Melstacorp PLC's operations, the Group transacts and manages risk across multiple currencies. However, all financial materiality assessments for sustainability-related risks and opportunities are evaluated and consolidated in Sri Lankan Rupees (LKR), the Group's functional and reporting currency.

3.4 Sources of guidance

In applying SLFRS S1 and SLFRS S2, Melstacorp PLC exercised judgement to identify sustainability-related information relevant to users of general-purpose financial reports and to faithfully represent the Group's climate-related risks and opportunities. The Group relied primarily on SLFRS S1 and SLFRS S2, supplemented by relevant international and national guidance, scientific research and public data where consistent with the standards, including seven applicable SASB Standards (Version 2023-12):

- Alcoholic Beverages Standard (version 2023-12)
- Hotels & Lodging Standard (Version 2023-12)
- Road Transportation Standard (Version 2023-12)
- Air Freight & Logistics Standard (Version 2023-12)
- Agricultural Products Standard (Version 2023-12)
- Apparel, Accessories & Footwear Standard (Version 2023-12)
- Electric Utilities & Power Generators Standard (Version 2023-12)

The Group also considered climate science and scenario information published by the IPCC, hazard data issued by the Disaster Management Centre and other public authorities in Sri Lanka, and relevant sectoral, regulatory and policy information. These sources were used alongside internal risk assessments, operational data and stakeholder inputs to support a consistent, evidence-based evaluation of climate related risks and opportunities.

3.5 Assessment and prioritisation of material risks and opportunities

Identified climate-related risks and opportunities are assessed based on potential financial effects, likelihood and time horizon, including impacts on cash flows, income statement, balance sheet and long-term resilience. Climate-related risks and opportunities are evaluated across short, medium and long-term horizons in line with SLFRS S2 and the Group's DRR strategies, informing strategic decision making, capital allocation, risk mitigation and disclosure.

These processes are reviewed periodically to reflect changes in the operating environment, regulation, climate science and stakeholder expectations.

3.6 Connected Information

Climate-related risks and opportunities at Melstacorp are assessed in an integrated way so the Group can understand how they connect and affect prospects. For example, net zero ambitions respond to transition risks such as rising energy costs, supply disruption and regulatory change, while also creating opportunities to improve efficiency, reduce long-term costs and strengthen market positioning. Likewise, disaster risk reduction strategies address physical risks from extreme weather while supporting resilience investments that enhance continuity and long-term value.

These risks and opportunities are embedded in the Group's governance, strategy and risk management processes. The Group level sustainability priorities that are translated into sector-specific strategies and reinforced through the enterprise risk management framework, linking governance oversight with strategic action, risk assessment and performance monitoring.

These sustainability-related financial disclosures should be read together with the Group's consolidated financial statements prepared in accordance with SLFRS/LKAS. They cover the same reporting entity and explain how climate-related risks and opportunities may influence financial performance, position and cash flows over time.

3.7 Reporting period and time horizon

Melstacorp PLC reports sustainability related information for the same period as its financial statements and applies consistent short, medium and long-term horizons when assessing climate-related risks and opportunities, including climate related impacts, transition pathways and adaptation responses. The time horizons as detailed below were approved by the Main Board on the recommendation of the Sustainability Council and are applied across strategy, and climate-related projections.

Short term: 0 – 24 months	Medium term: 2 – 5 years	Long term: Beyond 5 years
Context: • Risks can reasonably be expected to materialise in the short term. • Risk can be treated as a higher priority, on the basis of having a shorter timespan to implement mitigation measures and strengthen resilience. • Focus would be on operational impact controls and short-term strategic responses.	**Context:** • Risks can reasonably be expected to materialise within 2-5 years. • Risk can be treated as a moderately high priority, on the basis that they are expected to allow more time to implement adaptation measures. • Focus would be on intermediate strategic planning and transition pathway assessments.	**Context:** • Risks can reasonably be expected to materialise beyond years. • Risk may require more fundamental changes to business models rather than operational adjustments. However, given the longer timeframe, there is greater opportunity as well as expectation to plan and implement appropriate responses. • Focus would be on addressing long-term climate- and sustainability-related impacts, focusing on strategic adaptation and future-proofing.

The sustainability disclosures cover the 12-month period ended 31 March 2026, consistent with the reporting period of the consolidated financial statements. Assessment horizons are based on the period over which climate-related risks and opportunities could reasonably arise, aligned with strategic planning and decision-making.

Sustainability-related financial disclosures are integrated into the Group's financial planning, risk management and capital allocation processes. Management considers these risks and opportunities over relevant time horizons alongside budgets, forecasts and long-term plans to assess implications for cash flows, asset values, access to finance and cost of capital.

At the reporting date, no climate-related risks or opportunities had resulted in material adjustments to the carrying values of assets or liabilities in the consolidated financial statements. However, identified climate-related risks, including physical risks from extreme weather and transition risks from evolving policy and regulation, are considered where relevant in impairment assessments, capital investment appraisals and business continuity planning. As methods for quantifying financial effects develop, the Group expects sustainability-related considerations to play a more explicit role in future financial estimates, assumptions and disclosures.

3.8 Transitional reliefs and proportionality

This is the first year in which the Group has adopted the SLFRS Sustainability Disclosure Standards, namely SLFRS S1 and SLFRS S2, for the year ended 31 March 2026. Accordingly, the Group has applied SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures.

In first-time application, the Group used the transitional reliefs permitted under SLFRS S1 and SLFRS S2 to support a proportionate and practicable initial adoption.

3.8.1 SLFRS S1 – Transitional Reliefs

- For the purpose of applying the reliefs in paragraphs E3 and E5 of SLFRS S1, the Group set 1 April 2025 as the date of initial application, being the beginning of the annual reporting period ended 31 March 2026 in which it first applies SLFRS S1.
- **Comparative information relief**

In accordance with SLFRS S1:E3, the Group has not presented comparative sustainability-related financial information for the reporting period immediately preceding the date of initial application.

Further, consistent with the transition relief in SLFRS S1:E5 and in accordance with SLFRS S1:E6, the Group has not disclosed comparative information for climate-related risks and opportunities in its first annual reporting period of application.

- **Climate-only disclosure transition relief**

In its first annual reporting period under SLFRS S1, the Group applies the transition relief in paragraph E5 and limits its disclosures to climate-related risks and opportunities in accordance with SLFRS S2.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

- **Use of reasonable and supportable information without undue cost or effort**

As permitted by SLFRS S1:37 and reinforced by SLFRS S1:B8, B9 and B10, the Group used reasonable and supportable information available at the reporting date when it assessed sustainability-related risks and opportunities.

3.8.2 SLFRS S2 – Transitional Reliefs

In the first year of applying SLFRS S2 – Climate-related Disclosures, Melstacorp PLC used the transitional reliefs permitted under the Standard, as outlined herewith.

- **Relief period for climate resilience disclosures (SLFRS S2:22)**

In accordance with paragraph 22 of SLFRS S2, the Group commenced climate-related disclosures while using the permitted two-year relief period to progressively enhance climate resilience disclosures, including the assessment of the resilience of its strategy under different climate-related scenarios. During this period, the Group focused on identifying material climate-related risks and opportunities and their current financial implications, and it will refine climate resilience disclosures further as methodologies, data and analytical capabilities develop.

- **Comparative information relief (SLFRS S2:C3)**

In line with SLFRS S2:C3, the Group has not disclosed comparative climate-related information in the first annual reporting period in which it applies SLFRS S2. The climate-related disclosures therefore relate solely to the current reporting period.

- **Transition relief on anticipated financial effects (SLFRS S2:15(b))**

In accordance with the transition relief available under SLFRS S2, the Group focused its disclosures on the current financial effects of climate-related risks and opportunities in line with paragraph 15(a). The Standard permits entities to defer the disclosure of anticipated financial effects under paragraph 15(b) for a two year period following initial application. Accordingly, the Group has not disclosed anticipated financial effects in the current reporting period and will progressively incorporate those disclosures in subsequent reporting periods as data, methodologies and internal capabilities develop.

3.9 Significant Judgements, Uncertainties and Proportionality

In preparing these disclosures, Melstacorp PLC exercised significant judgement in identifying climate-related risks and opportunities, determining materiality and selecting appropriate metrics and methodologies. The Group applied proportionality by using reasonable and supportable information available without undue cost or effort while considering the scale, complexity and geographic diversity of its operations. Estimates and assumptions, including those related to climate impacts and greenhouse gas emissions, remain subject to uncertainty because of data limitations, evolving methodologies and forward-looking assumptions, and will be refined over time.

The Group's sustainability-related risk identification is supported by long-standing practices and institutional knowledge and DRR efforts and DRR efforts built over decades of sustainability integration. These internal processes, external collaborations and knowledge networks inform the Group's assessment of sustainability-related risks and opportunities, although not all guidance sources are listed exhaustively in this report.

4. GOVERNANCE

4.1 Board Oversight Role

Sustainability Governance in Action: The Melstacorp Framework

Hierarchical Oversight and Strategic Leadership

Board Oversight

Board of Directors of Melstacorp PLC holds ultimate authority and responsibility for climate- related risks, opportunities, and alignment with long-term risk appetite.

Sustainability Committee

Primary governance body for operational decision-making, including four Board Directors of the Company, CFO, and Managing Directors from key sectors.

The Sustainability Council (SC)

Chaired by an Executive Board Director, meets bi-monthly for focused oversight, escalating critical issues to the Board of Directors.

Skills, Competencies, Expertise and Capacity Building

Effective oversight of sustainability-related risks and opportunities is supported by the Group's strong leadership capabilities, sector expertise and access to specialised knowledge. The Sustainability Council comprises senior leaders across key functions, bringing together sustainability, finance, risk and operational perspectives. This multidisciplinary approach enables climate-related matters to be evaluated in terms of environmental impact, financial materiality, operational feasibility and strategic relevance.

The Group continues to strengthen these competencies through structured capability-building, targeted briefings and engagement with external experts. Governance and management forums receive regular updates on regulatory developments, market trends and emerging sustainability issues, supporting informed and timely decision-making.

Through ongoing engagement with management and established reporting channels, the Board, GSB and Sustainability Council maintain visibility over climate-related developments and response priorities. This ensures continuous learning, reinforces accountability and aligns sustainability oversight with the Group's strategy, risk management practices and broader governance framework.

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Continuous Capacity Building

Senior management and core teams receive capacity-building on emerging topics.

Ex.:

- Brief awareness session conducted for the Main Board on the SLFRS S1 and S2 standards
- Sustainability Council provided insights and awareness through the Council meetings and the Sustainability Strategy Townhall.
- Sustainability Council is consulted on the adoption of the SLFRS S1 and S2 standards through bi-monthly Council meetings

Top-Down Governance and Operational Synergy

Framework enabling direct connection between operational teams and the Head of Sustainability (Executive Board Director with cross-industrial expertise as well as local and global exposure) for real-time discussion of operational challenges and emerging opportunities.

Operational Management and Policy

Delegated Implementation

Responsibility for executing initiatives delegated to senior management across functions, and segmental sustainability teams while the strategic efforts are guided and coordinated by the Group's Sustainability Division.

Integrated Policy Framework

Approach governed by an integrated policy framework and a tiered implementation framework which includes sustainability related due diligence procedures and impact assessments and DRR vulnerability assessments and mitigation strategies.

Sector-Level Alignment

Operational experience and external partnerships enable consistent identification and management of risks across the organisation.

4.2 Inform, Address and Monitor

4.2.1 Inform

The Board and the GSB are informed of sustainability-related matters through established reporting channels that draw on enterprise risk management processes, sector reviews, sustainability assessments and management reporting. These mechanisms provide visibility over key developments, material risks, strategic responses and performance indicators. The Sustainability Council serves as an important forum for discussing these matters in greater depth and escalating significant issues to the GSB and the Board where further oversight or decision-making is required.

4.2.2 Address

Sustainability-related risks and opportunities are addressed through integration into strategy, business planning, capital allocation and operational management processes across the Group. This includes the application of sectoral strategic priorities, transformation initiatives and operational improvement programmes. By embedding these considerations within mainstream planning processes, the Group is able to respond to emerging risks, strengthen resilience and capture opportunities linked to efficiency, innovation and long-term value creation.

At the management level, segmental leadership teams are responsible for translating Group priorities into actions appropriate to their operating context, including risk mitigation initiatives, operational controls, resilience measures and targeted investments. Material matters are reviewed by the Sustainability Council and elevated through the governance structure where broader strategic consideration or Board oversight is required.

The Board also considers significant trade-offs associated with major sustainability- and climate-related decisions, including investment timing, transition pathways, operating model changes and resilience-related capital expenditure. This helps ensure that short-term financial considerations are balanced against longer-term strategic resilience, regulatory expectations and stakeholder interests.

4.2.3 Monitor

The Group monitors sustainability-related performance through governance reviews, management reporting, metrics, targets and risk indicators used across its businesses. Monitoring covers both the effectiveness of response actions and the evolution of underlying risks and opportunities. Where performance trends, control gaps or changing external conditions warrant further attention, matters are escalated to the appropriate governance forum for review and action.

4.2.4 Remuneration

The Group currently does not link climate related performance directly to remuneration structures. The approach reflects the view that sustainability related priorities, including climate considerations, should be institutionalised as part of core management and operational practices, rather than treated as discrete performance incentives. Oversight and accountability for climate related matters are embedded within governance structures, as described in the Governance section.

More details of how SRROs and CRROs are considered in strategies, decisions on major transactions, risk management and the trade-off of capitals are discussed in the following sections of this report;

- Corporate Governance
- Sector Reviews
- Our Strategy
- Climate Strategy

4.3 Management Role

4.3.1 Delegation

Implementation responsibility is delegated across management levels and business segments, reflecting the Group's diversified operating model. For example, segmental leadership teams are accountable for integrating sustainability-related considerations into day-to-day decision-making, while all functional teams as well as cross-functional teams formed for specialised tasks such as environmental management systems, disaster risk reduction, occupational health and safety, quality etc. support execution through risk management, finance, operations, sustainability and technical expertise. The Group's Sustainability Council is required to discuss priorities with the senior leadership teams that form the Council and escalate material matters to the GSB or the Board of Directors. This distributed model allows responses to be tailored to local operating realities while remaining aligned with Group-level expectations and governance oversight.

4.3.2 Policies and Procedures

Management's response is guided by the Group's policy framework and implemented through established procedures that include enterprise risk management, sustainability reviews, impact assessments, business continuity planning and disaster risk reduction initiatives. These processes help ensure that sustainability-related matters are identified consistently, assessed appropriately and embedded into operational controls, investment decisions and continuous improvement efforts across the organisation.

5. RISK MANAGEMENT

5.1 Identification

5.1.1 Inputs and Parameters the Group Uses

The Group identifies climate-related risks using a structured process that combines internal assessments with external reference points. Internal inputs include enterprise risk management registers, sector-level reviews, disaster risk reduction assessments, operational experience and management insight from across the Group's businesses. External inputs include climate science, hazard information, regulatory developments, market trends and other relevant public data. This combination enables the Group to identify climate-related issues that are relevant to its asset base, operating model and value chain across multiple sectors and geographies.

External inputs such as climate science (including IPCC guidance), national hazard data (e.g. Disaster Management Centre), regulatory developments, market trends, and stakeholder insights are also considered. These are complemented by operational data, past climate events and sector specific experience, ensuring that identified risks reflect the Group's diversified geographic and sectoral exposure.

5.1.2 Preliminary Action for Climate Related Scenario Analysis

In the current reporting period, the Group has not yet completed a full quantitative climate resilience scenario analysis and continues to apply the transitional reliefs available under SLFRS S2. Nevertheless, climate-related projections of the IPCC (Regional Synthesis, AR6) already informs the Group's risk identification and assessment process. Management considers published climate projections and other credible external reference points as part of its effort to understand the plausibility, timing and direction of key climate-related risks affecting the Group's businesses. The Group intends to strengthen this work progressively as data quality, analytical tools and internal capabilities continue to mature.

At this stage, climate projections from the regional synthesis of the IPCC are used primarily as an analytical reference to support management judgement rather than as a standalone resilience-testing model. This approach provides a practical foundation for identifying material exposures while the Group develops more formal scenario-analysis capabilities for future reporting periods.

5.2 Assessment

5.2.1 How the Group Assesses Risks

Once identified, climate-related risks are assessed using a consistent methodology that considers the nature of the risk, its likelihood of occurrence, the severity of potential impacts and the time horizon over which those impacts may arise. This methodology is aligned with the Group's broader risk management approach and supports comparability across sectors while allowing for differences in business model, asset exposure and operating context.

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NATURE

In our assessment, climate related risks are categorised using a structured classification framework to ensure consistency and alignment with SLFRS S2. Risks were classified as:

Physical risks

- Acute physical risks (event driven risks such as extreme weather events)
- Chronic physical risks (long term shifts in climatic patterns)

Transition risks

- Policy, political or governance related transition risks
- Legal or compliance related transition risks
- Technology related transition risks
- Market related transition risks
- Reputation related transition risks

This classification enables the Group to distinguish between different drivers of risk and ensures alignment with climate related disclosure requirements.

Likelihood of occurrence

Each identified risk is first assessed based on its likelihood of occurrence, that is, the probability of the risk materialising. The likelihood of occurrence is assessed on a five-point scale, ranging from Negligible to Very High. This scale is intentionally kept concise to support clarity and uniform application across assessments. Please refer to the climate-related risk heat map to review the likelihood rating.

Potential impact

The potential impact of each risk is then evaluated across seven asset categories which are: inventory, equipment, buildings, people, data, business operations, and the supply chain. The potential impact of risks on each of these assets is assessed using a five-point scale, ranging from Negligible to Very High. An overall impact score is derived by calculating the average of the impact ratings across all asset categories. Please refer to the climate-related risk heat map to review the likelihood rating.

5.3 Prioritisation Using Risk Levels

Given that risk assessments are inherently based on past data, events and experience rather than purely on forward-looking projections, risks are evaluated using a combined view of likelihood and potential impact. This approach considers both the probability of occurrence and the extent of potential consequences if the event materialises. Based on the resulting scores, risks are categorised as Low (1.0–3.0), Moderate (3.1–8.0), High (8.1–14.0) or Very High (14.1–25.0). This methodology is aligned with the Group's Enterprise Risk Management (ERM) framework, ensuring consistency and comparability across all risk assessments.

Climate-Related Risk heat map



Priority is generally given to risks that:

- demonstrate high likelihood of occurrence and/or significant impact
- pose potentially significant (material) implications for operations, financial performance or assets
- affect multiple parts of the value chain
- influence strategic decision making or capital allocation

Segmental teams identify key risks for escalation, including those considered most relevant for Group level governance review.

Guidance on the risk rating

Risk level	Risk score	Description
Low risk	1 to 3	The risk is unlikely to materialise or even if the risk materialises, it is expected to have only limited consequences. These risks are considered low priority.
Moderate risk	3.1 to 8	Either; the identified risk is more likely to occur, but the impact is limited even if they do, or the identified risk is unlikely or has a low probability to occur, but if it does, the impacts could have considerable consequences if they do materialise. These risks are not typically the highest priority but should not be overlooked, particularly where potential impacts could result in notable financial or operational implications.
High risk	8.1 to 14	The likelihood of occurrence and the potential impact are moderate, which together can result in considerable financial or operational implications as the risks can reasonably be expected to occur and cause damage. These risks require timely attention and proactive management.
Very-high risk	14.1 to 25	For the identified risk, the predicted likelihood of occurrence as well as the potential impact are significant. These risks could present substantial financial and/or operational consequences and are considered top priority, requiring immediate attention and decisive mitigation action.

5.3 Monitoring

5.3.1 Monitoring of Climate related Risks

Climate-related risks are monitored through regular management reporting, sector-level reviews, overall risk management processes and governance oversight forums. Monitoring focuses on changes in exposure, effectiveness of controls, operational impacts and emerging external developments. This allows the Group to respond to changing risk conditions in a timely manner and to refine mitigation and resilience actions as needed.

Monitoring includes tracking key risk indicators, operational and financial impacts, and evolving external conditions. These processes are supported by DRR mechanisms, early warning systems and continuous engagement across management levels, enabling timely responses to emerging risks.

5.4 Changes in the Process

5.4.1 Changes Compared with Previous Period

During the current reporting period, the Group continued to formalise and strengthen its climate-related risk processes in response to the requirements of SLFRS S1 and SLFRS S2. Enhancements included greater structure in risk identification, stronger alignment with financial materiality considerations and closer integration with governance, strategic planning and management reporting processes. These developments reflect the Group's ongoing progression from established sustainability practices toward a more formal sustainability-related financial disclosure framework.

These processes continue to evolve as part of the Group's first year adoption and ongoing refinement of sustainability related disclosures.

5.5 Processes and Policies Relating to Climate related Opportunities

5.5.1 Identification, Assessment, Prioritisation and Monitoring of Opportunities

Climate-related opportunities are identified and assessed through the same integrated processes used for climate-related risks, supported by strategic planning, management review and sector-level analysis. These opportunities include resilience investments, efficiency gains, innovation, renewable energy initiatives, portfolio diversification and other areas where climate response can create long-term business value. Opportunities are prioritised based on their potential to strengthen resilience, improve competitiveness, support growth and align with the Group's broader strategic objectives.

- climate resilient operations and infrastructure
- resource efficiency and cost optimisation
- diversification and innovation
- renewable energy and low carbon transition initiatives
- enhanced market positioning and access to capital

Monitoring of opportunities takes place through governance reviews, strategic initiatives and management processes that track implementation progress, business relevance and changing external conditions. This helps ensure that promising opportunities are translated into practical actions and aligned with capital deployment, operational priorities and market developments.

Monitoring is carried out through management reviews, strategic initiatives and governance oversight mechanisms to ensure alignment with Group priorities.

5.5.2 Alignment with the Overall ERM Process

The Group's climate-related risk and opportunity processes are aligned with our ERM framework, by leveraging existing risk registers, management reviews and segment-level controls to identify

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and assess material climate-related matters. This process supports consistent escalation, evaluation and incorporation of risks into financial, operational and strategic decision-making, while ensuring climate considerations are assessed in line with sustainability-related disclosure requirements.

This approach combines established risk insights with a structured, organisation-wide sustainability process, ensuring alignment with broader financial, operational and strategic risk considerations in accordance with SLFRS SDS requirements. Further details are provided in the Risk Management section of this report.

6. STRATEGY

The Group's strategy focuses on building long-term resilience, maintaining competitiveness and creating value in a business environment increasingly shaped by sustainability and climate-related factors. Guided by the Group's overall strategic direction, segmental strategies and broader business planning processes, including the sustainability strategy, our ongoing effort is to embed climate considerations into key decision-making areas such as operations, asset planning, capital allocation and growth, rather than being treated as standalone initiatives. The sections that follow outline the Group's key climate-related risks and opportunities and their potential implications for future strategy and financial performance, with further details on the strategy and sector actions provided elsewhere in this report.

6.1 Climate related risks (CRRs)

The Group has identified a range of climate-related risks relevant to its operations, assets, people and supply chains, which may affect long-term business resilience. In this first year of applying the standards, these risks have been assessed primarily on a qualitative basis, reflecting evolving methodologies for quantifying financial impacts, while current-period effects are addressed through existing financial controls. Over time, these risks are expected to influence operating costs, capital allocation, business continuity and strategic decisions.

These risks have been evaluated across defined time horizons, considering their likelihood, potential impact and strategic relevance. Key risks identified include extreme weather disruptions, rising operating costs linked to climate and transition factors, long-term asset viability concerns and climate-related impacts on agricultural productivity within the plantations sector.

- **Climate-related risk 1:** Extreme weather related risks, including operational disruptions, impacts on supply chains and impacts on employees and workforce safety
- **Climate-related risk 2:** Increases in operational costs arising from climate related impacts and policy or regulatory changes
- **Climate-related risk 3:** Long term climate risks affecting business continuity, asset viability and strategic resilience
- **Climate-related risk 4:** Agricultural and biological risks, which are material to the plantations segment

6.1.1 CLIMATE-RELATED RISK PROFILE 1:

Extreme weather events a) Operational disruptions and damage to assets b) Impacts on supply chain c) Impacts to employees	
Risk description:	Increased frequency and severity of extreme weather events, including floods, droughts and heat stress, with potential impacts on operations, supply chains and employee safety.
Nature of the risk:	Acute physical risk (e.g.: a risk emanating from climate change that is event driven)
Business models and the value chain:	The Group operates a diversified business model across tourism, maritime and freight logistics, strategic investments and services sectors, with value creation dependent on physical assets, supply chains, workforce availability and customer demand across multiple geographies. Climate-related risks and opportunities are embedded across the value chain, affecting upstream inputs, operational activities and downstream service delivery, as outlined in the Risk Management section.
Impacts of the risk on the prospects of the business:	Extreme weather can disrupt operations, damage assets, increase costs and reduce revenue, thereby weakening competitiveness and increasing cash flow volatility. Over time, this may require greater resilience investment, diversification and stronger risk management to sustain growth. These effects may increasingly influence strategic choices, capital allocation and long-term resilience across exposed sectors.

6.1.1 CLIMATE-RELATED RISK PROFILE 1:

Significance and time horizons:

Risk level and score	Description
Moderate risk (risk score between 3.1 – 8)	Short term (0–24 months): The Freight segment has identified exposure to supply chain disruptions driven by extreme weather events. Medium term (2–5 years): Airline GSA, shipping operations and port operations in Fiji have highlighted risks related to operational disruptions and workforce impacts from extreme weather, while the Printing segment has identified potential disruptions to employee commuting and the Insurance segment has noted possible constraints on policy coverage. Long term (beyond 5 years): Shipping and Printing segments have identified longer-term risks relating to operational and supply chain disruptions, as well as challenges affecting employee mobility, arising from sustained exposure to climate-related factors.
High risk (risk score between 8.1 – 14)	Short term (0–24 months): Hotels, Power Generation, MMBL Money Transfer and Elevators segments have identified risks relating to asset damage, operational and service disruptions, occupational health and safety concerns, and supply chain interruptions driven by extreme rainfall, heatwaves and similar weather events. Medium term (2–5 years): Port operations in Fiji and the Agency Representation & Overseas Operations segment have highlighted risks of operational and supply chain disruptions from cyclones, flooding and other extreme weather events. Long term (beyond 5 years): The Agency Representation & Overseas Operations segment has also identified potential disruptions arising from recurring earthquake exposure in certain markets.
Very-high risk (risk score between 14.1 – 25)	Short term (0–24 months): The Destination Management, Plantations, Elevators and Property Development segments have identified immediate risks primarily relating to operational and service disruptions, asset damage and workforce impacts arising from extreme weather events such as heavy rainfall and flooding. These also include challenges to guest and service mobility, field accessibility, labour deployment and occupational health and safety.

The Group recognises that identified climate-related physical and transition risks have the potential to impact its assets and operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected.

Anticipated effects on business model and value chain:

More frequent and severe extreme weather events may increase operational downtime and costs, affect long-term asset performance, disrupt supply chains and logistics, influence demand patterns and increase insurance and capital requirements. The extent of these impacts is likely to vary by sector, with asset-intensive and climate-sensitive operations such as plantations, power and logistics being more exposed.

Where the risk is concentrated:

Exposure is primarily associated with certain assets, infrastructure, operations and supply chains that are located in areas more susceptible to climate-related events. This includes physical assets such as estates, power plants, ports and hotels, as well as key transport routes and supply chain networks. Labour-intensive operations may also experience sensitivity to weather conditions where workforce availability is a factor. Overall, exposure is higher in regions that occasionally experience extreme rainfall, flooding, cyclones, landslides or heat; however, these factors are actively considered within operational planning and risk management processes to support continuity and resilience.

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6.1.1 CLIMATE-RELATED RISK PROFILE 1:	
Strategy and decision making:	The Group has ongoing efforts to integrate climate considerations into operational strategies, investment decisions and operational planning through structured assessments of potential financial implications, alongside resilience requirements for assets and value chains. This approach ensures alignment with long-term sustainability and transition objectives, supporting informed decision-making while embedding climate factors into sector strategies and day-to-day operations.
Response and action taken:	To address the impact of extreme weather events, the Group responds through both adaptation and mitigation efforts . Adaptation measures include DRR frameworks, emergency planning, climate exposure reviews, resilient infrastructure, route and supplier diversification, flexible operations, monitoring tools and strategic partnerships; mitigation actions are addressed in the Metrics and Targets section. **Adaptation actions (Direct and indirect)** Key measures implemented across sectors include: • disaster risk reduction (DRR) frameworks and response teams » Locations of operation in Sri Lanka mapped against locations vulnerable to flooding, earthquakes and landslides aid DRR planning. » Emergency response planning • ongoing review of climate exposure through ERM processes and business continuity planning (BCP) and emergency response protocols • investment in resilient infrastructure (e.g. drainage systems, slope stabilisation, equipment protection) • diversification strategies (e.g. markets, suppliers, crops, logistics routes) adopted • operational adjustments, including remote working and flexible service delivery • use of technology, including monitoring systems and predictive tools • strategic partnerships established for capacity building and guidance on DRR strategies For example, in plantations, climate-smart agriculture and infrastructure upgrades have been adopted, while logistics and service sectors are implementing route diversification, contingency planning and realtime monitoring systems.
Resource allocation:	Resources are allocated through existing financial, operational and governance structures. Capital supports resilience investments, maintenance and insurance; cross-functional teams and DRR personnel support implementation; and technology investment focuses on monitoring, predictive tools and process improvements, applied on a sector-specific, risk-based basis. **Financial resources** Capital is deployed towards resilience related investments, maintenance programmes, and infrastructure upgrades. Insurance coverage is also utilised to mitigate financial impacts of extreme events in certain sectors. **Human resources** Cross functional teams, including DRR teams and operational personnel, are responsible for risk identification and management, response and implementation of resilience measures. Training and awareness programmes are conducted to enhance preparedness. **Technological resources** Investments are being made in: • monitoring systems (e.g. weather tracking, AgriMet systems) • operational technologies (e.g. logistics systems, predictive tools) • process enhancements to improve efficiency and resilience These resources are allocated on a sector specific and risk based basis.

6.1.1 CLIMATE-RELATED RISK PROFILE 1:	
Current assessment of the risk (Progress)	Current assessments indicate moderate resilience, supported by sector-level analyses, existing controls, disaster risk reduction practices and ongoing investments. This reflects the Group's ability to manage operational continuity under current conditions while continuing to strengthen resilience through targeted improvements. Looking ahead, outcomes may vary as climate patterns evolve and weather events become less predictable, and resilience will continue to be monitored and enhanced over time. **Adaptation actions implemented in 2025/26 (Direct and indirect)** Key measures implemented across sectors include: • Disaster risk reduction (DRR) frameworks and response teams • Emergency response drills conducted for night-time emergencies, and earthquake drills • Fire safety briefings conducted for Senior Management • Access to ambulance services strengthened through strategic partnerships **Key measures still in the pipeline (implementation in the preliminary stages):** • DRR efforts » Landslide drills to be planned » Emergency response play books under development. » Early warning technologies under assessment.
Key assumptions:	Key assumptions include more frequent and intense extreme weather, continued exposure of assets in climate-sensitive locations and gradual shifts in sector risk profiles. • increasing frequency and intensity of extreme weather events • continued exposure of assets in climate sensitive locations • gradual changes in operating conditions and risk profiles across sectors
Judgements and uncertainties	Assessment of impacts and resilience involves significant judgement, particularly regarding the timing and severity of climate events, financial consequences, effectiveness of adaptation measures and future regulatory and market conditions. timing, frequency and severity of future climate events magnitude of financial impacts across different sectors effectiveness of adaptation measures over time evolving regulatory and market conditions These uncertainties are managed through the Group's risk management processes, continuous monitoring and periodic reassessment, as outlined in the Risk Management section.

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6.1.1 CLIMATE-RELATED RISK PROFILE 1:

Financial effects

Current year financial effects:

Operational disruptions at asset and site level (e.g.: service interruptions, reduced productivity, asset damage and maintenance costs etc.)
Supply chain disruptions affecting logistics, agriculture and tourism operations
Health and safety risks to employees in climate exposed locations (e.g.: accessibility constraints particularly during severe weather events)
Financial implications in the current year;

Sector	Impact on financial performance Rs. Mn	Impact on cashflows Rs. Mn	Impact on financial position Rs. Mn
Tourism sector	(79.4)	(79.4)	(79.4)
Strategic investments sector	(444.7)	(509.6)	(444.7)
Services sector	(0.3)	(0.3)	(0.3)
Total	(524.5)	(589.3)	(524.5)

During the financial year, the estimated impact on the Group's operating profit arising from exposure to extreme weather events, primarily due to reduced revenue, amounted to approximately Rs. 524.5 Mn, with a corresponding impact on operating cash flows. These effects are also reflected in the financial position, with lower cash balances contributing to a reduction in total assets by Rs. 589.3 Mn. The financial statements for the year ended 2025/2026 in pages 254 to 412 have been prepared after considering the above impacts.

Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities

At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk.
The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.

Anticipated financial effects:

Refer transition relief for anticipated financial effects.

6.1.2 CLIMATE-RELATED RISK PROFILE 2:	
Increases in operational costs due to climate related impacts and policy changes	
Risk description:	Rising energy, input and compliance costs resulting from climate-related impacts and evolving regulatory and policy measures.
Nature of the risk:	Risk emanating from the outcomes of physical risks (both acute and chronic) and changing dynamics of transitional risks related to climate.
Business models and the value chain:	The Group's diversified service-led model is currently affected mainly through higher cost bases and reduced operational efficiency rather than fundamental revenue model change, with energy, insurance, compliance and technology costs pressuring margins and competitiveness. Currently, rising energy and insurance costs are increasing operating expenses and compressing margins, while ESG compliance and technology adoption pressures could affect competitiveness and client retention.
Impacts of the risk on the prospects of the business:	Rising energy, insurance, compliance and technology costs can compress margins, strain cash flows and affect access to capital, driving decisions on pricing, efficiency, resilience investment and ESG compliance.
Significance and time horizons:	**Risk level and score:** Moderate risk (risk score between 3.1 – 8) **Description:** • **Short term (0–24 months):** The hotels segment has identified potential increases in energy costs driven by climate-related policy changes and supply constraints. • **Medium term (2–5 years):** The printing segment has highlighted potential cost implications arising from the implementation of new compliance standards and regulatory requirements. • **Long term (beyond 5 years):** The freight, agency representation & overseas operations and integrated logistics segments have identified risks linked to rising insurance costs, increased compliance and ESG-related expenditure, and competitive pressures from faster technology adoption, which may influence cost structures and market positioning over time. The Group recognises that identified climate-related transition risks have the potential to impact its operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected. Based on the analysis conducted during the current reporting period, the impacts of the climate related risks on the financial statements have not been material as per the Group's defined materiality thresholds.
Anticipated effects on business model and value chain:	Sustained cost escalation, higher investment needs and changing client expectations are likely to increase reliance on a more resilient, technology-enabled value chain, especially in energy-intensive and compliance-dependent operations.
Where the risk is concentrated:	The risk is concentrated in operational performance and supply-chain activities where rising input and compliance costs directly affect margins and continuity.

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6.1.2 CLIMATE-RELATED RISK PROFILE 2:	
Strategy and decision making:	The Group is integrating climate considerations into strategy through energy efficiency, renewable energy, resilience, ESG compliance and digital transformation, balancing near-term cost pressures against long-term resilience and competitiveness. Strategic decisions balance near-term cost pressures with long-term resilience and competitiveness, including trade-offs between capital investment and operational risk reduction.
Response and action taken:	• Energy efficiency and renewable energy initiatives • Monitoring of policy and regulatory developments • Cost management integrated into operational planning Please refer to the Sector Reviews and the Capital Reviews for more information.
Resource allocation:	Resources are directed to transition and compliance capex, strengthened ESG and operational capabilities, and digital and automation investments, with implementation ongoing. • **Financial resources –** capital expenditure on energy transition, compliance, and system upgrades • **Human resources –** strengthening ESG, risk management, and operational capabilities • **Technological resources –** digital transformation and automation initiatives These actions are being implemented on an ongoing basis.
Current assessment of the risk: (Progress)	Current resilience is assessed as moderate, supported by ongoing mitigation and adaptation initiatives. Progress includes a stronger shift toward renewable energy, phasing out thermal generation and exploration of suitable technologies for low-carbon operations. Examples of actions taken over years; • Making a stronger shift towards investments into renewable energy generation Example of progress made during the year; • Strategies to reduce dependence on fossil fuels and increase fuel efficiency are serving the dual purpose to strengthening resilience against risks of volatile costs associated with transition risks. • Phasing out thermal power generation keeping with the targets set towards achieving net zero. • Explored available technology to overcome practical challenges of installing floating solar units in the Maldives More details of actions rolled out during the year can be perused in the Sector Reviews.
Key assumptions:	Assumptions include gradual policy tightening, continued increases in energy and insurance costs, and moderate likelihood of occurrence.
Judgements and uncertainties:	Judgement is required to estimate probabilities, timing and financial effects given uncertainty in regulation, technology adoption, insurance trends, market responses and supply-chain conditions. Key uncertainties relate to cost escalation, insurance trends, compliance requirements, and supply chain availability, all of which may materially affect outcomes.
Financial effects:	
Current year financial effects:	Current exposure is reflected in higher energy and fuel costs, transition spending and potential compliance costs. Transition cost to shift to low carbon solutions Potential costs from carbon related regulation and environmental compliance No material financial implications in the current year.

6.1.2 CLIMATE-RELATED RISK PROFILE 2:	
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.
Anticipated financial effects:	Refer transition relief for anticipated financial effects.

6.1.3 CLIMATE-RELATED RISK PROFILE 3:	
Long-term climate impacts on business continuity and viability	
Risk description:	Structural climate changes affecting long-term asset viability, market demand and operating environments.
Nature of the risk:	Chronic physical risk (i.e. a risk emanating from longer term shifts in climatic patterns)
Business models and the value chain:	The Group's asset-intensive tourism and logistics businesses rely on physical infrastructure, continuity and location-specific operations, making long-term climate change a risk primarily to asset reliability, service continuity and cost structures.
Impacts of the risk on the prospects of the business:	Risks such as coastal erosion and sea-level rise can threaten assets, disrupt operations, reduce revenues, increase insurance and capex, and drive decisions on relocation, site selection and resilience investment.
Significance and time horizons:	See table below
Anticipated effects on business model and value chain:	Over time, these risks may require relocation or redesign of critical infrastructure, greater resilience investment and more flexible operating arrangements.
Where the risk is concentrated:	Exposure is concentrated in low-lying coastal hotels, ports, yards, storage areas and related infrastructure vulnerable to flooding, erosion and sea-level rise.

Risk level and score	Description
Moderate risk (risk score between 3.1 – 8)	• **Short term (0–24 months):** The Tourism segment has identified risks related to coastal erosion, including potential asset damage, service disruptions affecting revenue, higher maintenance costs and near-term capital expenditure to mitigate impacts. • **Medium term (2–5 years):** No material risks within this category have been identified under the current assessment. • **Long term (beyond 5 years):** Port operations in Fiji have identified potential exposure to sea level rise, which could affect operational areas such as storage facilities and vessel handling, potentially leading to disruptions over time.

The Group recognises that identified climate-related physical risks have the potential to impact its assets and operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected. Based on the analysis conducted during the current reporting period, climate-related risks have been assessed as not material against the Group's defined materiality thresholds.

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6.1.3 CLIMATE-RELATED RISK PROFILE 3:	
Strategy and decision making:	Our strategy focuses on strengthening asset resilience and supporting operational adaptation through upgrades, operational improvements and, where appropriate, adjustments in asset use or location. Capital allocation and planning increasingly consider climate exposure and continuity needs, with an emphasis on balancing long-term resilience with operational and financial practicality.
Response and action taken:	Responses are mainly adaptation-led and include infrastructure strengthening, drainage and resilience improvements, operational adjustments and evaluation of relocation where risks become unmanageable. • Long-term risk identification through strategic planning cycles • Capacity building and data monitoring on potential risk identification • Governance oversight through Board and senior management forums
Resource allocation:	• Resources are being directed towards resilient infrastructure, feasibility studies, technical expertise and engineering assessments, with implementation supported by ongoing technical and operational reviews. • Human resources include technical expertise and coordination with authorities. • Technological inputs focus on engineering assessments and infrastructure planning. Implementation is ongoing, with feasibility and technical reviews currently in progress
Current assessment of the risk: (Progress)	Overall resilience is assessed as moderate, with greater vulnerability in port and coastal tourism assets. Progress includes past relocation of flood-exposed facilities, stronger communication resilience and partnerships to support emergency response. Examples of actions taken over years; • Shifting the Group's printing and packaging facility to Mawaramandiya to prevent impacts of flooding Example of progress made during the year; • The assessment of assets in relation to Cyclone Ditwah highlighted connectivity access during the event as a key area for improvement. The Group is currently taking steps to enhance the stability and resilience of communication channels. • Strengthening strategic partnerships to enhance emergency response capabilities across vulnerable assets. More details of actions rolled out during the year can be perused in the Sector Reviews.
Key assumptions:	Moderate likelihood of occurrence, gradual worsening of physical risks, and estimated disruption durations based on operational conditions
Judgements and uncertainties:	Judgement is required in estimating likelihood, timing and financial impact because of uncertainty around climate severity, infrastructure performance and the cost, timing and effectiveness of adaptation measures.
Financial effects:	
Current year financial effects:	Current exposure is reflected in rising maintenance needs, service disruption and insurance pressure in climate-sensitive assets, with potential longer-term effects on impairment risk and demand patterns. • Changes in rainfall patterns observed • Potential asset impairment risks in climate sensitive locations • Long-term shifts in customer behaviour and demand patterns No material financial implications in the current year.

6.1.3 CLIMATE-RELATED RISK PROFILE 3:	
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.
Anticipated financial effects:	Refer transition relief for anticipated financial effects.

6.1.4 CLIMATE-RELATED RISK PROFILE 4:	
Long-term climate impacts on the natural environment affecting agricultural productivity.	
Risk description:	Climate induced impacts on crop yields, biological assets and agricultural productivity.
Nature of the risk:	Chronic physical risk (i.e. a risk emanating from longer term shifts in climatic patterns)
Business models and the value chain:	The plantations business depends on climate-sensitive agricultural productivity, biological assets and stable field operations, making agricultural conditions a key determinant of performance.
Impacts of the risk on the prospects of the business:	Climate-driven pests and diseases can reduce yields and quality, disrupt supply continuity and increase costs, driving higher investment in R&D, precision agriculture and resilience planning.
Significance to segment and time horizon:	**Risk level and score:** Moderate risk (risk score between 3.1 – 8) **Description:** • **Medium term (2–5 years):** The Plantations segment has identified risks related to increased pest and disease incidence driven by changing temperature and humidity patterns, which may affect crop yields, quality and long-term sustainability across key crops, with potential implications for productivity and financial performance. The Group recognises that identified climate-related physical risks have the potential to impact its assets and operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected. Based on the analysis conducted during the current reporting period, climate-related risks have been assessed as not material against the Group's defined materiality thresholds.
Time horizon:	Considered reasonably likely to materialise within the medium-term time horizon (2-5 years)
Anticipated effects on business model and value chain:	Over the medium term, increased pest and disease pressure may affect yields, quality and input costs, pushing the business toward more technology-enabled and research-driven agriculture.
Where the risk is concentrated:	Exposure is concentrated in biological assets, cultivation conditions and upstream supply continuity across climate-sensitive crop operations.
Strategy and decision making:	These risks are increasingly embedded into plantation strategy through science-based agronomy, resilience planning and data-driven decision-making.

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6.1.4 CLIMATE-RELATED RISK PROFILE 4:	
Response and action taken:	Responses include integrated pest management, biological controls, selective chemical use, precision agriculture, stronger internal R&D and pilot technologies to support more resilient plantation operations. Current action rolled out: • Agricultural risk monitoring and adaptive management practices • Integration of climate considerations into plantation level planning
Resource allocation:	Resources are being allocated to innovation, agri-technology, trained field teams, monitoring systems and precision agriculture to strengthen adaptive capacity.
Current assessment of the risk: (Progress)	Resilience is assessed as moderate and improving, supported by proactive pest management, stronger R&D, rainwater harvesting, rooftop solar, environmental protection measures, diversification and research partnerships. Examples of actions taken over years; • Investments in rainwater harvesting to ensure water security • Investments in rooftop solar • Adoption of strategies to protect the natural environment Example of progress made during the year; • New opportunities explored for diversification • Strategic partnerships established for product diversification and research More details of actions rolled out during the year can be perused in the Sector Reviews.
Key assumptions:	Key assumptions include a high probability of occurrence and medium term materialisation (2–5 years), with impacts concentrated on biological assets and supply chain continuity.
Judgements and uncertainties:	The assessment involves significant judgement, particularly in estimating the timing and severity of pest outbreaks and their financial implications. Uncertainties remain around the pace of climate change, effectiveness of mitigation measures and scalability of pilot technologies, which may influence the extent of future impacts and the success of adaptation strategies.
Financial effects:	
Current year financial effects:	No material financial effect is currently observed, but the risk may lead to higher monitoring, pest-control and R&D costs, together with yield and quality impacts over time. Key impacts expected: • Yield variability and productivity risks • Increased vulnerability to pests, diseases and climatic stress Financial implications in the current year: None
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.
Anticipated financial effects:	Refer transition relief for anticipated financial effects.

Further detail on the Group's climate mitigation and adaptation approach is provided in the Climate Strategy section, while sector specific risk responses and management actions are described in the Sector Reviews section of this report.

6.1.5 KEY OPPORTUNITIES IDENTIFIED

- **Low carbon/ renewable energy solutions, sustainability driven products and services (Nature based solutions, methane capture/ carbon capture projects etc.)**
- **Investments in climate resilience (infrastructure, modernisation and retrofitting projects etc.)**
- **Market expansion and portfolio diversification**

Description of the opportunities:	These opportunities reflect the Group's shift toward a climate-resilient, low-carbon and diversified model through three linked pathways: low-carbon and sustainability-led products and services; climate-resilient infrastructure and modernisation; and market expansion and portfolio diversification. Together they support both risk reduction and long-term value creation. (i) developing low-carbon and sustainability-driven products and services, including renewable energy, nature-based solutions, and carbon management initiatives, to capture emerging demand and strengthen market positioning; (ii) investing in climate-resilient infrastructure and modernisation, enhancing operational continuity, reducing exposure to physical risks, and improving long-term cost efficiency; and (iii) expanding into new markets and diversifying the portfolio, enabling the Group to reduce dependence on climate-sensitive business lines while unlocking new revenue streams and growth opportunities. Together, these initiatives support both risk mitigation and value creation by aligning the business with evolving regulatory, investor, and customer expectations.
Nature of the risk creating the opportunities:	Risk emanating from the outcomes of physical risks (both acute and chronic) and changing dynamics of transitional risks related to climate create opportunities.
Business models and the value chain:	The business model is gradually shifting from traditional, asset-heavy activities toward a more diversified, climate-resilient and sustainability-led portfolio, with greater upstream resilience and downstream value addition.
Impacts of the opportunities on the prospects of the business:	These opportunities can improve competitiveness, open new revenue streams, support access to capital and strengthen long-term cash flows, while requiring upfront investment.
Relevance to segment and time horizons:	**Description** • **Short term (0–24 months):** Hotels, plantations and MMBL money transfer segments have identified opportunities focused on climate resilient positioning and operational efficiency, including low carbon offerings, diversified agriculture and resource optimisation, with varying potential for value creation. At the same time, service disruptions to sold products such as elevators also provides added benefit to the organisation as it necessitates more frequent service schedules. However, the segment sees opportunities in preventive maintenance and proactive engagement with clients to prevent damage. • **Medium term (2–5 years):** The integrated logistics and insurance segments have identified opportunities to enhance market positioning through access to sustainability-focused capital and the development of specialised climate-related insurance solutions and advisory services. These are expected to support competitive advantage and new revenue streams over time. • **Long term / unspecified (beyond 5 years):** The freight and printing segments have identified opportunities linked to investment in climate-resilient infrastructure and the expansion of low-carbon printing and sustainable packaging solutions, supporting transition readiness and longer-term value creation. The Group recognises that identified climate-related opportunities have the potential to create positive value to the organisation. The identified climate-related vulnerabilities as well as opportunities resulting from risks are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the trade-off in capitals to explore these opportunities.

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6.1.5 KEY OPPORTUNITIES IDENTIFIED	
Anticipated effects on business model and value chain:	Over time, these initiatives are expected to embed resilience, low-carbon offerings and diversified revenue streams into the core business model, reducing dependence on climate-sensitive activities and improving competitiveness.
Where the opportunities are concentrated:	Opportunities are concentrated in three key areas: • climate resilient assets and infrastructure, • innovation in products and services, and • strategic diversification into climate aligned segments. These include investments to strengthen asset resilience, the development of low carbon and sustainable solutions, and efforts to expand into higher-value, sustainability-driven markets. Collectively, these opportunities are most prominent in sectors such as logistics, plantations and emerging service lines linked to sustainability trends.
Strategy and decision making:	Opportunities are increasingly embedded into strategic decision-making, with investment and operational planning aligned to resilience, diversification and sustainability-led differentiation.
Plans to integrate opportunities (Strategy, Risk Management, Transition Plans & Targets):	Integration is being formalised through transition plans that combine mitigation, adaptation, risk management and measurable targets for diversification, emissions reduction and growth in sustainable segments.
Resource allocation:	Financial resources are being directed toward resilience, diversification and sustainability capex, including green financing where relevant; human resources are being strengthened through specialised capability building; and technology investment supports digitalisation, renewable energy and controlled-environment systems. • **Human resources:** Human capital is being strengthened through specialised teams and capability building in areas such as sustainability, innovation, and risk assessment. • **Technological resources:** Technological investments, ranging from digitalisation and monitoring tools to renewable energy and controlled-environment systems, are enabling scalable and efficient implementation of these initiatives.
Progress	Please refer to the Sector Reviews.
Key assumptions:	Moderate to high probability of climate impacts, gradual policy tightening, increasing market preference for sustainable products and services, and ongoing technological advancement.
Judgements and uncertainties:	The assessment involves inherent uncertainties, particularly relating to the pace of climate change, regulatory evolution, market adoption of sustainable solutions, and technological scalability. Key judgements include assumptions on demand growth, cost recovery periods, and effectiveness of resilience investments. While these uncertainties may influence the timing and magnitude of impacts, the overall strategic direction remains robust under a range of plausible future scenarios.
Financial effects:	
Current year financial effects:	At present, the Group is in a transition phase, with early-stage integration of climate-related opportunities into core operations. This is evidenced by incremental investments in resilience, resource efficiency, low-carbon products, and diversification initiatives, which are beginning to enhance operational reliability, optimise resource use, and strengthen customer value propositions without fundamentally altering the core revenue model. In addition to the identified risks, corresponding opportunities have been recognised, with segments adopting a measured approach to exploration the financial impact of these opportunities, as well as the costs incurred in converting them into viable revenue streams, is not material given prevailing challenges. In accordance with SLFRS disclosure requirements, the actual costs incurred during the reporting period in relation to these matters are presented below.

6.1.5 KEY OPPORTUNITIES IDENTIFIED	
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising from these opportunities. Expected effects are currently considered over a longer implementation horizon.
Anticipated financial effects of exploring opportunities:	Refer transition relief for anticipated financial effects.

7. METRICS & TARGETS

Melstacorp PLC uses a combination of quantitative and qualitative indicators to monitor climate related risks and opportunities in line with SLFRS S1 and SLFRS S2. These metrics are aligned with the Group's risk management processes, operational monitoring and strategic priorities.

7.1 Greenhouse Gas (GHG) Emissions

The Group measures and discloses Scope 1, Scope 2 and Scope 3 greenhouse gas emissions in accordance with internationally recognised methodologies. The Group uses the GHG Protocol to calculate emissions while the emission factors are sourced from the IPCC and the DEFRA database as previously explained. Our emission disclosures are aligned with the SLFRS S2 standard.

Basis for determining the organisational and operational boundaries is consistent with the operational control approach, as described earlier in this section, and is applied across all relevant Group entities and activities.

Methodology for measurement and disclosure of GHG emissions is aligned with established international frameworks, ensuring consistency, comparability and completeness of reported emissions.

- Emissions are calculated using the Greenhouse Gas Protocol as the primary framework, supported by emission factors and guidance from the IPCC, DEFRA, the Sustainable Energy Authority of Sri Lanka, and other relevant national and international sources.
- **Scope 3 GHG emissions**

  The Group has disclosed its Scope 3 greenhouse gas emissions aligned with the methods outlined in the GHG Protocol meets the requirement for SLFRS S2, it should be noted that these disclosures remain subject to external verification in 2026 to reduce uncertainties as far as practicable. Any refinements arising from this process will be incorporated into the disclosures in 2026/2027 onwards with applicable restatements if and where necessary. For this reason, for the disclosure requirements under SLFRS S2.
- Scope 3 disclosures include Category 15 (Investments), comprising estimated emissions relating to joint ventures and other investees where the Group does not have operational control. These estimates are derived using reasonable and supportable assumptions based on available data and the scale and nature of the underlying operations, in accordance with the GHG Protocol, and will be progressively refined as data availability improves.

Emission factors and assumptions are derived from authoritative sources, with emission factors obtained from the IPCC and DEFRA databases, and Global Warming Potential (GWP) values applied in accordance with the IPCC Sixth Assessment Report (AR6).

Key assumptions reflect the use of the most relevant and available data for the Group's operating contexts and are subject to ongoing refinement as data quality improves.

A summary of the Group's emissions is provided below, while more detailed information on methodologies, assumptions and data sources is presented in the Natural Capital section.

	Unit of Measure	Scope 1	Scope 2	Total
Consolidated accounting group *	tCO2e	7,599	2,907	71,550
Other investee (investment in associate, joint ventures) **	tCO2e	40,395	12,708	53,103
Total	tCO2e	47,958	15,615	124,653

* This includes Aitken Spence PLC and subsidiary companies within the financial reporting boundary.

** Scope 2 emissions are calculated using the location-based method. Contractual instruments or power purchase agreements entered into by a subsidiary of the group are considered not material and therefore not disclosed.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Summary of GHG Emissions

	Unit of Measure	Group 2025/26	Beverages	Plantations	Tourism	Maritime & Freight Logistics	Strategic investments	Services	Financial Services	Sources of Emission Factors/ GW
Scope 1	tCO_2e	47,958	5,247	6,960	26,949	2,916	5,794	92	-	IPCC (AR6), DEFRA
Scope 2 (location based)	tCO_2e	15,019	2,498	2,903	8,341	543	-	734		Sustainable Energy Authority, Sri Lanka Central Electricity Authority, India National Inventory Report - Fiji, DEFRA
Scope 3										
Category 1: Purchased goods and services	tCO_2e	14,733			13,922	811				IPCC (AR6), DEFRA
Category 2: Capital goods	tCO_2e	125			124	1				IPCC (AR6), DEFRA
Category 3: Fuel and energy related activities	tCO_2e	9,474			8,651	823				IPCC (AR6), DEFRA
Category 4: Upstream transportation and distribution	tCO_2e	271			197	74				IPCC (AR6), DEFRA
Category 5: Waste generated in operations	tCO_2e	6			6	-				IPCC (AR6), DEFRA
Category 6: Business travel	tCO_2e	125			81	44				IPCC (AR6), DEFRA
Category 7: Employee commuting	tCO_2e	505			337	168				IPCC (AR6), DEFRA
Category 8: Upstream leased assets (None)	tCO_2e	-	-	-	-	-	-	-	-	IPCC (AR6), DEFRA
Category 9: Downstream transportation and distribution	tCO_2e	81,086			81,086	-				IPCC (AR6), DEFRA
Category 10: Processing of sold products	tCO_2e	-			-	-				IPCC (AR6), DEFRA
Category 11: Use of sold products	tCO_2e	14,268			14,268	-				IPCC (AR6), DEFRA
Category 12: End-of-life treatment of sold products	tCO_2e	43			41	2				IPCC (AR6), DEFRA
Category 13: Downstream leased assets (None)	tCO_2e	-	-	-	-	-	-	-	-	IPCC (AR6), DEFRA
Category 14: Franchises (None)	tCO_2e	-	-	-	-	-	-	-	-	IPCC (AR6), DEFRA
Category 15: Investments	tCO_2e	3,054			1,497	1,557				IPCC (AR6), DEFRA
Total	tCO_2e	186,667	7,746	9,862	155,500	6,939	5,794	826	-	

7.2 Climate related Physical Risks

Climate related physical risks have been identified and assessed through the Group's structured risk management processes, as described in the Risk Management section. These include both acute and chronic risks arising from climate variability and extreme weather events. The assessment of these risks involves considerable judgement, particularly in estimating the likelihood, timing and magnitude of impacts across diverse geographic locations and operations. It is to be expected that there would also be considerable uncertainty due to the evolving nature of climate patterns, limitations in historical data, and reliance on forward looking assumptions informed by external climate projections and internal operational experience. The operations that currently identify vulnerabilities to climate related physical risks are mentioned in the risk profiles described above.

7.3 Climate related Transition Risks

Transition risks are identified through the Group's integrated risk assessment framework, including regulatory, market, technological and reputational drivers, as outlined in the Risk Management section. Judgements are applied in assessing the extent and timing of such risks, particularly in relation to policy developments, market responses and technological changes associated with the transition to a low carbon economy. These assessments involve inherent uncertainty due to the pace of regulatory change, evolving stakeholder expectations and variability in sector specific transition pathways. The operations that currently identify vulnerabilities to climate related transitional risks are mentioned in the risk profiles described above.

7.4 Climate-Related Opportunities

Climate-related opportunities are assessed alongside risks through the Group's structured processes, as described in the Risk Management and Strategy sections. These include opportunities linked to diversification, renewable energy, resource efficiency and market positioning. Judgement is required in determining the potential scale and timing of benefits, including impacts on revenue growth, cost optimisation and access to capital. Uncertainty arises from external factors such as market adoption, regulatory support and technological advancements.

We are currently quantifying the percentage of business activities aligned with climate-related opportunities, with disclosures to follow in future reports.

7.5 Capital Expenditure and Resource Allocation

Capital expenditure related to climate related risks and opportunities is considered through the Group's strategic planning and investment processes, as outlined in the Risk Management and section and in other sections of this report. Judgements are applied in allocating resources towards resilience, efficiency and climate aligned initiatives across sectors. Uncertainty arises in estimating the future financial returns, cost implications and risk mitigation benefits of such investments, particularly where outcomes depend on organisation priorities, evolving climate conditions, regulatory frameworks and market dynamics. Effective use of available resources requires robust monitoring, planning and investment processes. Given the Group's current stage of SLFRS S2 adoption, climate related metrics continue to evolve, with a focus on improving consistency, data quality and comparability across sectors.

As this is the first year of adoption, financing allocated to CRROs has not yet been quantified.

7.6 Climate-related targets

The Group is in the process of establishing greenhouse gas (GHG) emissions reduction targets aligned with the GHG Protocol and Sri Lanka's NDCs.

- **Metric:** Absolute GHG emissions (tCO_2e)
- **Objective:** Climate change mitigation through science-based decarbonisation
- **Scope:** Operations under operational control. Emission targets primarily apply to scope 1 emissions. Targets set for scope 3 emissions are aspirational targets.
- **Base year:** FY2020
- **Target year:** FY2030
- **How it aligned with the Paris Agreement:** By aligning emission reduction targets with the SBTi's 1.5°C pathway, Melstacorp PLC supports the ambitions of the Paris Agreement to limit global warming through science-based corporate climate action.
- **Alignment with net zero:**

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Near term targets i.e. Reduce most significant emissions now	+	**Long term targets** i.e. Reduce emissions further over time	+	**Neutralise remaining emissions** i.e. plan projects for emission removal	=	**Net zero** No later than 2050	

7.7 Use of Carbon Credits, RECs, Removals and Internal Carbon Pricing

The Group's decarbonisation strategy prioritises direct emission reductions across operations and the value chain, in line with its SBTi validated near term targets. The use of carbon credits or offsets is not relied upon for the achievement of these targets.

As part of its longer term transition towards net zero, the Group continues to evaluate emission removal initiatives, which may play a role in addressing residual emissions where appropriate.

In specific segments such as Power and Plantations, the Group is also exploring mechanisms to enhance the commercial viability of renewable energy and carbon related initiatives. This includes the potential generation of Renewable Energy Certificates (RECs) and associated environmental attributes from eligible projects.

Given current regulatory constraints, including limitations on power wheeling, the Group is assessing approaches to utilise such instruments for internal energy attribution purposes, with any surplus potentially being monetised. These initiatives are at a developmental stage and are intended as financing and value creation mechanisms, and not as substitutes for emission reductions or for achieving the Group's targets.

7.8 Industry Specific Metrics – SASB Index

The Group has considered the Sustainability Accounting Standards Board (SASB) Standards and has reported against seven applicable industry standards relevant to its diversified operations. Sector specific SASB disclosures, including relevant metrics and activity indicators, are presented within the respective sector reviews of this report. Please refer to the disclosures at the end of this section.

7.9 Linkages and Consistency

The metrics and targets disclosed above are:

- aligned with identified climate related risks and opportunities
- informed by the Group's structured risk assessment processes (CRRO/SRRO framework)
- integrated into overall disaster risk and vulnerability identification and strategic planning
- consistent with disclosures in the Natural Capital and other sustainability sections

This ensures that metrics and targets provide a coherent, connected and decision useful view of the Group's climate related performance and progress in line with SLFRS requirements.

8. Forward looking approach

The Group will continue to enhance climate related risk identification, assessment and disclosure practices as data availability, analytical capabilities and regulatory expectations evolve. More detailed disclosures, including quantified financial effects and scenario analysis, will be introduced progressively in future reporting periods in line with the SLFRS Sustainability Disclosure Standards.

The Group recognises that sustainability related disclosures are inherently forward looking and subject to uncertainty. Management applies judgement in determining the level of information disclosed, balancing the need for decision useful insight with the limitations of available data and evolving methodologies.

As sustainability reporting practices continue to develop, the Group is committed to enhancing transparency, incorporating greater quantification and providing clearer insight into how sustainability related risks and opportunities may influence future performance, strategy and financial outcomes.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Alcoholic Beverages Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
Energy Management	(1) Total energy consumed,	Quantitative	"Gigajoules (GJ), Percentage (%)"	FB-AB-130a.1	110,454
	(2) percentage grid electricity and				19.5%
	(3) percentage renewable				0%
Water Management	(1) Total water withdrawn,	Quantitative	Thousand cubic metres (m3), Percentage (%)	FB-AB-140a.1	151.43
	(2) total water with High or Extremely High Baseline Water Stress				None
Responsible Drinking & Marketing	"Percentage of total advertising impressions made on individuals at or above the legal drinking age"	Quantitative	"Percentage (%)"	FB-AB-270a.1	100%
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes 1	Quantitative	Number	FB-AB-270a.2	None
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices 2	Quantitative	"Presentation currency"	FB-AB-270a.3	None
	"Description of efforts to promote responsible consumption of alcohol"	Discussion and Analysis	n/a	FB-AB-270a.4	Adherence to NATA Act.
Packaging Lifecycle Management	(1) Total weight of packaging,	Quantitative	Metric tonnes (t)	FB-AB-410a.1	20,000 - 25,000 MT
	(2) percentage made from recycled or renewable materials, and		Percentage (%)		60%
	(3) percentage that is recyclable, reusable, or compostable				98%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	FB-AB-410a.2	Manufacture Capital Report

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Topic	Metrics	Category	Unit of measure	Code	Disclosure
"Environmental & Social Impacts of Ingredient Supply Chain"	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-AB-430a.1	Not Reported Confidential
"Ingredient Sourcing"	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	"Percentage (%) by cost"	FB-AB-440a.1	None
	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and Analysis	n/a	FB-AB-440a.2	Social and Relationship Capital Report

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Volume of products sold	Quantitative	Millions of hectolitres (Mhl)	FB-AB-000.A	0.4
Number of production facilities	Quantitative	Number	FB-AB-000.B	5
Total fleet road kilometres travelled	Quantitative	Kilometres (km)	FB-AB-000.C	Approx. 3,500,000

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Hotels & Lodging Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Energy Management	Total energy consumed	Quantitative	Gigajoules (GJ)	SV-HL-130a.1	428,348
	Percentage grid electricity		Percentage (%)		17%
	Percentage renewable				5%
2. Water Management	Total water withdrawn; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	SV-HL-140a.1	907,301
	Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress				Sri Lanka, Oman and India - 100% (498,122m^3) Maldives - An estimated 60% of the surface water withdrawn (245,291m^3) is released back into the ocean. As this quantity is estimated, we consider all water withdrawn is consumed.
3. Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	Quantitative	Number	SV-HL-160a.1	None of the owned properties Please refer to the Natural Capital report for details (Page 192)
	Description of environmental management policies and practices to preserve ecosystem services	Discussion and Analysis	N/A	SV-HL-160a.2	Please refer to the Natural Capital report for details (Page 192)
4. Labour Practices	(1) Voluntary turnover rate for lodging facility employees	Quantitative	Rate	SV-HL-310a.1	27
	(2) Involuntary turnover rate for lodging facility employees				14
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	Presentation currency	SV-HL-310a.2	None
	(1) Average hourly wage	Quantitative	Presentation currency	SV-HL-310a.3	Not reported due to reasons of confidentiality

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Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Labour Practices	(2) Percentage of lodging facility employees earning minimum wage, by region		Percentage (%)		100% of employees earned above the local stipulated minimum wage in regions of operation
	Description of policies and programmes to prevent worker harassment	Discussion and Analysis	N/A	SV-HL-310a.4	Human Capital report for details
5. Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	Quantitative	Number	SV-HL-450a.1	2

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Number of available room-nights	Quantitative	Number	SV-HL-000.A	856,655
Average occupancy rate	Quantitative	Rate	SV-HL-000.B	69%
Total area of lodging facilities	Quantitative	Square metres (m²)	SV-HL-000.C	316,423
Number of lodging facilities and the percentage that are: Managed	Quantitative	Number, Percentage (%)	SV-HL-000.D	19, of which 95% are managed
Number of lodging facilities and the percentage that are: Owned and leased				0
Number of lodging facilities and the percentage that are: Franchised				0

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Road Transportation Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t)	TR-RO-110a.1	2,916
	(Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis		TR-RO-110a.2	Please refer to page 302 for details.
	(1) Total fuel consumed	Quantitative	Gigajoules (GJ)	TR-RO-110a.3	38,219
	(2) Percentage of natural gas fuel consumed		Percentage (%)		0
	(3) Percentage renewable fuel consumed				0
2. Air Quality	Air emissions - (1) NOx (excluding N2O,)(2) SOx, (3) particulate matter (PM10)	Quantitative	Metric tonnes (t)	TR-RO-120a.1	Negligible
3. Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) - (a) Direct employees	Quantitative	Rate	TR-RO-320a.1	0 (Cannot separate the into contract and direct employees)
	(1) Total recordable incident rate (TRIR) - (b) Contract employees				
	(2) Fatality rate - (a) Direct employees				0
	(2) Fatality rate - (b) Contract employees				0
	(1) Voluntary turnover rate for all employees	Quantitative		TR-RO-320a.2	26.33
	(2) Involuntary turnover rate for all employees				0.6
	Description of approach to managing short-term and long-term driver health risks	Discussion and Analysis	N/A	TR-RO-320a.3	Please refer to the Human Capital report on page 267-268.
6. Accident & Safety Management	No. of Road accidents and incidents	Quantitative	Number	TR-RO-540a.1	23
	(1) Aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic metres (m^3)	TR-RO-540a.3	0
	(2) Number of spills and releases to the environment				0

Table 2. Activity Metrics

Activity Metrics	Category	Unit of measure	Code	Disclosure
Revenue tonne-kilometres	Quantitative	RTK	TR-RO-000.A	Not reported
Load factor	Quantitative	Number	TR-RO-000.B	Not reported
1) Number of employees 2) Number of truck drivers			TR-RO-000.C	1) 1,014 2) Prime mover drivers - 76 Other drivers - 0 Helpers - 16

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Air Freight & Logistics Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t)	TR-AF-110a.1	109.08
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets			TR-AF-110a.2	Please refer to page 192 for details.
	(1) Fuel consumed by Road transport, percentage - (a) Natural Gas (b) Renewable	Quantitative	Gigajoules (GJ) Percentage (%)	TR-AF-110a.3	(a) 1,484 (b) 0
	(2) Fuel consumed by Air transport, percentage - (a) alternative, (b) sustainable				Not within our reporting boundary.
2. Air Quality	Air emissions - (1) NOx (excluding N2O,)(2) SOx, (3) particulate matter (PM10)	Quantitative	Metric tonnes (t)	TR-AF-120a.1	Negligible
3. Labour Practices	Percentage of drivers classified as independent contractors	Quantitative	Percentage (%)	TR-AF-310a.1	0
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations		Presentation currency	TR-AF-310a.2	0
4. Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) (a) Direct employees (b) Contract employees	Quantitative	Rate	TR-AF-320a.1	(a) 0 (b) 0
	(2) Fatality rate (a) Direct employees (b) Contract employees				(a) 0 (b) 0
5. Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	Metric tons (t) CO2-e per ton kilometre	TR-AF-430a.2	21 tCO2e.
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	Discussion and Analysis	N/A	TR-AF-430a.3	Please refer the Social & Relationship Capital report on page 186
6. Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	Discussion and Analysis	N/A	TR-AF-540a.1	Please refer to the Human Capital report on page 167.
	Number of aviation accidents	Quantitative	Number	TR-AF-540a.2	Out of boundary.
	Number of road accidents and incidents	Quantitative	Number	TR-AF-540a.3	12

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Revenue tonne-kilometres (RTK) for: (1) road transport, (2) air transport	Quantitative	RTK	TR-AF-000.A	Not reported
Load factor for: (1) road transport, (2) air transport	Quantitative	Number	TR-AF-000.B	Not reported
1) Number of employees 2) Number of truck drivers	Quantitative		TR-AF-000.C	1) 415 2) Other drivers - 5 Helpers - 1

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Electric Utilities & Power Generators Sustainability Accounting Standards (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO2- e, Percentage (%)	IF-EU-110a.1	5,794
	(2) Percentage covered under emissions limiting regulations				Stack emissions apply only to Ace Power Embilipitiya (Pvt) Ltd and Western Power Company (Pvt) Ltd
	(3) Percentage covered under emissions reporting regulations				No regulations stipulated at present
	Greenhouse gas (GHG) emissions associated with power deliveries		Metric tonnes (t) CO2-e	IF-EU-110a.2	16 (transmission and distribution losses)
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	IF-EU-110a.3	Please refer to the Strategic Objectives and Outlook sections in the segment review presented earlier on page 143 to 149.
2. Air Quality	(1) NOx (excluding N2O), (2) SOx, (3) Particulate matter (PM10), (4) Lead (Pb), (5) Mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tonnes (t), Percentage (%)	IF-EU-120a.1	Not disclosed due to reasons of confidentiality. Metrics such as NOx, SOx and PPM levels are regularly tested and are within stipulations regulated by the CEA.
3. Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	IF-EU-140a.1	(1) 29,922 (2) Total water withdrawn is consumed (3) None
	Number of incidents of non-compliance associated with water quality permits, standards and regulations		Number	IF-EU-140a.2	None
	Description of water management risks; discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	IF-EU-140a.3	Please refer Natural Capital report on page 198.
4. Coal Ash Management	(1) Amount of coal combustion products (CCPs) generated, (2) Percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	IF-EU-150a.1	None Coal is not used to generate energy.
	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	Discussion and Analysis	N/A	IF-EU-150a.3	
5. Energy Affordability	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	All energy generated is sold to the national grid.
	(1) Number of residential customer electric disconnections for non-payment (2) percentage reconnected within 30 days		Number Percentage (%)	IF-EU-240a.3	
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	N/A	IF-EU-240a.4	
6. Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR) for -(a) direct employees, (b) contract employees	Quantitative	Rate	IF-EU-320a.1	(1) 0 (2) 0 (3,a) 0 (3,b) 0

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metric	Category	Unit of measure	Code	Disclosure
7.End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2	None
	Customer electricity savings from efficiency measures, by market		Megawatt hours (MWh)	IF-EU-420a.3	All energy generated is sold to the national grid.
8. Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	Quantitative	Number	IF-EU-540a.1	None
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	N/A	IF-EU-540a.2	Nuclear sources are not used to generate energy.
9. Grid Resiliency	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	None
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), (3) Customer Average Interruption Duration Index (CAIDI) inclusive of major event days		Minutes, Number	IF-EU-550a.2	The standard is not in use in Sri Lanka

Table 2. Activity Metrics

Activity Metric	Category	Units of measure	Code	Disclosure
Number of customers served: (1) Residential	Quantitative	Number	IF-EU-000.A	0
Number of customers served: (2) Commercial				1
Number of customers served: (3) Industrial				0
Total electricity delivered to: (1) Residential	Quantitative	Megawatt hours (MWh)	IF-EU-000.B	0
Total electricity delivered to: (2) Commercial				132,121
Total electricity delivered to: (3) Industrial				0
Total electricity delivered to: (4) All other retail customers				0
Total electricity delivered to: (5) Wholesale customers				0
Length of transmission and distribution lines	Quantitative	Kilometres (km)	IF-EU-000.C	Not within our operational boundary
Total electricity generated, percentage by major energy source, percentage in regulated markets		Megawatt hours (MWh), Percentage (%)	IF-EU-000.D	Renewable energy sources: 132,121 MWh (100% of the electricity generated) Non-renewable energy sources - 0
Total wholesale electricity purchased		Megawatt hours (MWh)	IF-EU-000.E	525

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Apparel, Accessories & Footwear Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1	Manufacturing Process: Fabric cutting, embroidering, sewing, e-flow washing, pressing, and packing.
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products			CG-AA-250a.2	Chemical Usage: Detergent is used only at the e-flow washing stage. No chemicals are used in other production stages. Compliance: The detergent used complies with applicable Restricted Substances Lists (RSL) and is free from restricted substances. Risk assessment has been carried out and the process is acceptable level.
2. Environmental Impacts in the Supply Chain	(1) Percentage of Tier 1 supplier facilities in compliance with wastewater discharge permits or contractual agreements	Quantitative	Percentage (%)	CG-AA-430a.1	NA
	(2) Percentage of supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements				100%
	(1) Percentage of Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module			CG-AA-430a.2	NA
	(2) Percentage of supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module				100%

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
3. Labour Conditions in the Supply Chain	(1) Percentage of Tier 1 supplier facilities that have been audited to a labour code of conduct	Quantitative	Percentage (%)	CG-AA-430b.1	NA
	(2) Percentage of supplier facilities beyond Tier 1 that have been audited to a labour code of conduct				100%
	(3) Percentage of total audits conducted by a third-party auditor		Rate		50%
	(1) Priority non-conformance rate	Quantitative		CG-AA-430b.2	No critical non-compliances were reported during the audit period.
	(2) Associated corrective action rate for suppliers' labour code of conduct audits				Acceptable rating as per the 3rd party audit reports.
	(1) Description of the greatest labour risk	Discussion and Analysis	N/A	CG-AA-430b.3	No critical non-compliances were reported during the period.
	(2) Description of the greatest environmental, health and safety risks in the supply chain				No significant environmental/ Health and Safety issues were identified in the supply chain. Systems are in place to monitor wastewater, chemical usage, and environmental compliance in line with applicable standards.

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material	Discussion and Analysis	N/A	CG-AA-440a.3	Fabrics: Cotton, Linen, Polyester Accessories: Buttons, Zippers, Labels, Sewing Threads
	(2) Environmental or social factor(s) most likely to threaten sourcing				Environmental and social risks related to raw material sourcing include potential impacts such as resource consumption (water and energy use in cotton and polyester production), chemical usage in textile processing, and labour conditions within upstream supply chains.
	(3) Discussion on business risks or opportunities associated with environmental or social factors				Please refer the "Risk and Opportunities Reports"
	(4) Management strategy for addressing business risks and opportunities				ASG and ACE Apparels mitigates these risks by sourcing materials from approved suppliers, requiring compliance with Restricted Substances Lists (RSL), and obtaining supplier declarations and/or third-party certifications where applicable. Supplier compliance is further supported through customer audits and third-party verification processes.
	(1) Amount of priority raw materials purchased, by material	Quantitative	Metric tonnes (t)	CG-AA-440a.4	Total fabrics purchased - 783
	(2) Amount of each priority raw material that is certified to a third-party environmental or social standard, by standard				783 However, it should be noted that Ace Apparels (Private) Limited is certified within the OEKO-TEX® Organic Cotton New regulations 2025 while Aitken Spence Garments Ltd. is certified within the Global Organic Textile Standard (GOTS) - Version 6.0.

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
(1) Number of: Tier 1 suppliers	Quantitative	Number	CG-AA-000.A	0 (including fabric suppliers)
(2) Number of: Suppliers beyond Tier 1				51

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Agricultural Products Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions	Quantitative	Metric tons (t)	FB-AG-110a.1	7,413
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	FB-AG-110a.2	The company's strategies and targets are discussed in the Sector Review and Natural Capital section of the report.
	(1) Fleet fuel consumed, (2) Percentage renewable	Quantitative	Gigajoules (GJ) Percentage (%)	FB-AG-110a.3	(1) Energy consumed; - Petrol: 130 GJ - Diesel: 470 GJ (2) 0%
2. Energy Management	(1) Operational energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AG-130a.1	(1) 203,570 GJ (2) 6% (3) 89%
3. Water Management	(1) Total water withdrawn	Quantitative	Thousand cubic metres (m^3), Percentage (%)	FB-AG-140a.1	77,353
	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress				No water withdrawn from regions in high or extremely high-water stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	FB-AG-140a.2	Please refer to the Natural Capital report Page 192 - 202
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-AG-140a.3	None
4. Food Safety	(1) Global Food Safety Initiative (GFSI) audit - non-conformance rates	Quantitative	Rate	FB-AG-250a.1	Our operations are ISO 22000/ HACCP certified. No non-conformities identified.
	(2) Global Food Safety Initiative (GFSI) audit - associated corrective action rates for (a) major				
	(2) Global Food Safety Initiative (GFSI) audit - associated corrective action rates for (b) minor non-conformances				

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Food Safety	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Quantitative	%	FB-AG-250a.2	Currently, our suppliers are mostly small-scale farmers who do not have any certifications. However, the segment aligns with the Group's requirements to screen suppliers for ESG related due diligence. More details about this can be perused in the Social & Relationship Capital on page 186 to 191
	(1) Number of recalls issued	Quantitative	Number MT	FB-AG-250a.3	0
	(2) Total amount of food product recalled				0
5. Workforce Health & Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	FB-AG-320a.1	1.58
	(2) Fatality rate				0
	(3) Near miss frequency rate (NMFR) for - (a) direct employees				0.23
	(3) Near miss frequency rate (NMFR) for - (b) seasonal and migrant employees				0
6. Environmental & Social Impacts of Ingredient Supply Chain	(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, (2) Percentages by standard	Quantitative	Percentage (%) by cost	FB-AG-430a.1	(1) 0 (2) While due diligence procedures and verification processes are followed by these institutions to ensure compliance and ESG, currently there is no certification applied to them. The GAP (Good Agricultural Practices) certification from the Department of Export Agriculture is currently being introduced to these networks.
	(1) Suppliers' social and environmental responsibility audit - non-conformance rate	Quantitative	Rate	FB-AG-430a.2	Zero non - compliances
	(2) Suppliers' social and environmental responsibility audit - associated corrective action rate (a) major non-conformances				Zero non - compliances or non - conformities

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
6. Environmental & Social Impacts of Ingredient Supply Chain	(3) Suppliers' social and environmental responsibility audit - associated corrective action rate (b) minor non-conformances	Quantitative	Rate	FB-AG-430a.2	In the plantations segment, 140 suppliers were screened during the year on environmental and social impacts. The company regularly visits suppliers and conducted awareness building sessions to maintain expected standards.
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	N/A	FB-AG-430a.3	Please refer the"Risk and Opportunities Report" on page 82 to 100 and the Business and Sustainability Risks and Mitigation Strategies section of the segment review above.
7. GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion and Analysis	N/A	FB-AG-430b.1	Our operations do not handle GMOs.
8. Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	Percentage	FB-AG-440a.1	The company has comprehensive strategies to identify and mitigate sustainability and climate change related risks.
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	(%) by cost	FB-AG-440a.2	None

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Production by principal crop - Tea	Quantitative	Metric tonnes(t)	FB-AG-000.A	4277
Production by principal crop - Rubber				259
Production by principal crop - Palm oil				26,958
Number of processing facilities		Number	FB-AG-000.B	19 factories
Total land area under active production		Hectares	FB-AG-000.C	1772.2 (Tea) 508.94 (Rubber) 1709.25 (Oil Palm) 1528.55 (Other)
Cost of agricultural products sourced externally		Rs. Mn	FB-AG-000.D	1,194

TRANSITIONING INTO ENDURING STRENGTH



At Melstacorp, our financial position reflects a balance of adaptability and discipline. Sound financial management, resilient earnings and prudent decision-making provide the strength to navigate changing conditions, support future opportunities and sustain long-term value creation.

The inside reverse fold redirects the paper and conceals the complexity of the movement within a clean and stable form. It demonstrates how measured adjustment can strengthen structure, and its power lies in transformation from within, creating a change without disrupting the integrity of the whole.

FINANCIAL INFORMATION

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under the Companies Act No. 07 of 2007, to ensure compliance of the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company and its Subsidiaries as at the Reporting date and the profit of the Company and its Subsidiaries for the financial year. The Directors are also responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts the responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that proper accounting records have been maintained and appropriate accounting policies have been selected and applied consistently in the preparation of such Financial Statements which have been prepared and presented in accordance with Sri Lanka Accounting Standards and provide information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

Further, the Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are available within the Group to continue its operations and to facilitate planned future expansions and capital commitments. The Directors have taken adequate measures to safeguard the assets of the Group and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. The External Auditors were provided with all information and explanations necessary to enable them to form their opinion on the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge and belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company and its Subsidiaries as at the reporting date have been paid or where relevant, provided for.

By Order of the Board,

Corporate Services (Private) Limited
Secretaries
Melstacorp PLC

20th August 2026
Colombo

INDEPENDENT AUDITOR'S REPORT

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TO THE SHAREHOLDERS OF MELSTACORP PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Melstacorp PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, 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 as set out on pages 254 to 412 of this annual report.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Impairment of Investment in Subsidiaries, Equity Accounted Investees and Goodwill on acquisition

Refer to the material accounting policies in Notes 3.4.3 "Intangible Assets", 3.4.7 "Impairment of Non-Financial Assets", explanatory Note 20 "Investment in Subsidiaries", explanatory Note 21 "Investment in Equity Accounted Investees" and explanatory Note 16 "Intangible Assets" to the Financial Statements.

Risk Description	Our Response
The Company has recorded investments in subsidiaries amounting to Rs. 63,854 Million as at 31st March 2026. The Group has recorded Rs. 12,633 Million as investments in equity accounted investees and Rs. 6,164 Million as Goodwill on acquisition of subsidiaries as at 31st March 2026.	Our audit procedures included; • Obtaining an understanding of the management's impairment assessment process including the identification of impairment indicators.

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W.W.J.C. Perera FCA G.A.U. Karunaratne FCA R.H. Rajan FCA A.M.R.S.P. Abeysekara ACA H.U.S.T Dayananda FCA
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Principals: B.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Zyard FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D Corea Dharmaratne

INDEPENDENT AUDITOR'S REPORT

Risk Description	Our Response
As disclosed in Note 1.2 to the financial statements, the Company's principal operation is to manage these investments. As such the valuation of these investments represents the most significant area of the Company to its stakeholders. Further, the value of these investments is significant to the financial statements. Therefore, any impairment of these investments in subsidiaries and impairment of investments in equity accounted investees will have significant impact on the financial performance of the Company and the Group respectively. Management performed the impairment assessment for investments with indicators of impairment and determined their recoverable amounts based on either value-in-use or fair value less cost to sell calculation. Goodwill on acquisition represents goodwill relating to the acquisition of diversified sector, plantation sector, real estate sector, part of the beverage sector and part of the healthcare sector. LKAS 36 – "Impairment of Assets" require the goodwill to be tested for impairment annually. As such, the Group has assessed the impairment of the goodwill as at 31st March 2026. Estimation of recoverable value for the related cash generating units involves certain significant assumptions and judgements. Considering these, we have identified the assessment of impairment of investments in subsidiaries, investments in equity accounted investees and the goodwill on acquisition as a key audit matter due to the significance of the amounts recognized in the financial statements and the level of estimation uncertainties involved in determining these amounts .	• Evaluating the reasonableness of the Group's key assumptions used in its cash flow projections such as discount rates, cost inflation and business growth with reference to the internally and externally derived sources where applicable. • Assessing the appropriateness and reasonableness of the valuation models used by the management in the calculation of recoverable values of the investments in subsidiaries and CGUs to which goodwill on acquisition is related to, by using our in-house business valuation specialists. • Assessing the mathematical accuracy of related computations, the appropriateness of input data and assumptions where applicable, used by the management in calculating the recoverable amounts of such investments. • Assessing the adequacy of disclosures in the Financial Statements in relation to the impairment of investments in subsidiaries, equity accounted investees and goodwill on acquisition.

KPMG

Measurement of biological assets

Refer to the material accounting policies on Note 3.12.1 "Biological Assets" and explanatory Note 18 "Biological Assets" to the financial statements.

Risk Description	Our Response
The Group has reported biological assets amounting to Rs. 12,583 Million as at 31st March 2026. This amount consists of bearer biological assets amounting to Rs. 2,902 Million and consumable biological assets amounting to Rs. 9,681 Million. Further, Rs. 898 Million has been recognized as the gain on change in the fair value of consumable biological assets for the year ended 31st March 2026. The valuation of consumable biological assets is based on significant levels of judgments and technical expertise in selecting appropriate valuation models and assumptions. Management engaged an independent external valuation expert to assist in determining the fair value of consumable biological assets. Changes in the key assumptions such as discount rate, value per cubic meter and available timber content used for the valuation of consumable biological assets could have a material impact on the fair value gain or loss for the year and the carrying value of consumable biological assets as of the reporting date. Bearer biological assets mainly include mature and immature tea and rubber trees in identified plantation fields. Inappropriate transfer from immature to mature plantations has a significant impact on the carrying value of the bearer plants and the reported profits as capitalization of costs will cease from the point of transfer and the mature plantations are depreciated over the useful lives of the plants. As per the industry practice, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting. The actual point of which commercial harvesting could start depends on the soil condition, weather patterns and plant breed. Further, bearer biological assets are subject to impairment assessment which involves management judgement in assessing the impairment indicators and impairment assessment.	Our audit procedures for consumable biological assets included; • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of management's key internal controls relating to valuation of consumable biological assets. • Assessing the objectivity and independence, competence and qualification of the external valuation expert. • Challenging the key assumptions and methodology used in the valuation, in particular the discount rate, average market price, expected timber content at harvest and harvesting plan. • Obtaining estate wise census books of timber trees and comparing the number of timber trees with the valuation report to ensure the completeness and accuracy of the data and checking the mathematical accuracy of the consumable biological assets valuation. • On sample basis, physically verifying trees during estate visits to assess the girth and height of the respective trees. Our audit procedures for bearer biological assets included; • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of management's key internal control in respect of capitalisation of bearer biological assets. • Obtaining schedules of costs incurred and capitalised under immature plantations as well as cost transferred to mature plantations by each estate and reconciling those balances to the general ledger on sample basis, verifying the reconciling items and obtaining explanations from management for any significant variances identified.

INDEPENDENT AUDITOR'S REPORT

Risk Description	Our Response
We identified the measurement of biological assets as a key audit matter because the valuation of consumable biological assets involved significant assumptions and judgments exercised by the management and the independent valuation expert could be subjected to significant level of estimation uncertainty and management bias. Further, the impairment assessment for bearer biological assets requires management to exercise their judgment in determining the impairment indicators and in impairment assessment which is based on significant estimates.	• Testing the impairment assessment performed by the management, by challenging the impairment indicators identified and the judgements involved in impairment assessment. • Testing immature to mature cost transfer worksheet for selected estates to check whether the amount transferred during the year was consistent with the Company's accounting policy and industry norms. • Assessing the adequacy of the disclosures made for the biological assets in the Group financial statements in accordance with the relevant accounting standards.

Recognition of Revenue

Refer to the material accounting policies in Note 3.5.1 "Revenue" and explanatory Note 6 "Revenue" to the financial statements.

Risk Description	Our Response
The Group has recognized a revenue of Rs. 286,015 Million for the year ended 31st March 2026. Revenue is a key performance indicator used to evaluate the performance of the Group. Given the significance of the total value, the number of transactions, geographical locations and the dependence on IT systems over recognition of revenue, the recognition of revenue was considered as a key audit matter for the year ended 31st March 2026. .	Our audit procedures included; • Testing the design and implementation of operating effectiveness of key IT application and manual controls over revenue, in addition to evaluating the integrity of the general IT control environment. • On a sample basis, testing specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and/or invoices to assess whether the related revenue had been recognised in the correct financial period. • Developing expectations over revenue amount for the year based on trend analysis considering historical sales patterns. • Testing, on a sample basis, revenue transactions recorded to the supporting documents to assess whether the revenue transactions have been recorded accurately. • Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

KPMG

Revaluation of Investment Properties

Refer to the material accounting policies in Note 3.4.4 "Investment property" and explanatory Note 17 "Investment Property" to the financial statements.

Risk Description	Our Response
The group and company has recorded fair value of Investment of Rs. 9,234 Mn and Rs. 9,833 Mn respectively as at 31 March 2026. The Group has engaged an independent external valuation specialists to determine the fair values of lands, buildings and investment properties as at 31st March 2026. We considered this as a key audit matter due to the significance of the judgements exercised by external valuation experts engaged by the management, estimation uncertainty and possible management bias. .	Our audit procedures included; • Assessing the competency, objectivity and capabilities of the independent external valuers engaged by the management. • Assessing the reasonableness of the valuer's assumptions and methods used in the valuation and comparing the same with evidence of current market values. • Engaging our own internal resources to assess the reasonability of the valuation technique, per perch and per square feet prices determined by the management specialist. • Assessing the adequacy of disclosures made in relation to the revaluation of lands, buildings and investment properties in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

Measurement of Carrying value of inventories

Refer to the material accounting policies in Note 3.4.5 "Inventory", and explanatory Note 24 "Inventory" to the financial statements.

Risk Description	Our Response
The group recorded 17.5 Bn for the year ended 31 March 2026. The Group holds a significant level of inventory. Given the level of judgement, estimates and significance of inventory to the financial statements as well as the risk associated with the Inaccurate inventory costing, measurement of carrying value of the inventories considered as significant risk.	Our audit procedures included; • Testing the design, implementation, and operating effectiveness of the key controls management establishes for provision computation and to ensure the accuracy of the inventory provision. • Attending inventory verification at the year-end to ensure the existence of the inventory. • Assessing the results of other cyclical counts performed by management and third parties throughout the period to determine the level of count variances, which are adjusted periodically.

INDEPENDENT AUDITOR'S REPORT

Risk Description	Our Response
	• Performing the required substantive test for NRV on a sample basis by comparing the selling price of finished goods after the reporting date with their carrying value at the financial year-end. Vouching, on a sample basis, the purchase prices and quantities of inventories recorded by the Group with supplier invoices, goods delivery notes, and goods receipt notes. • Evaluating the inventory costing methodology and valuation policy established by management, including compliance with the applicable financial reporting standard and Verify IT controls over inventory costing and recompute the Weighted Average Cost (WAC) for a sample of inventory items.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
20 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Continuing operations					
Gross revenue	6	**286,015,259**	260,931,408	**227,227**	182,428
Excise duty		**(112,151,867)**	(91,318,188)	**-**	-
Cost of sales and net benefits paid	7	**(87,912,547)**	(88,103,022)	**(9,955)**	(14,139)
Gross profit		**85,950,845**	81,510,198	**217,272**	168,289
Other operating income	8	**3,711,930**	3,451,802	**13,889,166**	12,726,223
Selling and distribution expenses		**(7,441,538)**	(6,988,561)	**-**	-
Administrative expenses		**(36,314,210)**	(32,759,890)	**(500,422)**	(465,794)
Other operating expenses	9	**(563,219)**	(536,410)	**(630,784)**	(1,333,253)
Results from operating activities		**45,343,808**	44,677,139	**12,975,232**	11,095,465
Finance income	10.1.1	**5,429,867**	3,624,308	**1,078,146**	1,113,980
Finance costs	10.1.2	**(7,606,344)**	(9,445,014)	**(322,975)**	(524,833)
Net finance income/(Costs)		**(2,176,477)**	(5,820,706)	**755,171**	589,147
Share of profit of equity-accounted investees (net of tax)	21	**2,299,574**	1,418,429	**-**	-
Profit before income tax expense	11	**45,466,905**	40,274,862	**13,730,403**	11,684,612
Taxation	12	**(20,232,686)**	(18,045,681)	**(302,098)**	(353,091)
Profit for the year		**25,234,219**	22,229,181	**13,428,305**	11,331,521
Discontinued Operations					
Profit/ (loss) from discontinued operations (Net of Tax)	44	**1,027,958**	42,201	**-**	-
Profit for the year		**26,262,177**	22,271,382	**13,428,305**	11,331,521
Profit attributable to:					
Equity holders of the parent		**19,685,794**	17,094,144	**13,428,305**	11,331,521
Non controlling interest		**6,576,383**	5,177,238	**-**	-
		26,262,177	22,271,382	**13,428,305**	11,331,521
Basic earnings per share	13.1	**16.89**	14.67	**11.52**	9.72
Diluted earnings per share	13.2	**16.89**	14.67	**11.52**	9.72

The notes from pages 264 to 412 form an integral part of these financial statements.

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Profit for the year		**26,262,177**	22,271,382	**13,428,305**	11,331,521
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Revaluation of property, plant and equipment		**10,811,363**	694,555	**-**	-
Equity investments at FVOCI – net change in fair value		**8,468,975**	9,582,484	**7,023,304**	7,770,249
Actuarial gain/(losses) on retirement benefit obligations	33	**(70,930)**	(366,647)	**11,731**	1,887
Share of other comprehensive income of equity-accounted investees (net of tax)		**(18,860)**	(6,993)	**-**	-
Income tax on other comprehensive income	22.1.1.2	**(3,118,219)**	(350,470)	**(3,519)**	(566)
		16,072,329	9,552,929	**7,031,516**	7,771,570
Items that are or may be reclassified to profit or loss					
Exchange Difference on translation of foreign operations		**2,325,022**	(748,474)	**-**	-
Net movement on Cashflow Hedges		**(42,609)**	679,261	**-**	-
Equity investments at FVOCI – net change in fair value		**-**	-		
Transferred to Retained Earning		**-**	-		
Share of other comprehensive income of equity accounted investees		**381,600**	(120,155)	**-**	-
		2,664,013	(189,368)	**-**	-
Total other comprehensive income for the year		**18,736,342**	9,363,561	**7,031,516**	7,771,570
Total comprehensive income for the year		**44,998,519**	31,634,943	**20,459,821**	19,103,091
Total comprehensive income attributable to:					
Equity holders of the parent		**32,753,917**	26,399,327	**20,459,821**	19,103,091
Non controlling interest		**12,244,602**	5,235,616	**-**	-
		44,998,519	31,634,943	**20,459,821**	19,103,091

The notes from pages 264 to 412 form an integral part of these financial statements.

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
ASSETS					
Non current assets					
Property, plant and equipment	15	**162,236,457**	148,041,086	**53,855**	10,933
Intangible assets	16	**6,293,887**	6,346,541	**2,139**	1,529
Investment property	17	**9,233,939**	8,900,595	**9,833,281**	7,797,859
Biological assets	18	**12,582,775**	11,631,450	**-**	-
Right-of-use assets	19	**29,899,940**	16,216,433	**-**	7,304
Investments in subsidiaries	20	**-**	-	**63,854,344**	63,964,295
Investment in equity accounted investees	21	**12,632,788**	10,928,868	**-**	-
Deferred tax asset	22.1	**7,587,497**	7,420,408	**-**	-
Other non current financial investments	23	**65,187,304**	56,835,717	**54,092,351**	47,069,048
		305,654,587	266,321,098	**127,835,970**	118,850,968
Current assets					
Inventories	24	**17,519,992**	14,245,346	**849**	918
Produce on bearer biological assets	18.1.3	**13,684**	14,158	**-**	-
Trade and other receivables	25	**46,378,471**	42,936,286	**150,530**	253,567
Amounts due from related companies	36.1.1	**548,687**	533,616	**604,258**	526,553
Other current financial investments	23	**32,008,886**	29,597,154	**5,079,714**	5,085,746
Other current assets	26	**9,283**	9,283	**-**	-
Cash and cash equivalents	27	**25,911,056**	21,908,504	**77,803**	4,503
		122,390,059	109,244,347	**5,913,154**	5,871,287
Assets held for Sale	28	**857,481**	922,243	**-**	-
Total assets		**428,902,127**	376,487,688	**133,749,124**	124,722,255
EQUITY AND LIABILITIES					
Share capital and reserves					
Stated capital	29	**70,000,000**	70,000,000	**70,000,000**	70,000,000
Reserves	30	**83,001,256**	70,157,018	**37,927,846**	30,904,543
Retained earnings/(Losses)		**4,109,774**	(7,877,963)	**21,830,374**	16,108,786
Equity attributable to owners of the Company		**157,111,030**	132,279,055	**129,758,220**	117,013,329
Non controlling interest		**72,644,171**	62,902,231	**-**	-
Total equity		**229,755,201**	195,181,286	**129,758,220**	117,013,329

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Non current liabilities					
Interest bearing loans and borrowings	31	**37,930,948**	35,899,296	**-**	-
Lease liabilities	32	**25,155,030**	12,490,090	**-**	-
Retirement benefit obligations	33	**5,483,706**	5,036,802	**19,945**	26,911
Deferred tax liabilities	22.1	**30,971,916**	27,580,800	**1,386,785**	1,364,011
Other liabilities	34	**290,390**	392,246	**-**	-
		99,831,990	81,399,234	**1,406,730**	1,390,922
Current liabilities					
Trade and other payables	35	**56,987,397**	50,726,250	**407,693**	406,347
Amount due to related companies	36.1.2	**2,195,863**	2,300,791	**681,693**	618,600
Income tax payable		**6,522,918**	5,842,146	**123,946**	168,027
Interest bearing loans and borrowings	31	**6,321,416**	11,859,273	**-**	-
Lease liabilities	32	**2,428,245**	1,855,824	**-**	8,828
Bank overdrafts and other short term borrowings	27	**24,859,097**	27,322,884	**1,370,842**	5,116,202
		99,314,936	99,907,168	**2,584,174**	6,318,004
Total liabilities		**199,146,926**	181,306,402	**3,990,904**	7,708,926
Total equity and liabilities		**428,902,127**	376,487,688	**133,749,124**	124,722,255
Net assets per share (Rs.)		**134.81**	113.51	**111.34**	100.41

The notes from pages 264 to 412 form an integral part of these financial statements.

I certified that the Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.

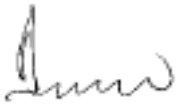


Prasanna Pinto
Group Financial Controller

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



D. Hasitha S. Jayawardena
Chairman



L.U.D.Fernando
Director

19 August 2026
Colombo

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - GROUP

GROUP	Attributable to equity holders of parent											Non Controlling Interest	Total equity
	Stated Capital	Revaluation Reserve	Capital Reserve	Reserve Fund	General Reserve	Exchange Fluctuation Reserve	Timber Reserve	Fair-value through OCI Reserve	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024	70,000,000	19,189,855	19,112,137	20,491	4,732,352	5,547,659	3,351,768	9,103,824	(624,044)	(15,090,850)	115,343,192	59,970,421	175,313,613
Total Comprehensive Income for the Period													
Profit for the year	-	-	-	-	-	-	-	-	-	17,094,144	17,094,144	5,177,238	22,271,382
Other comprehensive income													
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	9,448,005	-	-	9,448,005	134,479	9,582,484
Revaluation of property, plant and equipment	-	656,067	-	-	-	-	-	-	-	-	656,067	38,488	694,555
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	155,842	-	155,842	523,419	679,261
Exchange Difference on translation of foreign operations	-	-	-	-	-	(279,467)	-	-	-	-	(279,467)	(469,007)	(748,474)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-	-	-	-	(267,134)	(267,134)	(99,513)	(366,647)
Share of other comprehensive income of equity-accounted investees (net of tax)	-	-	-	-	-	(61,679)	-	-	-	(3,590)	(65,269)	(61,879)	(127,148)
Income tax on other comprehensive income	-	(428,584)	-	-	-	-	-	(1,017)	-	86,740	(342,861)	(7,609)	(350,470)
Total other comprehensive income for the year	-	227,483	-	-	-	(341,146)	-	9,446,988	155,842	(183,984)	9,305,183	58,378	9,363,561
Total comprehensive income for the year	-	227,483	-	-	-	(341,146)	-	9,446,988	155,842	16,910,160	26,399,327	5,235,616	31,634,943
Transactions with owners directly recorded in the Equity													
Dividends paid to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,042,927)	(3,042,927)
Share of net assets of equity accounted investees	-	-	-	-	-	-	-	-	-	67,520	67,520	64,013	131,533
Dividends paid/declared during the year (Note 14.1)	-	-	-	-	-	-	-	-	-	(8,857,018)	(8,857,018)	-	(8,857,018)
Capital Reduction	-	(222,092)	-	-	-	-	-	-	-	222,092	-	-	-
Repurchase and cancellation of shares	-	-	-	-	-	-	-	-	-	(227)	(227)	(215)	(442)
Gain on disposal of investments at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from/to retained earnings	-	-	-	-	(38,973)	-	494,874	-	-	(455,901)	-	-	-
Acquisition of Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	1,584	1,584
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-		-		-
Effect on changes in percentage holding of subsidiaries	-	-	-	-	-	-	-	-	-	(673,739)	(673,739)	673,739	-
Total contributions by and distributions to owners	-	(222,092)	-	-	(38,973)	-	494,874	-	-	(9,697,273)	(9,463,464)	(2,303,806)	(11,767,270)
Balance as at 31st March 2025	70,000,000	19,195,246	19,112,137	20,491	4,693,379	5,206,513	3,846,642	18,550,812	(468,202)	(7,877,963)	132,279,055	62,902,231	195,181,286

GROUP	Attributable to equity holders of parent											Non Controlling Interest	Total equity
	Stated Capital	Revaluation Reserve	Capital Reserve	Reserve Fund	General Reserve	Exchange Fluctuation Reserve	Timber Reserve	Fair-value through OCI Reserve	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2025	70,000,000	19,195,246	19,112,137	20,491	4,693,379	5,206,513	3,846,642	18,550,812	(468,202)	(7,877,963)	132,279,055	62,902,231	195,181,286
Total Comprehensive Income for the Period													
Profit for the year	-	-	-	-	-	-	-	-	-	19,685,794	19,685,794	6,576,383	26,262,177
Other comprehensive income													
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	8,362,489	-	-	8,362,489	106,486	8,468,975
Revaluation of property, plant and equipment	-	5,312,797	-	-	-	-	-	-	-	-	5,312,797	5,498,566	10,811,363
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	(9,776)	-	(9,776)	(32,833)	(42,609)
Exchange Difference on translation of foreign operations	-	-	-	-	-	790,774	-	-	-	-	790,774	1,534,248	2,325,022
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-	-	-	-	(19,172)	(19,172)	(51,758)	(70,930)
Share of other comprehensive income of equity-accounted investees (net of tax)	-	-	-	-	-	195,887	-	-	-	(9,611)	186,276	176,464	362,740
Income tax on other comprehensive income	-	(1,545,728)	-	-	-	-	-	(15,094)	-	5,555	(1,555,267)	(1,562,952)	(3,118,219)
Total other comprehensive income for the year	-	3,767,069	-	-	-	986,661	-	8,347,395	(9,776)	(23,228)	13,068,121	5,668,220	18,736,342
Total comprehensive income for the year	-	3,767,069	-	-	-	986,661	-	8,347,395	(9,776)	19,662,567	32,753,917	12,244,602	44,998,519
Transactions with owners directly recorded in the Equity													
Dividends paid to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	(2,935,245)	(2,935,245)
Share of net assets of equity accounted investees	-	-	-	-	-	-	-	-	-	81,379	81,379	77,153	158,532
Dividends paid/declared during the year (Note 14.1)	-	-	-	-	-	-	-	-	-	(7,714,929)	(7,714,929)	-	(7,714,929)
Retirement of Revalued assets	-	(93,064)	-	-	-	-	-	-	-	93,064	-	-	-
Direct cost of shares issued by subsidiaries	-	-	-	-	-	-	-	-	-	(458)	(458)	458	-
Gain on disposal of investments at FVOCI											-		-
Transferred from/to retained earnings	-	-	-	-	415,980	-	590,705	(1,160,731)	-	154,046	-	-	-
Net change in fair value of financial assets measured at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividends transferred to reserves	-	-	-	-	-	-	-	-	-	483	483	733	1,216
Acquisition of Subsidiaries											-		-
Effect on changes in percentage holding of subsidiaries	-	-	-	-	-	-	-	-	-	(288,415)	(288,415)	354,240	65,826
Total contributions by and distributions to owners	-	(93,064)	-	-	415,980	-	590,705	(1,160,731)	-	(7,674,830)	(7,921,940)	(2,502,661)	(10,424,601)
Balance as at 31st March 2026	70,000,000	22,869,251	19,112,137	20,491	5,109,359	6,193,174	4,437,347	25,737,476	(477,978)	4,109,774	157,111,030	72,644,171	229,755,201

STATEMENT OF CHANGES IN EQUITY - COMPANY

COMPANY	Stated Capital	Capital Reserve	Revaluation Reserve	Fair-value through OCI Reserve	Retained Earnings/ (Losses)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024	70,000,000	19,100,000	109,382	3,924,912	13,632,962	106,767,256
Profit for the year	-	-	-	-	11,331,521	11,331,521
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	7,770,249	-	7,770,249
Actuarial Gain on retirement benefit obligations	-	-	-	-	1,887	1,887
Income tax on other comprehensive income	-	-	-	-	(566)	(566)
Total Other Comprehensive Income for the period	-	-	-	7,770,249	1,321	7,771,570
Total Comprehensive Income for the period	-	-	-	7,770,249	11,332,842	19,103,091
Transactions with Owners of the Company directly recognized into Equity						
Dividend paid/declared (Note 14.1)	-	-	-	-	(8,857,018)	(8,857,018)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	(8,857,018)	(8,857,018)
Balance as at 31st March 2025	70,000,000	19,100,000	109,382	11,695,161	16,108,786	117,013,329

COMPANY	Stated Capital Rs.'000	Capital Reserve Rs.'000	Revaluation Reserve Rs.'000	Fair-value through OCI Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2025	70,000,000	19,100,000	109,382	11,695,161	16,108,786	117,013,329
Profit for the year	-	-	-	-	13,428,305	13,428,305
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	7,023,304	-	7,023,304
Actuarial Gain on retirement benefit obligations	-	-	-	-	11,731	11,731
Income tax on other comprehensive income	-	-	-	-	(3,519)	(3,519)
Total Other Comprehensive Income for the period	-	-	-	7,023,304	8,212	7,031,516
Total Comprehensive Income for the period	-	-	-	7,023,304	13,436,517	20,459,821
Transactions with Owners of the Company directly recognized into Equity						
Dividend paid	-	-	-	-	(7,714,929)	(7,714,929)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	(7,714,929)	(7,714,929)
Balance as at 31st March 2026	70,000,000	19,100,000	109,382	18,718,465	21,830,374	129,758,220

The notes from pages 264 to 412 form an integral part of these financial statements.

Figures in brackets indicate deductions.

CONSOLIDATED CASH FLOW STATEMENTS

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash Flow from Operating Activities					
Profit before tax from continuing operations		45,466,905	40,274,862	13,730,403	11,684,612
Profit/(Loss) before tax from discontinued operations	44	1,027,958	52,106		
Profit before tax		46,494,863	40,326,968	13,730,403	11,684,612
Adjustments for;					
(Gain)/Loss on disposal/ Retire of property, plant and equipment		(565,455)	44,510	-	-
(Gain)/Loss on retire/disposal of investment properties / assets held for sale		-	-	-	256,510
Depreciation of Property, Plant and Equipment	15	8,528,093	8,522,984	4,628	3,225
Amortization of Right of Use Assets	19	1,799,132	2,107,792	7,305	7,305
Provision for Retirement benefit obligation	33	913,136	879,474	8,209	8,888
Adjustment on unpaid and unclaimed retiring gratuity	33	(1,333)	(73,705)		
Provision/ (reversal) for inventories		(99,203)	126,829	-	-
Provision/(reversal) of bad & doubtful debts and impairment of financial assets at amortized cost		(811,407)	(1,021,944)	-	-
Loss on revaluation of Land and buildings		-	-	-	-
Impairment of balance receivable from related parties				-	879,166
Impairment of investments in joint ventures/Associates		-	25,319	-	-
Impairment of goodwill on acquisition of subsidiaries		99,111	81,816	-	-
Share of profit of equity-accounted investees, net of tax	21	(2,299,574)	(1,418,429)	-	-
Amortization, impairment and write-off of Biological Assets	18	159,732	236,821	-	-
Amortization of Intangible Assets	16	52,791	80,802	808	105
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss		(96,927)	(82,885)	83,697	(27,074)
(Gain)/loss on disposal of financial investments		(25,198)	(38,662)	-	68
(Gain)/loss on disposal of joint ventures		(236,318)	(9,493)	-	(45,318)
Gain on termination of Right of Use Assets		-	(20,460)	-	-
Deferred income recognized	34.2	-	(21,766)	-	-
Amortization of government grants	34.1	(17,202)	(17,205)		
Dividend Income		(969,825)	(827,589)	(13,239,116)	(12,190,676)
(Gain)/loss on change in fair value of Biological Assets	18.3	(897,118)	(763,735)	-	-
Impairment of Property, Plant and Equipment, investment properties and intangible assets		51,543	18,295	-	-
Fair value gain on investment property	17	(386,897)	(262,551)	-	(456,463)
Gain on Disposal of shares of Subsidiaries		-	-	-	-
Provision for Impairment of Investment in Subsidiaries		-	-	(73,295)	197,509
Interest income		(3,441,239)	(3,007,804)	(1,051,889)	(1,086,906)
Interest expense		6,355,152	8,042,168	322,975	524,833
Operating profit/(loss) before working capital changes		54,605,857	52,927,550	(206,275)	(244,216)
(Increase)/decrease in inventories		(3,351,943)	(420,761)	69	27
(Increase)/decrease in receivables		(832,632)	(891,590)	103,040	(180,207)
Increase/(decrease) in payables		6,421,352	469,014	1,346	(248,997)
(Increase) / decrease in Related Party Receivables / Payables		(119,999)	1,401,815	541,321	(324,961)
Cash flows generated from/(used in) operations		56,722,635	53,486,028	439,501	(998,354)
Interest paid		(5,325,886)	(7,326,261)	(322,624)	(461,042)
Income Tax and surcharge tax paid		(19,464,554)	(16,081,656)	(323,408)	(339,832)
Retiring Gratuity paid	33	(541,506)	(676,819)	(3,445)	(883)
Dividends Received		969,825	827,589	13,235,597	12,190,676
Net Cash flows generated from/(used in) operations		32,360,514	30,228,881	13,025,621	10,390,565

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash Flow from Investing Activities					
Acquisition of Property, plant and equipment	15	(9,625,839)	(4,273,648)	(47,553)	(5,207)
Proceeds from disposal of shares of subsidiaries		-	-	-	-
Proceeds from disposal of joint ventures		313,854	650,000	-	650,000
Acquisition of Intangible Assets	16	(48,909)	(40,481)	(1,418)	-
Acquisition of investment property	17	(60,822)	(32,395)	(2,035,422)	(119,365)
Net Additions to Biological Assets	18	(350,899)	(210,284)	-	-
Sale of Consumer Biological Assets				-	-
Proceeds from liquidation of assets held for saleAssets held for sale		277,372	-	-	-
Investment in Associates		(364,432)	-	-	-
Investment in joint ventures		-	(200,089)	-	(184,794)
Proceeds from sale of Property, plant and equipment		1,425,821	606,083	-	-
Interest received		3,421,674	3,007,804	2,176	953,320
Net Proceeds from Disposal / (Acquisition) of Other Financial Investments		(2,209,281)	(5,358,057)	55,615	(3,000,063)
Acquisition of subsidiaries net of cash acquired	20.5	-	-	-	-
Net cash outflow on disposal of subsidiary		-	(56,219)	-	-
Investment in subsidiaries		-	-	-	-
Loans disbursed to Subsidiaries and Associates		-	-	(70,946)	(169,700)
Proceeds from settlement of Loans given to Subsidiaries		-	-	614,694	95,000
Dividend received from equity accounted investees		1,403,823	614,853	-	-
Net Cash flows generated from/(used in) investing activities		(5,817,643)	(5,292,433)	(1,482,854)	(1,780,809)
Cash Flow from Financing Activities					
Net Advances received from /(Settled to)subsidiaries and equity accounted investees		(80,645)	(98,276)	-	-
Operating leases pre-paid	19	-	(7,128)	-	-
Lease payments made	32	(3,023,379)	(3,056,501)	(9,178)	(8,739)
Proceeds from interest bearing loans and borrowings	31.1	11,447,499	20,683,884	-	-
Repayments of interest bearing loans and borrowings	31.1	(17,777,637)	(22,376,790)	-	-
Dividend paid		(7,714,931)	(8,857,018)	(7,714,929)	(8,857,018)
Dividends paid by subsidiaries to minority shareholders		(2,935,245)	(3,042,927)	-	-
Issue of shares by subsidiary companies		-	8,120	-	-
Direct cost of capital raised by subsidiaries		-	(442)	-	-
Government grants received	34.1	250	-	-	-
Receipt of Deferred Income	34.2	-	4,259	-	-
Net Cash flows generated from/(used in) financing activities		(20,084,088)	(16,742,819)	(7,724,107)	(8,865,757)
Net increase/(decrease) in cash and cash equivalents		6,458,782	8,193,629	3,818,660	(256,001)
Cash and cash equivalents at the beginning of the year		(5,414,380)	(13,765,178)	(5,111,699)	(4,855,698)
Effect of movements in exchange rates		7,556	157,169	-	-
Cash and cash equivalents at the end of the year (Note 27)		1,051,959	(5,414,380)	(1,293,039)	(5,111,699)
Note B					
Analysis of cash and cash equivalents at the end of the year					
Short term deposits	27	8,841,786	6,800,560	69,000	-
Cash at bank	27	17,008,566	15,063,351	8,803	4,503
Cash in transit	27	60,704	44,593	-	-
Bank overdraft and Other Short Term Borrowings	27	(24,859,097)	(27,322,884)	(1,370,842)	(5,116,202)
		1,051,959	(5,414,380)	(1,293,039)	(5,111,699)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with related notes, which form a part of the Financial Statements of the Group set out in pages 264 to 412.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile & Legal Form

Melstacorp PLC (the "Company") is a quoted public limited liability Company incorporated and domiciled in Sri Lanka. The Company has been registered under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007. The registered office and principal place of business of the Company is located at No.110, Norris Canal Road, Colombo 10.

On 21 January 2011, the name of Beruwala Distillery (Private) Limited was replaced with the name of Melstacorp (Private) Limited and the Company has changed its status into a Public Company with effect from 10 August 2011. The Ordinary Shares of the Company were listed in Colombo Stock Exchange on 30 December 2016.

The Consolidated Financial Statements of Melstacorp PLC, as at and for the year ended 31 March 2026 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

1.2 Principal Activities and Nature of Operation

1.2.1 Company

Melstacorp PLC, manages a portfolio of holdings consisting of a range of diverse business operations, which together constitute the Company, and provides function based services to its subsidiaries and associates. Further the Company lease out its properties to external parties and its subsidiaries.

There were no significant changes in the nature of the principal business activities of the companies in the Group during the financial year under review.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The immediate and ultimate parent entity of Melstacorp PLC is Milford Exports Ceylon (Private) Limited.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards ("SLFRSs")
- Sri Lanka Accounting Standards ("LKAS")
- Statements of Recommended Practices ("SoRPs")
- Statement of Alternate Treatment (SoATs)
- Financial Reporting Guidelines issued by the CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com.

These Financial Statements include the following components:

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

2.2 Directors' Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards (SLFRSs/ LKASs) and the requirements of the Companies Act No. 07 of 2007.

2.3 Approval of Financial statements

The Consolidated Financial Statements for the year ended 31 March 2026 were approved and authorised for issue by the Board of Directors in accordance with Resolution of the Directors on 19 August 2026.

2.4 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

2.5 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees which is the currency of the primary economic environment in which the Company operates (the functional currency). All financial information presented in Rupees has been rounded to the nearest thousand except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Each Group company determines its own functional currency and items included in the financial statements of these companies are measured using that functional currency. There were no changes in the presentation or functional currency of the Group companies during the year under review.

Functional currency of all the Group companies is Sri Lankan Rupees other than the following companies whose functional currency is either based on the country of incorporation of the respective company or circumstances that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Sri Lanka	United States Dollar
Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	United States Dollar
Port City BPO (Private) Ltd	Sri Lanka	United States Dollar
A.D.S. Resorts Private Ltd	Maldives	United States Dollar
Ace Aviation Services Maldives Private Ltd	Maldives	United States Dollar
Ace Resorts Private Ltd	Maldives	United States Dollar
Cowrie Investment Private Ltd	Maldives	United States Dollar
Inter lifts International Private Ltd	Maldives	United States Dollar
Jetan Travel Services Company Private Ltd	Maldives	United States Dollar
Unique Resorts Private Ltd Maldives	Maldives	United States Dollar
Aitken Spence Cargo (Cambodia) Co. Ltd	Cambodia	United States Dollar
Crest Star (B.V.I) Ltd	British Virgin Islands	United States Dollar
Aitken Spence International Pte. Ltd	Singapore	United States Dollar
Fiji Ports Corporation Ltd	Fiji	Fijian Dollars
Fiji Ports Terminal Ltd	Fiji	Fijian Dollars
Fiji Ships Heavy Industries Ltd	Fiji	Fijian Dollars
Serendib Investments Ltd	Fiji	Fijian Dollars
Aitken Spence Hotel Managements (South India) Ltd	India	Indian Rupee
Aitken Spence Hotel Services Private Ltd	India	Indian Rupee
Perumbalam Resorts Private Ltd	India	Indian Rupee
PR Holiday Homes Private Ltd	India	Indian Rupee
Ace Aviation Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Travels Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Resorts (Middle East) LLC	Oman	Omani Riyal
Ace Bangladesh Ltd	Bangladesh	Bangladeshi Taka
Aitken Spence Cargo Singapore Pte Ltd	Singapore	United States Dollar

2.6 Materiality and Aggregation

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

2.7 Use of Judgments and Estimates

The preparation of Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS and LKAS) requires management to make judgments, estimates and assumptions that affect the application of Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised prospectively. Information about assumptions and estimation uncertainties that have significant effect on the amounts recognised in the consolidated financial statements is included in following Notes;

Note 6 – Revenue recognition

Note 15 – Revaluation of Land and Buildings

Note 16, 20, 21 – Impairement of Goodwill, Investment in Subsidiaries and Equity Accounted Investees

Note 17 – Investment Properties

Note 18 – Biological Assets

Note 22.1 - Recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used

Note 33.1.2 – Measurement of defined benefit plan; key actuarial assumptions

Note 41 – Recognition and measurement of provisions for contingencies; key assumptions about the likelihood and magnitude of an outflow of resources

Note 20 – Consolidation : Whether the Group has de facto control over an investee

Note 32 – lease term : whether the Group is reasonably certain to exercise extension options.

Property, Plant and Equipment- Land and Building	Fair value
Investment Property	Fair Value
Retirement benefit obligation	Present value of the defined benefit obligation
Financial Assets Measured at Fair Value Through Other Comprehensive Income	Fair Value
Financial Assets Measured at Fair value through profit or loss	Fair Value
Consumable Biological Assets	Fair Value
Lease liabilities	Present Value of future cash flows

2.8 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except as stated below, the Group has consistently applied all the accounting policies set out below to all periods presented in these financial statements.

3.1 Changes in Material Accounting Policies

There were no changes in material accounting policies used by the Group during the financial year. Further, there were no significant impact to the financial statements of the Group from new or amended accounting standards and interpretations that were required to be incorporated into the financial statements with effect from 01st April 2025.

3.2 Basis of consolidation

The Financial Statements of the Company and the Group comprise the Financial Statements of the Company and its subsidiaries for the year ended 31 March 2026, except for Pericyl (Private) Limited, Continental Insurance Lanka Limited, Madulsima Plantations PLC, Balangoda Plantations PLC, Formular World (Private) Limited and Continental Insurance Life Lanka Limited, whose financial year ends on 31 December. The difference in reporting dates does not exceed three months, and adjustments are made for significant transactions or events up to 31 March 2026, where applicable. For DCSL Breweries Lanka Limited, financial statements were prepared as at 31 March 2026, resulting in a fifteen-month reporting period. Accordingly, certain comparative amounts may not be directly comparable with the current year.

3.2.1 Business combinations

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

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the

amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure

of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

3.2.3 Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.2.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment 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.

3.2.6 Interests in Equity Accounted Investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are contractual arrangements when by two or more parties agree to share control over an economic activity. Interests in associates and Joint ventures are accounted for using the equity method (equity accounted investees). They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

3.3 Foreign Currency

3.3.1 Foreign currency transactions

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

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

Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Foreign currency losses are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI

- Qualifying cash flow hedges to the extent that the hedges are effective

3.3.2 Foreign Operations

Foreign operations Group companies incorporated outside Sri Lanka or Sri Lankan companies in which the reporting currency is other than Sri Lankan Rupees are treated as foreign operations. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at the rate of exchange prevailing on the reporting date. Income and expenses of the foreign entities are translated at the rate of exchange approximating to the actual rate at the dates of the transactions. For practical purposes this is presumed to be the average rate during each month.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity except to the extent the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of in a manner that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. If the Group disposes of only part of its interest in the subsidiary but retains control, the relevant portion of the translation reserve is transferred to non-controlling interest. When the Group disposes of only part of its interest in an equity accounted investee that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount of the translation reserve is reclassified to the income statement.

3.4 Statement of Financial Position

3.4.1 Property, Plant & Equipment

3.4.1.1 Freehold Assets Recognition

Property, plant & equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period. Property,

Plant & Equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Measurement

Items of property, plant & equipment are measured at cost or at fair value in the case of land and buildings less accumulated depreciation and accumulated impairment losses.

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

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

Revaluation

The Group revalues its land and buildings at least once in e very five years which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses. On revaluation of land and building, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using straight-line basis over the estimated useful lives, and is generally recognised in profit or loss. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term or the useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows.

Freehold Buildings	20 – 50 years
Plant, Machinery & Equipment	10 – 20 years
Medical Equipment	10 years
Furniture & Fittings/ Office Equipment	10 years
Vats & Casks	10 years
Oil Storage Tanks	10 years
Computers equipment	03 – 05 years
Motor Vehicles	04 – 10 years
Empty Drums	02 years
Kitchen Equipment	10 years
Soft Furnishing, Crockery, Cutlery and Glassware	05 – 10 years
Speed Boats	05 years
Power Generation Plants	10 – 20 years or over the period of the power purchasing agreement

Power generating plants of some of the Group companies in the renewable energy segment that are not depreciated as above are depreciated on the unit of production basis. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital Work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, awaiting capitalisation.

Reclassification to investment property

When the use of a 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 recognised in profit or loss to the extent that it reverses a previous impairment losses on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

3.4.2 Leases

3.4.2.1 Group acting as a lessee

At commencement or modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its stand-alone price.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of- use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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 Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of the lease asset.

- Lease payments included in the measurement of lease liability includes
- Fixed payments
- Variable lease payments that depend on an index or rate
- Amount expected to be payable under residual value guarantee
- The exercise price under a purchase option that the Company is reasonably certain to exercise

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable or if there is a fixed in substance lease payment.

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

The Group presents the right-of- use asset and the lease liability as separate line items in the Statement of Financial Position.

In the Statement of Cash Flows, lease payments are presented under financing activities, with both the interest and principal components included within this classification.

Short term leases and leases of low value assets

The Group elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short- term leases. The Group recognises the lease payments associated with these leases as an expense on the straight-line basis.

3.4.2.2 The Group acting as a lessor

When the Group acts as the lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of risks and rewards incidental to ownership of the underlying asset. If this is the case, lease is a finance lease; if not it is an operating lease.

3.4.3 Intangible Assets

An intangible asset is recognised if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 "Intangible Assets". Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Goodwill acquired in a business combination is tested annually for impairment or more frequently if events or changes in circumstance indicate that it might be impaired and carried at cost less accumulated impairment losses.

Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which goodwill arose.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using straight-line basis over the estimated useful lives from the date that they are available for use, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for the current and comparative periods are as follows: Computer software 3 years.

3.4.4 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or administrative purpose. Investment properties are initially measured at its cost including related transaction costs and subsequently at fair value with any change therein recognised in profit or loss.

Investment properties are derecognised when disposed or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on the retirement or disposal is recognised in the profit or loss in the year of retirement or disposal. Transfers are made to investment property, when there is a change in use. Where a Group company

occupies in a significant portion of an investment property of a subsidiary, such investment properties are treated as property, plant & equipment the consolidated financial statements and accounted for as per LKAS 16 Property, Plant & Equipment unless such properties are originally acquired with the intention of capital appreciation.

3.4.5 Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The general basis on which cost is determined is: all inventory items, except manufactured inventories and work-in progress are measured at weighted average directly attributable cost.

Manufactured inventories and work in progress are measured at weighted average factory cost which includes all direct expenditure and appropriate shares of production overhead based on normal operating capacity.

3.4.6 Financial Instruments

3.4.6.1 Recognition and initial measurement

The Group initially recognises receivables and deposits on the date they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes party to the contractual provision 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 an 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.

3.4.6.2 Classification and subsequent measurement

3.4.6.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at; amortised cost; FVOCI –debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequently to their 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 designated 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 on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

On the initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in

OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial assets that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held at a portfolio level 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 realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management. The risks that affect the performance of the business model (and the financial assets held within the 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 asset managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation 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 Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

A. Financial Assets - Assessment whether contractual cash flows are solely payment of principal and interest:

For the purpose 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 cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payment 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 limits the Group's claim to cash flows from specific assets (e.g. non-recourse features)

The prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding,

which may include reasonable addition compensation for early termination of the contract.

B. Financial Liabilities

Financial Liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost of FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4.6.2.2 Derecognition Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any noncash assets transferred or liabilities assumed) is recognised in profit or loss.

Hedge accounting and cash flow hedge

'Hedging' is a process of using a financial instrument to mitigate all or some of the risk associated to a hedged item. 'Hedge accounting' changes the timing of recognising the gains and losses on either the hedged item or the hedging

instrument so that both are recognised in profit or loss or other comprehensive income in the same accounting period in order to record the economic substance of the relationship between the hedged item and instrument.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on a prospective basis according to SLFRS 09 – 'Financial Instruments' requirements.

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

Cash Flow Hedge

A hedge of an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset, liability or a highly probable forecast transaction that could affect the profit or loss is classified as a cash flow hedge.

When a non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the non-derivative financial liability is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the non-derivative financial liability that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the non-derivative financial liability is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of the hedging reserve are immediately reclassified to profit or loss.

3.4.7 Impairment Financial Assets

A. Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Loss (ECL) on:

- Financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs:

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.
- The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

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

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

Evidence that a financial asset is credit-impaired includes the following observable data;

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in it's entirely or a portion thereof. The Group initially makes an assessment with respect to the timing and amount to write off based on whether there is a reasonable expectation of recovery.

B. Non Financial Assets

The carrying amounts of the Company'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, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU 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 discounting rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or CGUs.

Impairment losses are recognised in Profit or Loss. Impairment losses recognised in respect of CGUs are allocated reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

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.

3.4.8 Stated Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.4.9 Employee Benefits

(a) 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 in cash as ex-gratia in the short term, 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.

(b) Defined contribution plan

A defined contribution plan is a postemployment 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.

Provident fund and Employee trust

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

Employees' Trust Fund (ETF)

The Group entities contributes 3% of the basic salary of each employee to the Employees' Trust Fund.

Pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme.

Provident fund – India

Group companies in South India contribute a sum of 12% of the basic salaries of for local employees and 12% of gross salary for foreign employees as provident fund benefits to the Employee Provident Organisation of India.

Provident fund – Fiji

Group companies in Fiji contribute a sum of 10% of the basic salaries of all employees as provident fund benefits to the Fiji National Provident Fund.

Defined Contribution Funds – Oman

Group companies in Oman contribute a sum of 13.5% of the Omani employee's gross salary and 1% from expat's employee's gross salary w.e.f. August 2024 in accordance with Social Security Insurance Law.

(c) Define Benifit Plan

A defined benefit D plan is a postemployment benefit plan other than a defined contribution plan.

Retiring Gratuity - Sri Lanka

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.

Management's estimate of the defined benefit plan obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. 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.

When the benefits of a 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 recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The provision for retirement benefits obligations for the year is based on both internally developed method as recommended by Sri Lanka Accounting Standard No 19 "Employee Benefits" and the actuarial valuation carried out by professionally qualified actuaries. Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

The Group has made payments in accordance with Gratuity Act No. 12 of 1983. Accordingly, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income as they occur.

Retiring Gratuity – India

A liability is provided for employees in India based on a valuation made by an independent actuary using unit credit method for payment of gratuity at the rate of 15/26 times the monthly qualifying salary for each year of service.

Retiring Gratuity – Fiji

Retirement benefit liability is recognised for all permanent employees in Fiji based on four months salary plus four weeks pay for every year of service effective from the appointment date until retirement at 60 years. However, in order to be entitled for the gratuity payment, the employees should have completed minimum of 5 years continuous service preceding the date of retirement.

Retiring Gratuity – Oman

Gratuity is provided as per the labour law of Sultanate of Oman due to expatriate employees upon termination/ completion of employment which is computed

based on one month's basic salary for each year of employment.

3.4.10 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised, if as a result of a past event, 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.

All the contingent liabilities are disclosed, as Notes to the Financial Statements unless the outflow of resources is made contingent assets if exits are disclosed when inflow of economic benefit is probable.

3.4.11 Commitments

All material commitments as at the reporting date have been identified and disclosed in the Notes to the Financial Statements.

3.5 Statement of Profit or Loss and Other Comprehensive Income

3.5.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue when it transfers the promised good or service to a customer. Revenue is presented net of value added tax (VAT), rebates and discounts and after eliminating intragroup sales.

SLFRS 15 established a comprehensive framework for determining whether, how much and when to recognise revenue. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Group revenue is recognised when a customer obtains control of the goods or services. Standard also gives guidelines for determining the timing of the transfer of control ie: at a point in time or over time requires judgement.

Under SLFRS 15, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of

cumulative revenue recognition will not occur.

a. Sale of goods

Revenue from sale of goods is recognised on accrual basis at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties and free maintenance). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)

b. Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period irrespective of whether the service is billed.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer.

However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and records the revenue at the net amount that it retains for its agency services.

c. Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the agreement.

d. Other Revenue Rental income

Rental income arising from renting of property, plant and equipment and investment properties is recognised as revenue on a straight-line basis over the term of the hire.

Contract Balances

Contract Assets

Contract Assets represent group's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on

something other than the passage of time (for example, the entity's future performance).

Contract Liabilities

Contract Liabilities represent group's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer (or the amount is due).

e. Dividend income

Dividend income is recognised 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.

3.5.2 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale is capitalised as part of that asset.

Borrowing costs that are not capitalised are recognised as expenses in the period which they are incurred and charged to the statement of profit or loss.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with the in LKAS 23 – 'Borrowing Costs'.

3.5.3 Finance Income and Expenses

Finance income comprises interest income on funds invested gains

on the disposal of financial assets. Interest income is recognised as it accrues in the profit or loss, using the effective interest method.

Finance cost comprise interest expenses on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available for sale financial assets, impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign

currency movements are in a net gain or net loss position.

3.5.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, or other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 – "Provisions, Contingent Liabilities and Contingent Assets".

a. Current Income Tax

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

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

b. 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 the following temporary differences:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets 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.

Temporary differences in relation to a right-of-use asset and lease liability are regarded as a net package (net of right-of- use asset and lease liability) for the purpose of recognising deferred tax.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.6 Subsequent Events

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements.

3.7 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 Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.8 Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (Business Segment) or in providing products or services within a particular

economic environment (Geographical Segment), which is subject to risks and rewards that are different from those of other segments.

The activities of the segments are described in Note 05 to the Financial Statements.

3.9 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'Indirect Method' of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 'Statement of Cash Flows.' Cash and cash equivalents comprise short- term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.10 Comparative Figures

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the current period's financial statements and to enhance the interpretation comparability.

3.11 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 recognized 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.

3.12 Policies Specific to Plantation Sector

3.12.1 Biological Assets

3.12.1.1 Immature and Mature Plantations

Biological assets are classified into mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specification. Tea, rubber, other plantations and nurseries are classified as biological assets. Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea plants, those that are not intended to be sold or harvested, however used to grow for harvesting agriculture produce. Consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce from biological assets or sold as biological assets. The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – "Property Plant & Equipment" as per the ruling issue d by Institute of Chartered Accountants of Sri Lanka.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Tea, Rubber, Timber fields) which comes into bearing during the year, is transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

Permanent impairments to biological asset are charged to the statement of profit or loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. Key assumptions and sensitivity analysis are given in Note 18.2.1 and 18.2.2.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

3.12.1.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever Is lower.

Infilling costs that are not capitalised have been charged to the Income Statement in the year in which they are incurred.

3.12.1.3 Land Development Cost

These costs have been capitalised and amortised over the remaining lease period. Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands.

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

3.12.2 Depreciation and Amortisation

(a) Depreciation

Depreciation is recognised in statement of profit or loss on a straight-line basis over the estimated useful economic lives of each part of an item of property, plant & equipment. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term. Lease period of land acquired from JEDB/ SLSPC will be expired in year 2045. The estimated useful lives for the current and comparative periods are as follows:

	No. of years	Rate %
Buildings & Roads Plant & Machinery Motor Vehicles Equipment Furniture & Fittings Water Sanitation's	40	2.5
Mature Plantations (Tea) Mature Plantations (Rubber) Coffee	20/25	4.00/5.00
Citrus Bare land	15/20	5.00/6.67
Improvements to land Buildings	8/4	12.50/25
Mini Hydro Scheme	10	10
Water Sanitation's	20	5
Mature Plantations (Tea)	33 1/3	3
Mature Plantations (Rubber)	20	5
Coffee	10	10
Citrus	10	10
Bare land	53	1.89
Improvements to land	30	3.33
Buildings	25	4
Mini Hydro Scheme	10	10

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is less. No depreciation is provided for immature plantations.

(b) Amortisation

The leasehold rights of assets taken over from SLSPC are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

3.12.3 Deferred Income

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

Grants related to Property, Plant and Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant and Equipment. Grants received for forestry are initially deferred and credited to Statement of Profit or Loss and Other Comprehensive Income at once when the related blocks of trees are harvested.

3.13 Policies Specific to Insurance Sector

3.13.1 Insurance Contracts

As permitted by SLFRS 4 Insurance Contracts, the Group continues to apply the existing accounting policies for Insurance Contracts that were applied prior to the adoption of SLFRS.

Product Classification

SLFRS 4 requires contracts written by insurers to be classified as either "insurance contracts" or "investment contracts" depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

All the products sold by the Group are insurance contracts and therefore classified as Insurance contracts under the SLFRS 4 – Insurance Contracts. Thus, the Group does not have any investment contracts within its product portfolio as at the reporting date.

3.13.2 Deferred Acquisition Costs (DAC)

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred and amortised over the period in which the related revenues are earned. All other acquisition costs are recognised as an expense when incurred.

The DAC is applicable only to Non – Life Insurance Contracts. In line with the available regulatory guidelines from the Insurance Regulatory Commission of Sri Lanka (IRCSL), the DAC is calculated based on the 365 days basis.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the statement of comprehensive income. No such indication of impairment was experienced during the year. DAC is derecognised when the related contracts are either settled or disposed- off.

3.13.3 Reinsurance

The Group cedes insurance risk in the normal course of business to recognised re-insurers through formal reinsurance arrangements. Reinsurance assets include the balances due from reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from re-insurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the re-insurer's policies and are in accordance with the related reinsurance contract.

Reinsurance is recorded gross in the statement of financial position unless a right to offset exists. Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the re-insurer. The impairment loss, if any is recorded in the statement of profit or loss.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

3.13.4 Premium Receivable

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Collectability of premiums is reviewed on an ongoing basis.

According to the Premium Payment Warranty (PPW) directive issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), all Non-Life insurance policies are issued subject to PPW and are cancelled upon the expiry of 60 days if not settled except some selected customers where Group has allowed extra period for settlements.

3.13.5 Insurance Provision – Non – Life Insurance

Non - Life Insurance contract liabilities include the outstanding claims provision including IBNR / IBNER and provision for unearned premiums.

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries.

Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date.

The valuation of Unearned Premium Reserve is measured in accordance with guidelines of the Regulation of Insurance Industry Act, No. 43 of 2000 (i.e. based on the 365 days basis). The Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims reserve are actuarially computed. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

Liability Adequacy Test (LAT)

As required by the SLFRS 4- Insurance Contracts, the Group performed a Liability Adequacy Test (LAT) in respect of Non – Life Insurance contract liabilities with the assistance of the external actuary.

3.13.6 Change in Insurance Contract Liabilities- Life Fund

Changes in the valuation of insurance contract liabilities are recognised in the statement of profit or loss under change in contract liabilities.

The Directors are satisfied with the provision relating to long term insurances contract liabilities of the company as at the year- end as certified by the appointed actuary following his annual valuation conducted on the life insurance fund. The actuarial valuation takes into account all liabilities and is based on assumptions recommended by the appointed actuary.

Liability Adequacy Test ("LAT")

A Liability Adequacy Test ("LAT") for insurance contract liability was carried out by WeDapt Services as at 31st December 2025 as required by SLFRS 4 - Insurance Contracts. The valuation is based on internationally accepted actuarial methods and is performed on annual basis. According to the Consultant Actuary's report, the Company adequately satisfies the LAT as at 31st December 2025 No additional provision was required against the LAT as at 31st December 2025.

3.13.7 Revenue Recognition

3.13.7.1 Insurance Premiums

a) Non - Life Insurance Business

Gross written premiums - Non – Life Insurance comprise the total premiums received /receivable for the whole period of cover provided by contracts entered into during the accounting period. Gross Written Premium is generally recognised is written upon inception of the policy. Upon inception of the contract, premiums are recorded as written and are earned primarily on a prorate basis over the term of the related policy coverage.

Rebates that form part of the premium rate, such as no claim rebates, are deducted from the gross premium.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on 365 days basis in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000. However, for those contracts for which the period of risk differs significantly from the contract period, premiums

are earned over the period of risk in proportion to the amount of insurance protection provided. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums which is included under liabilities.

(b) Gross Written Premium (GWP) -Life insurance Business

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Benefits and expenses are provided against such revenue to recognize profits over the estimated life of the policies.

The Company recognizes revenue based on the probability of economic benefits flowing to the Company and the ability to reliably measure the revenue. Revenue from gross written premiums on life insurance contracts is recognized when payable by the policyholder, with policies within the 60-day grace period considered due for endowment products. Any premiums received in advance are not recorded as revenue but as a liability until the premium is due, unless the relevant policy conditions require them to be recognized as income. To recognize profits over the estimated life of the policies, benefits and expenses are provided against this revenue. For single premium business, revenue is Recognised on the effective date of the policy. All products sold by the Company are classified as insurance contracts, and there are no investment contracts in the Company's portfolio as of the reporting date. The premium income for the year, categorized by major classes of business.

c) Reinsurance Premiums

Gross reinsurance premiums on insurance contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Reinsurance premiums are decided based on rates agreed with re- insurers. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts (using 365 days basis in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000).

3.13.7.2 Policy Income

Insurance contract policyholders are charged for policy administration services and other contract fees. These fees are recognised as revenue upon receipt or becoming due and is classified under other income.

3.13.8 Benefits, Claims and Expenses

a) Gross Benefits and Claims Non - Life Insurance Business

Non - Life insurance claims include all claims occurring during the year, whether reported or not together with claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims outstanding are

assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims.

The provision in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is actuarially valued to ensure a more realistic estimation of the future liability based on the past experience and trends. Actuarial valuations are performed on a semiannual basis. Whilst the Directors consider that the provisions for claims are fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events.

This may result in adjustments to the amounts provided. Such amounts are reflected in the financial statements for that period.

The methods used to estimate claims and the estimates made are reviewed regularly.

b) Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

(c) Premium Ceded to Re-insurers

Reinsurance premiums on life is recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Value of the premiums are decided on the rates agreed with reinsurers and accounted on an accrual basis.

(d) Net insurance benefits and claims paid

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims. Maturities and annuity payments are recorded when due. Death claims, accident, hospitalisation and surrenders are

recorded on the basis of notifications received. Reinsurance recoveries Reinsurance claims are recognised when

the related gross insurance claim is recognised according to the terms of the relevant contract.

3.13.9 Net Deferred Acquisition Expenses

Acquisition expenses, representing commissions, which vary with and are directly related to the production of business, are deferred and amortised over the period in which the related written premiums are earned.

Reinsurance commission is also treated in the same manner within deferred acquisition costs.

3.13.10 Premium income (GWP) and other sundry sales related taxes

Revenue, expenses and assets are recognised net of the amount of sales taxes and premium taxes except where the premium or sales tax incurred on the purchase of assets services is not recoverable from the taxation authority, in which case, the sale tax is recognised as a part of the cost of acquisition of the asset or as a part of the expense item, as applicable.

3.14 Policies Specific to Telecommunication Sector

3.14.1 Depreciation

The estimated useful lives used are as follows;

3.14.2 Intangible Assets

Shelters and other equipment	
Leasehold improvements	5 years
Leased equipment	3 – 10 years
Office/Other equipment	1 - 5 years
Digital Electronic Switches	10 years
Network Equipment	10 years
Towers	10 years
Customer premise equipment	1 – 10 years
FLAG project assets	5 – 15 years
WiMAX	5 – 10 years

3.14.2.1 License Fees and Access Rights

Separately acquired licenses and access rights are shown at historical cost. Expenditures on license fees and access rights that is deemed to benefit or relate to more than one financial year is classified as intangible assets and is being amortised over the agreement period on a straight line basis.

3.14.2.2 Amortisation

Amortisation is recognised in the statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 – 5 years
FLAG access rights	15 years
Licenses	10 years

3.14.3 Revenue

Revenue from services rendered in the course of ordinary activities is measured at fair value of the consideration received or receivable net of trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exist, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The revenue is recognised as follows:

3.14.3.1 Domestic and International Call Revenue, Rental Income

Revenue for call time usage by customers is recognised as revenue as services are performed on accrual basis.

Fixed rental is recognised as income on a monthly basis in relation to the period of the rental.

3.14.3.2 Revenue from other Network Operators and International Settlements

The revenue received from other network operators, local and international, for the use of the Group's telecommunication network are recognised, net of taxes, based on usage taking the traffic minutes/ per second rates stipulated in the relevant agreements and regulations and based on the terms of the lease agreements for fixed rentals. Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Group's network and presented on gross basis.

The relevant revenue accrued is recognised under income in the statement of profit or loss and interconnection expenses recognised under operating costs in the statement of profit or loss.

3.14.3.3 Revenue from Broadband

Revenue from broadband service is recognised on usage and the fixed rental on a monthly basis when it is earned net of taxes, rebates and discounts.

3.14.3.4 Revenue from other Telephony Services

The revenue from Data services and other telephony services are recognised on an accrual basis based on fixed rental contracts entered between the Group and subscribers.

3.14.3.5 Installation Revenue

The installation revenue relating to Code Divisional Multiple Access (CDMA) and non CDMA connections are deferred over the expected life of the customer on the network.

3.14.3.6 Service Agreements Revenue

Capacity contracts which convey the right to use a specified capacity in an identified fibre cable are accounted as service arrangements. Customers are charged on a monthly basis based on usage, and the contracts are for a short- term.

3.14.3.7 Prepaid Card Revenue

Revenue from the sale of prepaid card on CDM A, Internet is recognised upon activation of the said card as the period of expiry of the card and the non- refundable nature of the amounts are considered immaterial to the revenue recognition process

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification is made only when the sale is highly probable, the asset (or disposal group) is available for immediate sale in its present condition, and management is committed to the sale, which is expected to be completed within one year from the date of classification.

Assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of such assets ceases upon classification as held for sale.

3.15 Discontinued operations

A discontinued operation is a component of the Group's business that has either been disposed of or ceased their operations or classified as held for sale, and represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the statement of profit or loss, net of tax, from continuing operations. Comparative figures are re-presented to classify operations that meet the criteria as discontinued in the current period.

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 financial statements.

The following new or amended standards and interpretations have been issued, but not yet effective, as at the reporting date of the Consolidated Financial Statements. These are not expected to result in material impact to the Group on adoption.

Sri Lanka Accounting Standard – SLFRS 18 on "Presentation and Disclosure in Financial Statements" (SLFRS 18)

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements" and applies to the Group effective from 1 January 2027. The new accounting standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities' net profit will not change.

Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements.

Enhanced guidance is provided on how to group information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method.

The Group is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Group's Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the Financial Statements including items currently labelled as 'other'.

Sri Lanka Accounting Standard – SLFRS 19 on "Subsidiaries without Public Accountability" (SLFRS 19)

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from 1 January 2027. The Group does not expect this will result in a material impact on its Consolidated Financial Statements. However, this may have an impact on the separate Financial Statements of the subsidiaries of the Company as appropriate.

Other accounting standards

Annual improvements to SLFRS Accounting Standards – Volume 11

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Company's Financial Statements.

4.1 SLFRS 17 Insurance Contracts

SLFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.' It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM. Under SLFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

SLFRS 17 introduces a new measurement model for insurance contracts and becomes effective on 1st January 2026.

SLFRS 17 is expected to have a significant impact, as the requirements of the new standard are complex and requires a fundamental change to accounting for insurance contracts as well as the application of significant judgement and new estimation techniques.

The effect of changes required to the Group's accounting policies as a result of implementing these standards are currently uncertain, but these changes can be expected to, among other things, alter the timing of profit recognition. Given the implementation of this standard is likely to involve significant enhancements to IT, actuarial and finance systems of the Group, it will also have an impact on the Group's expenses.

The Group initiated a road map in 2021 to implement SLFRS 17 after successfully completing the initial Gap Assessment. A professionally qualified internal team has set for the execution of implementation plan with the support of external accounting and actuarial consultants. Group is working towards upgrading and identifying new requirements on current actuarial and accounting systems to be in line with the SLFRS 17 new requirements.

On the regulatory front, the industry requested deferment of the implementation date for SLFRS 17 from 2023 to 2026. Considering the complexity of the standard and economic situation of the country, CA Sri Lanka has extended implementation date for SLFRS 17 till 1st January 2026.

Scope

An entity shall apply SLFRS 17 Insurance contracts to:

- Insurance contracts, including reinsurance contracts, it issues;
- Reinsurance contracts it holds; and
- Investment contracts with discretionary participation features issues provided the entity also issues insurance contracts.

Some contracts meet the definition of an insurance contract but have their primary purpose as provision of services for a fixed fee. Such issued contracts are in the scope of the Standard, unless an entity chooses to apply to them SLFRS 15 Revenue from Contracts with Customers and provided the following conditions are met:

- the entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer.
- the contract compensates customers by providing a service, rather than by making cash payments to the customer; and
- The insurance risk transferred by the contract arises primarily from the customer's use of service rather than from uncertainty over the cost of those services.

Recognition

Currently, all acquisition costs were recognized and presented as separate assets from the related insurance contracts ("deferred acquisition costs") until those costs were included in profit or loss and OCI. Under SLFRS 17, only insurance acquisition cash flows that arise and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognized.

An entity shall recognize a group of insurance contracts it issues from the earliest of the following:

a) the beginning of the coverage period;

b) the date when the first payment from a policyholder becomes due; and when the group becomes onerous if facts and circumstances indicate that there is such a group

SLFRS 17 specify three measurement approaches;

a) Building Block Approach (BBA)

b) Premium Allocation Approach (PAA)

c) Variable Fee Approach (VFA)

Building Block Approach (General Measurement Model) Measurement

On initial recognition, an entity shall measure a group of contracts at the total of:

a) The amount of fulfilment cash flows ("FCF"), which comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money ("TVM") and the financial risks associated with the future cash flows; and

- a risk adjustment for non-financial risk

b) The contractual service margin ("CSM").

An entity shall include all the cash flows within the boundary of each contract in the group. The entity may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfilment cash flows to individual groups of contracts.

The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the entity without undue cost and effort about the amount, timing and uncertainty of those future cash flows. They should reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices.

Discount rates

The discount rates applied to the estimate of cash flows shall:

- reflect the time value of money (TVM), the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- be consistent with observable market prices of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts; and
- Exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Risk Adjustment for Non-financial Risk

The estimate of the present value of the future cash flows is adjusted to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

Contractual Service Margin

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

- the initial recognition of an amount for the FCF;
- the derecognition at that date of any asset or liability recognized for acquisition cash flows; and
- Any cash flows arising from the contracts in the group at that date.

Subsequent Measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

a) the liability for remaining coverage comprising:

- the FCF related to future services and;
- the CSM of the group at that date;

b) the liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.

Onerous Contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. An entity shall recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF and the CSM of the group being zero.

On subsequent measurement, if a group of insurance contracts become onerous (or more onerous), that excess shall be recognised in profit or loss. Additionally, CSM cannot increase and no revenue can be recognised, until the onerous amount previously recognised has been reversed in profit or loss as part of a service expense.

Premium Allocation Approach

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that, at the inception of the group:

a) the entity reasonably expects that this will be a reasonable approximation of the General Model, or

b) the coverage period of each contract in the group is one year or less

Where, at the inception of the group, an entity expects significant variances in the FCF during the period before a claim is incurred, such contracts are not eligible to apply the PAA.

Using the PAA, the liability for remaining coverage shall be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows.

Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortisation of acquisition cash flows, minus the amount recognised as insurance revenue for coverage provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

Modification and De-recognition

Modification of an insurance contract

If the terms of an insurance contract are modified. an entity shall derecognise the original contract and recognise the modified contract as a new contract if there is a substantive modification. based on meeting any of the specified criteria.

The modification is substantive if any of the following conditions are satisfied:

a) if, had the modified terms been included at contract's inception, this would have led to:

- exclusion from the Standard's scope;
- unbundling of different embedded derivatives;
- redefinition of the contract boundary; or
- the reallocation to a different group of contracts; or

b) if the original contract met the definition of a direct participating insurance contracts, but the modified contract no longer meets that definition, or vice versa; or

c) the entity originally applied the PAA, but the contract's modifications made it no longer eligible for it.

De-recognition

An entity shall de-recognise an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Presentation in the Statement of Financial Position

An entity shall present separately in the statement of financial position the carrying amount of groups of:

- insurance contracts issued that are assets;
- insurance contracts issued that are liabilities;
- reinsurance contracts held that are assets; and
- reinsurance contracts held that are liabilities.

Recognition and Presentation in the statement(s) of financial performance

An entity shall disaggregate the amounts recognised in the statement(s) of financial performance into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income or expenses.

Income or expenses from reinsurance contracts held shall be presented separately from the expenses or income from insurance contracts issued.

Insurance Service Result

An entity shall present in profit or loss revenue arising from the groups of insurance contracts issued, and insurance service expenses arising from a group of insurance contracts it issues, comprising incurred claims and other incurred insurance service expenses. Revenue and insurance service expenses shall exclude any investment components. An entity shall not present premiums in the profit or loss, if that information is inconsistent with revenue presented.

Insurance Finance Income or Expenses

Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of many and changes in the time value of money; and
- the effect of changes in assumptions that relate to financial risk; but
- excluding any such changes for groups of insurance contracts with direct participating insurance contracts that would instead adjust the CSM.

An entity has an accounting policy choice between including all of insurance finance income or expense for the period in profit or loss, or disaggregating it between amount presented in profit or loss and amount presented in other comprehensive income ("OCI").

Under the general model, disaggregating means presenting in profit or loss an amount determined by a systematic allocation of the expected total finance income or expenses over the duration of the group of contracts. On derecognition of the groups amounts remaining in OCI are reclassified to profit or loss.

Under the VFA, for direct participating insurance contracts, only where the entity holds the underlying items, disaggregating means presenting in profit or loss as insurance finance income or expenses an amount that eliminates the accounting mismatches with the finance income or expenses arising on the underlying items. On derecognition of the groups, the amounts previously recognised in OCI remain there.

Disclosures

An entity shall disclose qualitative and quantitative information about:

a) the amounts recognised in its Financial Statements that arise from insurance contracts;

b) the significant judgements, and changes in those judgements, made when applying SLFRS 17; and

c) the nature and extent of the risks that arise from insurance contracts.

Effective Date

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted if both SLFRS 15 'Revenue from Contracts with Customers' and SLFRS 9 'Financial instruments' have also been applied. The Group intends to adopt the new standard on its mandatory effective date.

Transition

An entity shall apply the Standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilise reasonable and supportable information and maximise the use of information that would have been used to apply a full retrospective approach, but need only use information available without undue cost or effort. Under this approach the use of hindsight is permitted, if that is the only practical source of information for the restatement of prior periods.

Under the fair value approach, an entity determines the CSM or the loss component at the transition date as the difference between the fair value of a group of insurance contracts at that date and the FCF measured at that date. Using this approach, on transition entity has a choice need for annual groups.

At the date of initial application of the Standard, those entities already applying SLFRS 9 may retrospectively re¬designate and reclassify financial assets held in respect of activities connected with contracts within the scope of the Standard.

Entities can choose not to restate SLFRS 9 comparatives with any difference between the previous carrying amount of those financial assets and the carrying amount at the date of initial application recognised in the opening equity at the date of initial application. Any restatements of prior periods must reflect all the requirements of SLFRS 9.

The Group has completed a gap assessment for SLFRS 17 in consultation with external consultants of actuarial and finance and in the process of initiating an implementation plan. This will involve setting of accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing and implementing appropriate actuarial and finance system changes.

SLFRS 9 financial instruments and amendments to SLFRS 4 insurance contracts

SLFRS 9, issued in 2014, replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial Instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from LKAS 39.

Based on the proposed amendments to SLFRS 4 'Insurance contracts', the entities whose predominant activity is issuing insurance contracts are permitted to defer the full application of SLFRS 9 until the earlier of 2022 or adoption of SLFRS 17, which is currently expected to be effective from 2026.

An insurer may apply the temporary exemption from SLFRS 9 if, and only if:

(a) it has not previously applied any version of SLFRS 9,other than only the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss.

(b) its activities are predominantly connected with insurance, at its annual reporting date that immediately precedes 1 April 2016, or at a subsequent annual reporting date.

Assessment for qualifying for the temporary exemptions

Based on the above, the Group is permitted to apply the temporary exemption as the Group meets the eligibility criteria as follows;

The Group has not applied SLFRS 9 before; and

The Group's activities are predominantly connected with insurance as the ratio of its liabilities connected with insurance - including investment contracts measured at fair value through profit or loss - compared with total liabilities is greater than 80% but less than 90% and the Group does not engage in significant activity unconnected with insurance. Accordingly, the Group qualifies for a pure insurance Group.

Continental Insurance Lanka Limited	31 Dec 2025 (Rs'000)	31 Dec 2024 (Rs'000)
Insurance contract liabilities	7,313,175	5,031,665
Reinsurance Payable	705,429	608,023
Premium received in advance	786,620	411,908
Liabilities connected with insurance	8,018,604	6,051,597
Total liabilities	10,136,080	7,673,428
Predominance ratio	80%	80%

Continental Insurance Life Lanka Limited	31 Dec 2025 (Rs'000)	31 Dec 2024 (Rs'000)
Insurance contract liabilities	93,830	109,201
Reinsurance Payable	81,866	156,558
Commission Payable	2,941	4,925
Claims Payable	25,707	8,481
Insurance Related other liabilities	12,631	7,707
Liabilities connected with insurance	216,975	286,872

	31 Dec 2025 (Rs'000)	31 Dec 2024 (Rs'000)
Total liabilities	285,232	351,543
Predominance ratio	76%	82%

Disclosures to provide comparability

Financial assets that meet the SPPI Test, Solely Payment of Principal and Interest (excluding the financial assets that meet the definition of held for trading or managed and evaluated on a fair value basis).

Instrument - Continental Insurance Lanka Limited	Current classification	Carrying value Under LKAS 39 (Rs'000)	Classification under SLFRS 9	Carrying value (Rs'000)	Changes in Carrying value (Rs.000)
Fixed deposits	L&R	2,935,619	Amortized Cost	2,935,619	-
Sri Lanka development bonds	L&R	-	Amortized Cost	-	-
Sri Lanka sovereign bonds	L&R	150,142	Amortized Cost	150,142	-
Listed debentures	L&R	1,587,776	Amortized Cost	1,587,776	-
Treasury bills	L&R	-	Amortized Cost	-	-
REPO	L&R	874,723	Amortized Cost	874,723	-

Instrument - Continental Insurance Life Lanka Limited	Current classification	Carrying value Under LKAS 39 (Rs'000)	Classification under SLFRS 9	Carrying value under SLFRS 9 (Rs'000)	Changes in Carrying value (Rs.000)
Term deposits	L&R	5,107	Amortized Cost	5,107	
Listed debentures	L&R	323,221	Amortized Cost	323,221	
Unlisted debentures	L&R	35,526	Amortized Cost	35,526	
REPO	L&R	329,468	Amortized Cost	329,468	

All other financial assets (that meet the definition of held for trading or managed and evaluated on a fair value basis)

Instrument - Continental Insurance Lanka Limited	Current classification	Carrying value/Fair value Under LKAS 39 (Rs'000)	Classification under SLFRS 9	Fair value (Rs'000)	Changes in fair value (Rs'000)
Treasury bonds	AFS	964,602	FVOCI	964,602	-
Equity shares	FVTPL	38,801	FVTPL	38,801	-
Unit trusts	FVTPL	88,137	FVTPL	88,137	-

Instrument - Continental Insurance Life Lanka Limited	Current classification	Carrying value/Fair value Under LKAS 39 (Rs'000)	Classification under SLFRS 9	Carrying value/ Fair value Under SLFRS 9 (Rs'000)	Changes in fair value (Rs'000)
Unit trusts	FVTPL	9,586	FVTPL	9,586	-

Classification - Financial assets

SLFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

SLFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. It eliminates the existing LKAS 39 categories of held to maturity, loans and receivables and available for sale.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated 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.

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value on OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition on the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Under SLFRS 9, derivative embedded in contracts where the host is a financial asset in the scope of SLFRS 9 are not separated. Instead, the hybrid financial instrument as whole is assessed for classification.

Business model assessment

The Group will make an assessment of the objective of the business model which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets that are held for trading and those that are managed and whose performance is evaluated on a fair

value basis will be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impact assessment

The standard will affect the classification and measurement of financial assets held as follows.

Trading assets and derivative assets held for risk management, which are classified as held-for-trading and measured at FVTPL under LKAS 39, will also be measured at FVTPL under SLFRS 9.

Loans and receivables measured at amortized cost under LKAS 39 will in general also be measured at amortized cost under SLFRS 9.

Held-to-maturity investment securities measured at amortized cost under LKAS 39 will in general also be measured at amortized cost under SLFRS 9.

Debt investment securities that are classified as available-for-sale under LKAS 39 may, under SLFRS 9, be measured at amortized cost, FVOCI or FVTPL, depending on the particular circumstances.

The majority of the equity investment securities that are classified as available-for-sale under LKAS 39 will be measured at FVTPL under SLFRS 9. However, some of these equity investment securities are held for long-term strategic purposes and will be designated as at FVOCI on initial recognition.

Based on the internal assessment, there would have been no significant impact on the financial statement had the Group adopted SLFRS 9 as at reporting date.

Impairment - Financial assets, loan commitments and financial guarantee contracts

SLFRS 9 replaces the 'incurred loss' model in LKAS 39 with a forward-looking 'expected credit loss' model. This will be required considerable judgement over how changes in economic factors affect Expected Credit Loss (ECLs), which will be determined on a probability-weighted basis.

The new impairment model applies to Financial Assets that are debt instruments that are not measured at FVTPL.

Under SLFRS 9, no impairment loss is recognised on equity investments.

SLFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The Group will recognise loss-allowances at an amount equal to lifetime ECLs.

Impact Assessment

The standard will affect the classification and measurement of financial assets held, as follows;

- Trading assets and derivative assets held for risk management, which are classified as held for trading and measured at fair value under LKAS 39, will also be measured at fair value under SLFRS 9.
- Loans and receivables measured at amortized cost under LKAS 39 will also be measured at amortized cost under SLFRS 9.
- Held to maturity investment securities measured at amortized cost under LKAS 39 will be measured at amortized cost under SLFRS 9.
- Debt investment securities that are classified as available for sale under LKAS 39 may, under SLFRS 9, be classified under FVTOCI or amortized cost and measured at fair value / amortized cost depending on the particular circumstance.
- The equity investment securities that are classified as fair value through profit or loss under LKAS 39 will be remained under FVTPL and measured at fair value under SLFRS 9.

Debt investment securities that are determined to have low credit risk at the reporting date. The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment-grade'; and

Other financial instruments for which credit risk has not increased significantly since initial recognition

Based on the internal assessment, there would have been no significant impact on the financial statement had the Group adopted SLFRS 9 as at reporting date.

SLFRS 15 – Revenue from Contracts with Customers

SLFRS 4 – Insurance Contracts are scoped out from this standard. Therefore, the Group may not have a significant impact to insurance transactions from the standard. However, there could be an impact to other revenue transactions with the implementation of this standard. The Group is assessing potential impact on its financial statements resulting from application of this standard.

NOTES TO THE FINANCIAL STATEMENTS

5 OPERATING SEGMENT INFORMATION

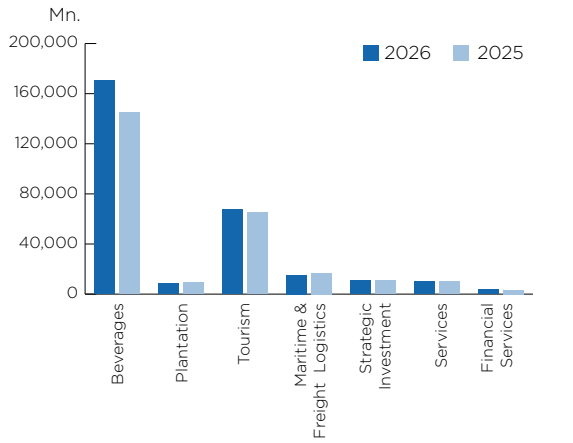
A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), which is subject to risks and rewards that are different from those of other segments.

Segmental information is presented in respect of the Group's business segments. The business segments are determined based on the Group's management and internal reporting structure. Inter-segment transfers are based on fair market prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.1 Segment revenues

For the year ended 31 March,	External revenue	
	2026 Rs.'000	2025 Rs.'000
Beverages	**170,248,666**	145,191,378
Plantation	**8,664,175**	9,529,614
Tourism	**67,331,166**	65,034,984
Maritime & Freight Logistics	**15,264,347**	16,913,235
Strategic Investment	**10,638,502**	10,752,958
Finance Services	**9,938,642**	10,187,336
Services	**3,929,762**	3,321,903
Total gross revenue from continuing operations	**286,015,259**	260,931,408
Excise duty	**(112,151,867)**	(91,318,188)
Total net revenue from continuing operations	**173,863,392**	169,613,220

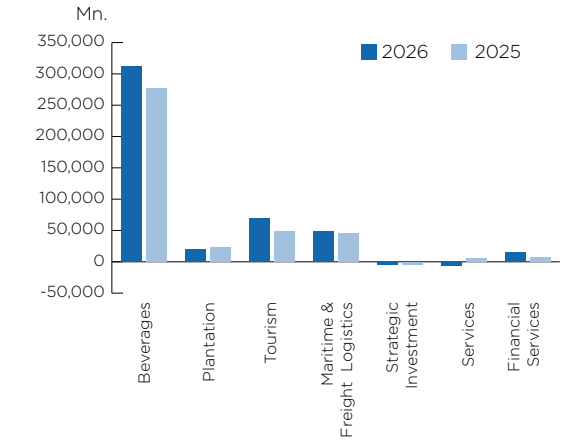
Business Segment Analysis - Revenue



5.2 Segment profits

For the year ended 31 March,	2026 Rs.'000	2025 Rs.'000
Beverages	**31,192,598**	27,720,048
Plantation	**1,988,143**	2,307,752
Tourism	**7,010,189**	4,845,889
Maritime & Freight Logistics	**4,875,122**	4,596,139
Strategic Investment	**(520,496)**	(401,062)
Finance Services	**(646,149)**	565,280
Services	**1,567,498**	640,816
Profit before income tax expense from continuing operations	**45,466,905**	40,274,862
Taxation	**(20,232,686)**	(18,045,681)
Profit for the year from continuing operations	**25,234,219**	22,229,181
Profit/ (loss) from discontinued operations (Net of Tax)	**1,027,958**	42,201
Profit after tax	**26,262,177**	22,271,382

Business Segment Analysis Profit/(Loss) for the Year



5.3 Other segmental information

For the year ended 31 March,	Reporting segment																Group Total	
	Beverages		Plantation		Financial Services		Tourism sector		Maritime and freight logistics sector		Strategic investments		Services sector		Discontinued Operations			
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Purchase of PPE	3,145,161	358,469	316,531	78,786	59,271	128,085	2,152,982	1,752,947	1,089,884	838,021	2,550,417	1,010,800	311,593	106,540	-	-	9,625,839	4,273,648
Additions to intangible assets	2,000	-	1,938	-	4,979	2,051	29,529	30,572	876	876	6,909	5,491	2,678	1,491	-	-	48,909	40,481
Depreciation of PPE	809,274	1,169,503	242,225	249,858	50,579	39,922	5,585,419	5,185,020	607,082	596,959	968,644	967,865	264,366	309,322	-	4,535	8,528,093	8,522,984
Amortization and impairment of intangible assets	258	26,675	535	573	43	-	24,228	21,995	1,960	1,960	21,088	20,385	4,679	9,214	-	-	52,791	80,802
Amortization of bearer biological assets at finance lease ((JEDB/SLPC)	-	-	140,104	130,764	-	-	-	-	-	-	-	-	-	-			140,104	130,764
Interest expense	25,146	43,777	104,993	179,040	136,241	143,443	4,068,666	5,307,725	363,428	389,377	1,635,678	1,840,643	23,813	73,814	508,629	505,290	6,866,594	8,483,109

As at 31 March,	Reporting segment																		Group Total	
	Beverages		Plantation		Financial Services		Tourism sector		Maritime and freight logistics sector		Strategic investments		Services sector		Discontinued Operations		Eliminations/other consolidated adjustments			
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Property, plant and equipment	8,847,666	6,613,704	4,205,801	2,789,429	197,962	200,890	72,046,277	67,787,688	11,296,112	9,306,162	24,548,330	22,810,818	6,054,760	4,990,366	435,126	434,621	34,604,423	33,107,409	162,236,457	148,041,086
Intangible assets	30,268	28,589	2,736	682	16,521	11,585	695,158	709,235	382,149	382,766	402,033	426,080	11,205	33,787	-	-	4,753,818	4,753,818	6,293,888	6,346,541
Investment property	-	-	576,038	508,763	33,149	33,149	72,000	72,000	547,400	525,500	11,410,782	9,377,651	9,072,580	8,513,602	-	-	(12,478,010)	(10,130,070)	9,233,939	8,900,595
Biological assets	-	-	12,582,775	11,631,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,582,775	11,631,450
Right-of-use assets	2,021,941	155,393	639,416	645,777	130,290	143,182	24,154,961	12,885,700	842,577	992,774	901,366	947,299	19,338	16,552	-	23,684	1,190,053	406,073	29,899,940	16,216,433
Total assets	59,271,043	45,710,416	20,759,717	18,391,902	16,968,724	15,194,390	114,390,536	113,480,665	31,638,447	31,388,911	201,286,048	192,306,764	21,721,353	21,137,494	614,647	662,862	(37,748,388)	(61,785,713)	428,902,127	376,487,691
Total liabilities	33,004,698	25,057,684	15,611,217	14,807,890	12,476,385	9,906,085	78,237,882	78,107,880	9,621,606	9,585,560	48,545,350	51,843,870	6,851,056	6,710,102	16,412,793	17,015,413	(21,614,061)	(31,728,082)	199,146,926	181,306,402
Retirement benefit obligations	484,040	465,940	2,530,517	2,399,750	170,447	156,307	990,440	832,067	568,365	508,776	597,763	527,017	142,138	132,842	-	14,103	-	-	5,483,710	5,036,802
Deferred tax assets	1,468,800	569,676	1,026,574	1,030,260	190,689	123,056	482,758	481,827	460,975	462,449	575,110	641,621	(85,062)	193,675	7,150	7,150	3,460,503	3,910,694	7,587,497	7,420,408
Deferred tax liabilities	3,115,463	2,380,528	5,240,510	4,565,070	59,042	50,848	5,848,003	4,291,967	1,758,534	1,382,492	2,271,998	2,012,854	2,919,035	2,836,253	359,062	359,062	9,400,269	9,701,726	30,971,916	27,580,800
Income tax payable	4,599,220	4,392,006	122,654	-	82,219	167,177	1,020,090	717,107	317,167	291,678	295,452	224,819	85,525	48,761	592	598	-	-	6,522,918	5,842,146

6 REVENUE

6.1 Revenue Streams

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Revenue from contracts with customers				
Sales of goods	**186,129,601**	162,180,734	**-**	-
Rendering of services	**99,392,115**	98,316,923	**227,227**	182,428
Other revenue	**493,543**	433,751		
Total gross revenue (Note 6.2)	**286,015,259**	260,931,408	**227,227**	182,428

6.2 Business segment analysis of gross revenue

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Beverages	**170,248,666**	145,191,378	**-**	-
Plantation	**8,664,175**	9,529,614	**-**	-
Tourism	**67,331,166**	65,034,984	**-**	-
Maritime & Freight Logistics	**15,264,347**	16,913,235	**-**	-
Strategic Investment	**10,638,501**	10,752,958	**227,227**	182,428
Finance Services	**9,938,642**	10,187,336	**-**	-
Services	**3,929,762**	3,321,903	**-**	-
Total gross revenue	**286,015,259**	260,931,408	**227,227**	182,428

6.3 Geographical segment analysis of gross revenue

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sri Lanka	**240,312,493**	218,019,740	**227,227**	182,428
Maldives	**36,511,582**	34,490,956	**-**	-
Other countries	**9,191,184**	8,420,712	**-**	-
Total gross revenue	**286,015,259**	260,931,408	**227,227**	182,428

6.4 Timing of revenue recognition

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Products and services transferred at a point in time	**187,384,159**	163,177,211	**-**	-
Products and services transferred over time	**98,631,100**	97,754,197	**227,227**	182,428
Total gross revenue	**286,015,259**	260,931,408	**227,227**	182,428

6.5 Performance obligations

Information about the Group's performance obligations are summarised below; ;

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Rendering of services		
Telecommunication sector		
Monthly rental (Fixed)	The Company charges a rental from their customer for maintaining telephony packages and connections. It is charged on a monthly basis along with the monthly usage bill.	The fixed charge is recognised as an income on a monthly basis.
Call revenue	The Company charges a usage charge based on their customers call usage in a monthly basis.	Revenue is recognised when a call is made based on the usage at the rate determined for the package.
Broadband revenue	The Company charges a usage charge based on their customers internet usage on a monthly basis.	The revenue is recognised based on the usage.
Installation revenue	The Company charges a non-refundable fee in part as compensation for costs incurred in setting up the connection.	The revenue is recognised based on the identified performance obligation. Performance obligation is deemed satisfied upon the completion of the installation.
Receipts from other network operators	The company charges other network operators, local and international, for the use of the Company's telecommunication network are recognised, net of taxes, based on usage taking the traffic minutes/per second rates stipulated in the relevant agreements and regulations and based on the terms of the lease agreements for fixed rentals.	Revenue is recognised at that time.
Flag and Site rental revenue	The Company lends the towers owned by the Company and sublends the FLAG cable to other network operators.	Rental income to be recognised over the period.
Diversified sector		
Tourism		
Hotel operation	Main revenue of the Group's hotel operation is provision of rooms for guest accommodation (apartment revenue). Apartment revenue is recognised on the rooms occupied on a daily basis over the period of the stay, while the revenue from other sources such as food and beverage sales, are accounted for at the time of consumption/service. Invoices to customers are raised on completion of the hotel stay.	Revenue recognition for the Group's hotel operation is at point of time.
Hotel management services	Consists of fees for providing management and marketing services to hotels. Fees for Hotel management services are calculated as a percentage of revenue and operating profit of the hotels.	Revenue for hotel management services is recognised at each month end.
Inbound and outbound travels	Main activity of the Group companies in the inbound and outbound travel segment is selling of tour packages and other destination management services. Customers are invoiced for the services at the commencement of the tour and the revenue is recognised at that point in time.	Revenue from sale of tour packages is recognised on the start date of the tour.
Airline General Sales Agent (GSA)	Overriding Commission from the Airlines is recognised when passenger actually uses the ticket while the ticketing commission from the airline is recorded on the date of the sale.	Revenue recognition at point in time.

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Maritime and logistics		
Maritime and port services	Operations of the Group's maritime segment includes provision of services of a shipping agent, bunkering services, representation of liner shipping agencies and global container services as an agent of the principal shipping line. Revenue for segment represents the commission derived from the services rendered to the shipping lines. Revenue from the port operation and management services performed by the Group is recognised on the completion of the operation.	Commission income is recognised upon the departure of the vessel.
	Revenue from the port operation and management services performed by the Group is recognised on the completion of the operation	Revenue is recognised at a point in time on completion of the port services.
Freight forwarding and courier	Revenue from freight forwarding and courier operations of the Group is recorded when the cargo is loaded to the vessel.	Revenue recognition for the freight forwarding and courier operation is at the point of time.
Integrated logistics	Revenue for the Group's Integrated Logistics sector, the Container Freight Station (CFS) and Inland Container Depot (ICD) is recognized when a container departs the facility. For the Transport, Distribution, and Special Operations (SPO) divisions, revenue is recognized upon completion of the agreed contractual activity. Revenue from the Warehousing and Mobile Storage Solutions (MSS) divisions is recognized over time, whereas the Container Repair division records revenue once the service is confirmed as complete and ready.	At a point in time for CFS, depot, transport, distribution, container repair and other special operations and over the period of time for warehouse and mobile storage solutions.
Airline GSA (Cargo)	Commission income from airline GSA is recognised when cargo is handed over to the airline	Revenue recognition at point of time
Strategic investments		
Power generation	Revenue from thermal power generation is recognised based on the actual amount of electricity generated and supplied to the national grid as a variable component and a fixed component referred to as capacity charge calculated based on the minimum guaranteed energy amount as specified in the power purchase agreement (PPA), while the Revenue from renewable power, namely wind, hydro and waste, is recorded based on a fixed tariff in terms of the respective PPAs. Invoices for the generation of power are raised on a monthly basis.	Revenue is recognised on the last day of the month based on the power generated during the month.
Services sector		
Elevator agency	Revenue on installation of elevators are recognised in the income statement by reference to the stage of completion at the reporting date. Stage of completion is measured by reference to the percentage of work done to date. Revenue for free maintenance inbuilt in the contract is deferred until installation is completed and there after recognised monthly once the maintenance period commences. However, invoices to customers are raised as per the contract terms.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on estimate of work completed.
Property management (Renting of property)	Income for the property management companies are derived from renting of properties owned by them. Invoices for renting of property are issued on a monthly basis over the period of the rental agreement.	Revenue is recognised over time during the period of the rent agreements
Water bottling operation for the use in the hotel sector	Customers obtain control of bottled water upon sale of the item. Invoices are generated and revenue is recognised at the point in time when the bottles are dispatched from the Group's warehouse.	Revenue is recognised when the water bottles are dispatched from the Group's warehouse.

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Printing and packaging (Supply of value added printing and packaging products and services)	Customers obtain control of goods when the goods are delivered to them. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods. Invoices are generated and revenue is recognised at the point in time when the goods are delivered.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.
Financial Services		
Life Insurance contracts	Insurance coverage (death, survival, health, disability) and related services are provided over the policy term. Policyholder benefits and claims are serviced as they arise.	Revenue is recognised under SLFRS 17 over time, as services are provided, based on the release of the liability for remaining coverage. Premiums received are not recognised as revenue at inception.
Unit-linked contracts (investment component with insurance coverage)	The Group provides insurance coverage and ongoing investment management services. Performance obligation is satisfied over the contract period.	Revenue from the sale of goods is recognised on the point which the goods are handed over to the customer.
Policy administration and other fees	Services (such as policy maintenance, fund switching, loan processing) are provided at a point in time or over time depending on the nature of service.	Revenue recognised under SLFRS 15 either at a point in time (e.g.,processing fees) or over time (e.g., annual policy servicing fees).
General Insurance contracts	Insurance coverage for risks such as motor, fire, health, marine and other short-duration risks. Obligations are satisfied continuously over the coverage period (generally 12 months).	Premium revenue is recognised under SLFRS 17 over time, in proportion to the pattern of coverage provided. Unearned premiums are recognised as a liability until coverage is provided.
Claims handling and related services	Handling and settlement of claims arising during the policy coverage period.	Revenue recognised under SLFRS 17 over the period when claims handling services are provided.
Reinsurance contracts held	Risk coverage provided by reinsurers over the contractual period.	Income from reinsurance contracts is recognised under SLFRS 17 over time, consistent with the recognition of reinsured risks.
Inward money transfer	The inward money transfer segment of the Group acts as a representative of the Western Union Network (France) SAS. Representative base compensation is recognised by the Company upon the completion of the inward money transfer.	Revenue is recorded at the point when inward money transfer is completed.
Insurance brokering	Commission income on the sale of insurance policies are recognised upon collection of the insurance premium while revenue from survey and other insurance services are recognised upon completion of the professional service.	Revenue recognised for commission income and fees for professional services is at point in time.
Sale of goods		
Beverages		
Liquor Bottles	Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or services to a contract.	Revenue from the sale of goods is recognised on the point which the goods are handed over to the customer.

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Plantation		
Sale of produce from plantation	Black tea produce is sold at the Colombo tea Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer.	Revenue from sale of other crops are recognised at the point in time when the control of the goods has been transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer."
Strategic Investment		
Manufacturing of apparels	Customers obtain control of goods when the garments are handed over to the nominated freight forwarding company who is an agent of the customer. Invoices are generated and revenue is recognised at that point in time	The Group recognises revenue when the manufactured garments are handed over to the nominated freight forwarding company.

7 COST OF SALES AND NET BENEFITS PAID

This includes all the directly attributable costs of sale of goods and rendering of services. Further net insurance benefits and claims paid, net change in insurance claims outstanding and underwriting an net acquisition costs in insurance businesses are included.

8 OTHER OPERATING INCOME

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Gain on change in fair value of biological assets	18.3	**897,118**	763,735	**-**	-
Amortisation of Government grants	34.1	**17,202**	17,205	**-**	-
Gain on sale of property, plant and equipment		**320,906**	77,176	**10,593**	-
Gain on termination of ROU asset		**-**	2,392	**-**	-
Fees and commission income		**115,544**	75,060	**-**	-
Rent income		**186,593**	151,884	**-**	-
Laboratory commissions		**-**	39,078	**-**	-
Sale of timber		**46,988**	1,826	**-**	-
Sundry income		**470,383**	408,706	**111**	33,765
Dividend income from subsidiary companies		**-**	-	**12,283,041**	11,601,406
Dividend income from equity accounted investees		**-**	-	**-**	-
Dividends from equity securities – at FVOCI		**955,834**	820,320	**955,834**	589,158
Dividends from equity securities – at FVTPL		**13,991**	7,269	**343**	113
Gain on disposal of fair value through profit and loss investments		**25,198**	38,730	**5,044**	-
Gain from Changes in Fair Value of Investment Properties	17	**386,897**	262,551	**397,882**	456,463
Gain on disposal of Joint ventures		**236,318**	9,493	**236,318**	45,318
Reversal of provision for impairment		**36,444**	776,377	**-**	-
Gain on Disposal of Assets Held for Sale		**2,514**	-	**-**	-
		3,711,930	3,451,802	**13,889,166**	12,726,223

8.1 SUNDRY INCOME

Sundry income presented within other operating income ,primarily comprises miscellaneous income items that are not specifically identifiable and are individually immaterial to the respective subsidiaries

9 OTHER OPERATING EXPENSES

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Net impairment of financial assets measured at amortised cost		**166,431**	2,102	**-**	-
Loss on disposal of fair value through profit and loss investments		**-**	68	**-**	68
Loss on disposal of equity securities – at FVOCI		**826**	-	**-**	-
Provision for Impairment of amounts receivable from subsidiaries		**-**	-	**558,569**	879,166
Loss on disposal of property plant and equipment		**38,127**	12,306	**-**	-
Loss on retirement of investment properties / assets held for sale		**72,502**	256,510	**72,215**	256,510
Loss on De-Recognition of equity accounted investee		**77,534**	-	**-**	-
Impairment of Investment in Subsidiaries	20.6	**-**	-	**-**	197,509
Impairment of Investment in Joint Ventures		**-**	25,319	**-**	-
Impairment of goodwill on acquisition of subsidiaries		**99,111**	81,816	**-**	-
Impairment of immature biological assets		**19,627**	105,975	**-**	-
Other Expenses		**37,518**	52,314	**-**	-
Impairment of Property Plant and Equipment and intangible assets		**51,543**	-	**-**	-
		563,219	536,410	**630,784**	1,333,253

10 FINANCE INCOME AND FINANCE COSTS

10.1 Recognised in profit or loss

10.1.1 Finance income

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Interest income and net change in fair value of government securities classified as FVTPL	**131,446**	303,059	**-**	-
Interest income on financial assets measured at FVOCI	**90,104**	22,368	**-**	-
Interest income on financial assets measured at amortised cost	**3,199,999**	2,681,974	**1,051,889**	1,086,906
Reversals of impairment losses on financial investments	**-**	251	**-**	-
Foreign exchange gain	**1,911,391**	525,493	**-**	-
Gain on change in fair value of financial assets at fair value through profit or loss	**96,927**	91,163	**26,257**	27,074
	5,429,867	3,624,308	**1,078,146**	1,113,980

10.1.2 Finance costs

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Interest on bank overdraft and Long/short term borrowings		**5,509,538**	6,879,343	**256,907**	172,068
Interest on related party current accounts		**-**	-	**65,716**	351,812
Interest expense on lease liabilities		**832,149**	916,151	**352**	953
Other finance charges		**511,442**	440,941	**-**	-
Foreign exchange loss		**753,215**	1,200,301	**-**	-
Loss on change in fair value of financial assets at fair value through profit or loss		**-**	8,278	**-**	-
Loss on disposal of fair value through profit and loss investments		**-**	-	**-**	-
Preference share dividends (10.3)		**-**	-	**-**	-
		7,606,344	9,445,014	**322,975**	524,833
Less: Borrowing cost capitalized	10.1.2.1	**-**	-	**-**	-
		7,606,344	9,445,014	**322,975**	524,833
Net finance costs recognized in profit or loss		**(2,176,477)**	(5,820,706)	**755,171**	589,147

10.1.2 The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss:

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Total interest income on financial assets	**3,421,549**	3,007,401	**1,051,889**	1,086,906
Total interest expense on financial liabilities	**6,341,687**	7,795,494	**322,975**	524,833

10.2 Recognized in other comprehensive income

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Equity investments at FVOCI – net change in fair value	**8,468,975**	9,582,484	**7,023,304**	7,770,249
	8,468,975	9,582,484	**7,023,304**	7,770,249

11 PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging all expenses including the following;

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Remuneration to directors and fees		**1,348,109**	998,107	**28,528**	20,563
Auditor's remuneration		**-**	-	**-**	-
Audit - KPMG		**59,601**	64,511	**1,330**	1,330
- Other auditors		**22,798**	18,397	**-**	-
Non-audit KPMG		**25,827**	20,344	**941**	519
- Other auditors		**27,633**	26,524	**-**	-
Personnel costs	11.1	**30,241,204**	28,728,281	**306,988**	312,848
Depreciation and amortization					
Depreciation of property plant and equipment	15	**8,528,093**	8,522,984	**4,631**	3,225
Amortization of intangible assets	16	**52,791**	80,802	**808**	105
Amortization of bearer biological assets	18	**140,104**	130,764	**-**	-
Amortization of right of use assets	19	**1,799,132**	2,107,792	**7,305**	7,305
Donations		**21,887**	16,950	**8,267**	16,100
Direct Operating expenses relating to Investment Properties		**18,810**	22,980	**9,955**	14,139

11.1 Personnel costs

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Salaries, wages and other benefits		**28,106,558**	26,030,322	**272,713**	278,882
Employee benefits					
Defined contribution plans- EPF and ETF		**2,219,275**	1,818,485	**26,066**	25,078
Defined benefit plans	33.1.1	**913,136**	879,474	**8,209**	8,888
Total		**30,241,204**	28,728,281	**306,988**	312,848

12 TAXATION

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Current tax expense	12.1	**20,145,326**	17,191,983	**282,845**	275,311
Deferred tax charged/(credited)	22.1.1.1	**87,360**	853,698	**19,253**	77,780
		20,232,686	18,045,681	**302,098**	353,091

12.1 Current tax expense

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Current tax charge	12.1.1	**17,865,380**	14,964,761	**282,845**	275,311
(Over)/under provision in respect of previous years		**2,052**	(11,951)	**-**	-
Withholding tax on dividends paid by subsidiaries		**2,277,894**	2,239,173	**-**	-
		20,145,326	17,191,983	**282,845**	275,311

12.1.1 Numerical reconciliation of accounting profits to income tax expense

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Profit before income tax expense		**45,466,905**	40,274,862	**13,730,403**	11,684,612
Share of results of equity accounted investees		**(2,299,574)**	(1,418,429)	**-**	-
Dividend income from group companies		**12,283,041**	11,601,406	**-**	-
Other consolidation adjustments		**1,664,168**	(12,960)	**-**	-
		57,114,540	50,444,879	**13,730,403**	11,684,612
Profit before income tax after adjustments					
(-) Income not subject to tax		**(14,483,908)**	(15,121,737)	**(13,842,995)**	(12,719,532)
(-) Income from other sources		**(2,230,052)**	(2,418,365)	**(1,051,889)**	(1,086,906)
(+) Disallowable expenses		**14,993,849**	14,526,198	**1,142,907**	2,057,893
(-) Allowable deductions		**(10,974,535)**	(13,380,379)	**(87,496)**	(105,269)
(+) Tax losses incurred		**9,364,051**	10,625,719	**109,070**	169,202
Taxable profit from business		**53,783,945**	44,676,315	**-**	-
Taxable profit from business		**53,783,945**	44,676,315	**-**	-
(+) Income from other sources		**2,230,052**	2,418,365	**1,051,889**	1,086,906
(-) Tax losses utilised		**(6,511,861)**	(4,458,105)	**(109,071)**	(169,202)
(-) Qualifying payments		**-**	-	**-**	-
Taxable income		**49,502,136**	42,636,575	**942,818**	917,704

The corporate income tax applicable to companies within the Group excluding those that are enjoying a tax holiday or a concessionary rate of tax as referred to below, is 30% and 45%.

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Income tax at,				
Standard rate of 30%	**2,411,929**	1,985,441	**282,845**	275,311
Special rate of 45% on liquor business	**13,842,943**	11,685,485	**-**	-
Concessionary rates	**158,589**	52,897	**-**	-
Other rates	**-**	-	**-**	-
Varying rates on off - shore profits	**1,451,919**	1,240,938	**-**	-
Total current tax charge	**17,865,380**	14,964,761	**282,845**	275,311
Average statutory income tax rate (%)	**36.09%**	35.10%	**9.49%**	30.00%

12.1.2 Effective tax rate

For the year ended 31 March,	Note	Group		Company	
		2026	2025	2026	2025
		%	%	%	%
Effective tax rate	12.1.2.1	**31.28**	29.67	**2.06**	2.36

12.1.2.1 Reconciliation of effective tax rate

For the year ended 31 March,	Group			
	2026		2025	
	Rs.'000	%	Rs.'000	%
Profit before income tax after adjustments	**57,114,540**		50,444,879	
Income tax expense at the average statutory income tax rate	**20,612,706**	**36.09%**	17,705,352	35.10%
Income not subject to tax	**(5,227,260)**	**-9.15%**	(5,307,490)	-10.52%
Disallowable expenses	**5,411,298**	**9.47%**	5,098,465	10.11%
Allowable expenses	**(3,960,723)**	**-6.93%**	(4,696,301)	-9.31%
Tax losses incurred	**3,379,497**	**5.92%**	3,729,459	7.39%
Tax losses utilised	**(2,350,138)**	**-4.11%**	(1,564,724)	-3.10%
Qualifying payments	**-**	**0.00%**	-	0.00%
Current tax expense	**17,865,380**	**31.28%**	14,964,761	29.67%

For the year ended 31 March,	Company			
	2026		2025	
	Rs.'000	%	Rs.'000	%
Profit before income tax after adjustments	**13,730,403**		11,684,612	
Income tax expense at the average statutory income tax rate	**1,303,566**	**9.49%**	3,505,381	30.00%
Income not subject to tax	**(1,207,594)**	**-8.80%**	(3,815,857)	-32.66%
Disallowable expenses	**195,077**	**1.42%**	617,367	5.28%
Allowable expenses	**(8,205)**	**-0.06%**	(31,581)	-0.27%
Current tax expense	**282,845**	**2.06%**	275,311	2.36%

12.2 Applicable Rates and exemptions, Concessions or holiday on income tax.

The income tax provision for Melstacorp PLC, its subsidiaries and equity accounted investees which are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

In terms of the above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30%, except for Companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

- Companies with specified sources exempt from income tax are given in note 12.2.1
- Companies with specified sources liable to income tax at concessionary rates are given in note 12.2.2
- Companies incorporated in Sri Lanka and operating outside Sri Lanka are given in note 12.2.3
- Distilleries Company of Sri Lanka PLC, Periceyl (Pvt) Ltd, and DCSL Breweries Lanka Limited are subject to income tax at the standard rate of 45% on gains and profits derived from the manufacture and sale, or the import and sale, of any liquor.

Income tax expense for the year includes, Advance Income Tax (AIT) of 15% deducted on the dividend distributions made by resident companies of the Group from their taxable profits.

Deferred tax expense on companies resident in Sri Lanka are calculated based on the tax rates specified in Inland Revenue Act No. 24 of 2017 and its amendments thereto.

The deferred tax expense associated with the revaluation of non-depreciable assets, such as land, takes into account the tax implications that would arise upon the sale of those assets. Furthermore, the Group recognises deferred tax expense for the taxes that are applicable to the undistributed profits of its subsidiary companies.

Tax losses carried forward

The Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies that any unclaimed tax losses incurred during the year from business or investment could be carried forward for further six years under Section 19. In addition, the Investment Incentives specified under Second Schedule to the Act, grants unrelieved tax losses due to enhanced capital allowances to be carried forward for an extended period of 10 years.

Companies in the Group have evaluated the recoverability of unclaimed losses through taxable profit forecasts and deferred tax assets have been recognised accordingly. Deferred tax assets recognised on tax losses would be reviewed at each reporting date based on the taxable profit forecasts and would be reduced to the extent of recoverable amount.

IFRIC 23 "Uncertainty over income tax treatments" provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there is an uncertainty over the income tax treatment. The Group has applied significant judgement in identifying uncertainties over income tax treatments for the year and the Group has determined that there were no uncertainties in tax treatments that has an impact on the income tax expense or warrants any disclosure.

12.2.1 Companies with specified sources exempt from income tax

Company	Basis Statute	Statute Reference	Period
Port City BPO (Pvt) Ltd	BPO services to offshore clients	Section 53 of the Colombo Port City Economic Commission Act No. 11 of 2021 and the Extraordinary Gazette issued to the company thereon	25 years ending 2049/2050
Ahungalla Resorts Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Negombo Beach Resorts (Pvt) Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2027/28
Sagasolar Power (Pvt) Ltd	Construction and operation of a solar power plant	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	10 years ending 2027/2028

In addition, the Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies the following income tax exemptions, which are available to companies operating in the Group. .

Company	Basis Statute	Statute Reference	Period
All companies incorporated in Sri Lanka	Interest derived in foreign currency on any foreign currency account opened in any commercial bank or in any specialised bank, with the approval of the Central Bank of Sri Lanka.	Paragraph (i)(iii) of the Third Schedule – Exempt Amounts	Open ended
	Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company.	Paragraph (ooo)(ii) of the Third Schedule – Exempt Amounts	
	Dividends remitted to Sri Lanka from and gains on the realisation of shares in a non-resident company with substantial participation in the non-resident company	Paragraph (r) of the Third Schedule – Exempt Amounts	

12.2.2. Concessionary rates under the BOI Law

Company	Basis	Income Tax Rate*
Ace Power Embilipitiya (Pvt) Ltd	Construction and operation of a thermal power generation plant	15%
Aitken Spence Apparels (Pvt) Ltd	Set up and operate a project to manufacture garments and exports	15%
Logilink (Pvt) Ltd	Operation of a warehousing facility	20%
Ace Wind Power (Pvt) Ltd	Construction and operation of a wind power plant	20%
Aitken Spence Property Developments (Pvt) Ltd	Construction and operation of a luxury office building complex	20%
Branford Hydropower (Pvt) Ltd	Construction and operation of a hydro power plant	20%

* Concessionary income tax rates referred to above are granted after the initial tax exemption period, in terms of Section 17 of BOI Law No. 4 of 1978.

Concessionary rates under the Inland Revenue Act and its amendments thereto

Company	Basis	Income Tax Rate
Aitken Spence Elevators (Private) Limited	Gains and profits from any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted to Sri Lanka through a bank.	
Aitken Spence Hotel Managements (Pvt) Ltd	Gains and profits from any foreign source (other than above) derived in foreign currency and remitted to Sri Lanka through a bank.	15%
Aitken Spence Hotel Managements Asia (Pvt) Ltd		
Aitken Spence Hotels International (Pvt) Ltd		
Aitken Spence International Consulting (Pvt) Limited		
Aitken Spence PLC		
Aitken Spence Ports International Ltd		
Aitken Spence Travels (Pvt) Ltd		
Royal Spence Aviation (Pvt) Ltd		

The companies referred to above are entitled to claim any income tax or withholding tax paid in foreign jurisdictions as foreign tax credits, which may be set off against the corresponding tax liabilities arising from such profits and income in Sri Lanka.

12.2.3 Companies incorporated in Sri Lanka and operating outside Sri Lanka

Company	Countries Operated	Tax Status
Aitken Spence Hotels International (Pvt) Ltd	Maldives	Income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Maldives, Oman	Business profits arising in Oman is liable to tax at 15% and income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Ports International Ltd	Mozambique, Fiji	Income derived from Fiji and Mozambique are subject to withholding tax at 15% and 20% respectively.

12.2.4 Overseas Operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to the respective companies. Set out below are the Income tax rates applicable for the companies in the relevant foreign jurisdictions.

Country	Company	Income Tax Rate
British Virgin Islands	Crest Star (B.V.I.) Ltd	Nil
Oman	Aitken Spence Resorts (Middle East) LLC	15%
Maldives	Ace Aviation Services Maldives Pvt Ltd	15%
	A.D.S. Resorts Pvt Ltd	15%
	Cowrie Investment Pvt Ltd	15%
	Interlifts International Pvt Ltd	15%
	Jetan Travel Services Company Pvt Ltd	15%
	Unique Resorts Pvt Ltd	15%
Singapore	Aitken Spence International Pte. Ltd	17%
	Aitken Spence Cargo Singapore Pte. Ltd.	17%
Cambodia	Aitken Spence Cargo (Cambodia) Co., Ltd	20%
Fiji	Fiji Ports Terminal Ltd	25%
	Fiji Ports Corporation Ltd	25%
	Fiji Ships Heavy Industries Ltd	25%
Myanmar	Aitken Spence Travels Myanmar Ltd	22%
	Ace Aviation Myanmar Ltd	22%
India	Aitken Spence Hotel Services Pvt Ltd	25.17%
	PR Holiday Homes Pvt Ltd	25.17%
	Perumbalam Resorts (Pvt) Ltd	25.17%
	Aitken Spence Hotel Managements (South India) Pvt Ltd	25.17%
Bangladesh	Ace Bangladesh Ltd	27.50%

- Dividends paid by companies registered in India, Maldives, Cambodia and Bangladesh are subject to withholding tax of 7.5%, 10%, 14% and 15% respectively as per provisions of the respective Tax Treaties between countries, Income Tax Acts and the regulations issued thereto.
- Dividends paid by companies registered Fiji, Singapore, Oman, Myanmar and British Virgin Islands are not subject to withholding tax as per provisions of the respective Income Tax Acts and the regulations/directives issued thereto.

12.3 Tax losses

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Losses brought forward	**72,456,229**	68,992,769	**-**	-
Acquisition/(Disposal) of subsidiaries	**-**	-	**-**	-
Adjustments due to finalisation of taxes of previous year	**(2,524,066)**	(2,479,215)	**-**	-
Tax losses incurred during the year	**8,125,343**	11,275,877	**152,897**	169,202
Losses utilised	**(6,511,973)**	(4,458,251)	**(152,897)**	(169,202)
Write off of unclaimable tax losses	**(1,919,888)**	(874,951)	**-**	-
Loss carried forward	**69,625,645**	72,456,229	**-**	-

As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted in respect of these losses amounted to Rs. 15,573.4 million (2024/2025 - Rs. 16,309.7 million) since utilization against future taxable profits are not probable.

13 EARNINGS PER SHARE

13.1 Basic earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to ordinary share holders of the Group/Company by the weighted average number of ordinary shares outstanding during the year.

	Group					
	2026			2025		
	Contnuing Operations	Discontinued operations	Total	Contnuing Operations	Discontinued operations	Total
Profit attributable to equity holders of the company (Rs.'000)	**18,674,552**	**1,011,242**	**19,685,794**	**17,251,389**	**(157,245)**	17,094,144
Weighted average numbers of ordinary shares (Rs.'000)	**1,165,397,072**	**1,165,397,072**	**1,165,397,072**	**1,165,397,072**	**1,165,397,072**	1,165,397,072
Basic earnings per share (Rs.)	**16.02**	**0.87**	**16.89**	**14.80**	**(0.13)**	14.67

For the year ended 31 March,	Company	
	2026	2025
Profit attributable to equity holders of the company (Rs.'000)	**13,428,305**	11,331,521
Weighted average numbers of ordinary shares (000)	**1,165,397,072**	1,165,397,072
Basic earnings per share (Rs.)	**11.52**	9.72

13.2 Diluted earnings per share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted Earnings per Share is same as Basic Earnings per Share shown above.

14 DIVIDEND PER SHARE

14.1 Equity dividend on ordinary shares proposed and paid during the year

For the year ended 31 March,	Company			
	2026		2025	
	Per share Rs.	Total Rs.'000	Per share Rs.	Total Rs.'000
Third interim Dividend 2023/24			2.00	2,330,794
First Interim Dividend 2024/25			3.00	3,496,191
Second Interim Dividend 2024/25			2.60	3,030,033
Third interim Dividend 2024/25	**1.72**	**2,004,483**		
First Interim Dividend 2025/26	**2.15**	**2,505,604**		
Second Interim Dividend 2025/26	**2.75**	**3,204,842**		
		7,714,929		8,857,018

On 26th June 2026, the Board of Directors approved a third interim dividend of Rs. 3.25per share for the financial year ended 31 March 2026. The Board has confirmed compliance with the solvency test requirements under Sections 56 and 57 of the Companies Act No. 7 of 2007. For the purpose of computing dividend per share, this dividend has been taken into consideration

15 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Note	Cost or valuation										
		At the beginning of the year	Additions during the year	Revaluation during the year	Adjustment on Revaluation during the year	Disposals/ write-offs	Transfers/ Reclassifications	Transferred (to) Intangible Assets	Capitalisation of depreciation (property, plant and equipment and right-of-use assets)	Transferred (to)/ From Investment Properties	Acquisition / Disposal of Subsidiary	Exchange Difference
		Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Freehold												
Land	15.2	35,711,429	-	9,391,595	-	-	(1,252)	-	-	18,802	-	291,663
Land improvements		180,111	-	-	-	-	-	-	-	-	-	-
Buildings	15.2	95,766,200	398,509	842,915	(157,757)	(496,396)	522,470	-	-	90,333	-	3,478,351
Improvements to Buildings		147,096	-	-	-	-	-	-	-	-	-	-
Civil constructions		748,353	-	-	-	-	-	-	-	-	-	-
Plant, machinery & other equipment		55,329,883	2,250,013	188,628	(172,498)	(385,009)	749,729	(40,405)	-	-	-	1,265,103
Motor vehicles		6,462,488	1,805,387	134,869	(149,879)	(329,307)	15,542	-	-	-	(7,400)	85,962
Furniture, fittings & office equipment		8,450,233	234,624	-	-	(152,632)	18,977	-	-	-	-	234,774
Computer equipment & software		500,587	26,777	-	-	(107,485)	-	-	-	-	-	-
Electro mechanical equipment		300,453	-	-	-	-	-	-	-	-	-	-
Digital electronic Switches		1,573,373	-	-	-	-	-	-	-	-	-	-
Medical equipment		749,225	90,645	-	-	(68,026)	-	-	-	-	-	-
Network equipment		2,341,905	-	-	-	(77,529)	-	-	-	-	-	-
Towers		750,078	-	-	-	-	-	-	-	-	-	-
Customer premise equipment		3,793,302	-	-	-	(450,929)	-	-	-	-	-	-
Returnable packing materials		1,510,088	530,861	-	-	(168,254)	-	-	-	-	-	-
Water projects & sanitation		86,490	-	-	-	-	-	-	-	-	-	-
Shelters and other equipment		513,706	-	-	-	(164,312)	-	-	-	-	-	-
LTE Project		2,174,556	-	-	-	(586,188)	-	-	-	-	-	-
WI-Max		232,535	-	-	-	(227,641)	-	-	-	-	-	-
Fire fighting equipment		4,883	-	-	-	-	-	-	-	-	-	-
Oil storage tanks		315	-	-	-	-	-	-	-	-	-	-
Vats & casks		72,918	-	-	-	-	-	-	-	-	-	-
Drums		80	-	-	-	-	-	-	-	-	-	-
Total freehold property, plant & equipment		217,400,287	5,336,816	10,558,007	(480,134)	(3,213,708)	1,305,466	(40,405)	-	109,135	(7,400)	5,355,853
Leasehold												
Furniture, fittings & equipment		14,028	-	-	-	-	-	-	-	-	-	-
Immovable (JEDB/SLSPC) assets on finance lease	15.1	636,202	-	253,356	(124,784)	-	-	-	-	-	-	-
Lease hold properties		-	-	-	-	-	-	-	-	-	-	-
Total leasehold property, plant & equipment		650,230	-	253,356	(124,784)	-	-	-	-	-	-	-
Capital work in progress		1,790,652	4,289,023	-	-	(120,977)	(1,305,466)	(650)	6,078	-	-	2,090
Total property, plant & equipment		219,841,169	9,625,839	10,811,363	(604,918)	(3,334,685)	-	(41,055)	6,078	109,135	(7,400)	5,357,943
- Recognised under non-current												
- Recognised under current *												

The exchange difference has arisen as a result of the translation of property, plant and equipment of foreign operations which are accounted for in foreign currencies and translated to the reporting currency at the balance sheet date.

		Accumulated depreciation, amortisation and impairment										Carrying value	
	At the end of the year	At the beginning of the year	Charge for the year	Revaluation during the year	Other transfers	Disposals / write-offs	Transferred to Intangible Assets	Transferred to Investment Properties	Acquisition Disposal of Subsidiary	Exchange Difference	At the end of the year	As at 31 March 2026	As at 31 March 2025
	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	45,412,237	-	-	-	-	-	-	-	-	-	-	45,412,237	35,711,429
	180,111	105,866	4,800	-	-	-	-	(5,240)	-	-	105,426	74,685	74,245
	100,444,625	12,552,902	4,241,460	(157,757)	8,453	(63,118)	-	-	-	1,118,203	17,700,143	82,744,482	83,213,298
	147,096	138,196	130	-	-	-	-	-	-	-	138,326	8,770	8,900
	748,353	436,451	37,418	-	-	-	-	-	-	-	473,869	274,484	311,902
	59,185,444	32,233,037	3,007,811	(172,498)	(2,280)	(291,169)	(40,049)	-	-	983,823	35,718,675	23,466,769	23,096,846
	8,017,662	5,193,162	425,429	(149,879)	(19,031)	(300,154)	-	-	(7,400)	72,349	5,214,476	2,803,186	1,269,326
	8,785,976	6,557,960	553,368	-	12,858	(147,198)	-	-	-	164,610	7,141,598	1,644,378	1,892,273
	419,879	403,248	29,532	-	-	(106,278)	-	-	-	-	326,502	93,377	97,339
	300,453	194,997	15,022	-	-	-	-	-	-	-	210,019	90,434	105,456
	1,573,373	1,573,373	-	-	-	-	-	-	-	-	1,573,373	-	-
	771,845	551,916	36,313	-	-	(68,026)	-	-	-	-	520,203	251,642	197,310
	2,264,376	2,341,905	-	-	-	(77,529)	-	-	-	-	2,264,376	-	-
	750,078	750,078	-	-	-	-	-	-	-	-	750,078	-	-
	3,342,373	3,793,302	-	-	-	(450,929)	-	-	-	-	3,342,373	-	-
	1,872,695	1,395,766	150,922	-	-	-	-	-	-	-	1,546,688	326,007	114,322
	86,490	83,332	799	-	-	-	-	-	-	-	84,131	2,359	3,158
	349,394	513,706	-	-	-	(164,312)	-	-	-	-	349,394	0	-
	1,588,368	2,174,556	-	-	-	(586,188)	-	-	-	-	1,588,368	-	-
	4,894	232,535	-	-	-	(227,641)	-	-	-	-	4,894	-	-
	4,883	4,883	-	-	-	-	-	-	-	-	4,883	-	-
	315	315	-	-	-	-	-	-	-	-	315	-	-
	72,918	70,836	335	-	-	-	-	-	-	-	71,171	1,747	2,082
	80	80	-	-	-	-	-	-	-	-	80	-	-
	236,323,918	71,302,401	8,503,339	(480,134)	-	(2,482,543)	(40,049)	(5,240)	(7,400)	2,338,985	79,129,360	157,194,558	146,097,886
	14,028	14,028	-	-	-	-	-	-	-	-	14,028	-	-
	764,774	458,069	24,754	(124,784)	-	-	-	-	-	-	358,039	406,735	178,134
	-	-	-	-	-	-	-	-	-	-	-	-	-
	778,802	472,097	24,754	(124,784)	-	-	-	-	-	-	372,067	406,735	178,134
	4,660,750	16,303	-	-	-	-	-	-	-	-	16,303	4,644,447	1,774,349
	241,763,470	71,790,801	8,528,093	(604,918)	-	(2,482,543)	(40,049)	(5,240)	(7,400)	2,338,985	79,517,730	**162,245,740**	148,050,369
												162,236,457	148,041,086
												9,283	9,283
												162,245,740	148,050,369

* Consequent to the expiry of the short term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024 and the direction received from the Board of Directors of Aitken Spence PLC (refer note 28) the financial statements of Ace Power Embilipitiya (Pvt) Ltd., have been prepared on a non-going concern basis, and therefore the remaining property, plant and equipment of the company continue to be treated under current assets.

15 PROPERTY, PLANT AND EQUIPMENT

Cost / Valuation

Company	Motor Vehicle	Computer Equipment	Furniture and Fittings	Office Equipment	Tools Equipment	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2025	11,550	15,124	7,273	6,019	4,370	**44,336**	39,130
Additions During the Year	43,169	2,140	2,149	95	-	**47,553**	5,207
Disposals During the Year	(7,400)	-	-	-	-	**(7,400)**	-
Balance as at 31st March 2026	47,319	17,264	9,422	6,114	4,370	**84,489**	44,336

Accumulated Depreciation

Company	Motor Vehicle	Computer Equipment	Furniture and Fittings	Office Equipment	Tools Equipment	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2025	11,550	11,207	5,109	3,775	1,762	**33,403**	30,178
Charged During the Year	1,077	1,998	612	507	437	**4,631**	3,225
Deprecation of PPE Disposed	(7,400)	-	-	-	-	**(7,400)**	-
Balance as at 31st March 2026	5,227	13,205	5,721	4,282	2,199	**30,634**	33,403

Carrying Amount

Company	Motor Vehicle	Computer Equipment	Furniture and Fittings	Office Equipment	Tools Equipment	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31 March 2025	-	3,917	2,164	2,244	2,608	**10,933**	8,952
As at 31 March 2026	42,092	4,059	3,701	1,832	2,171	**53,855**	10,933

15.1 Immovable (JEDB/SLSPC) assets on finance lease

Group

For the year ended 31 March,	2026									2025
	Right to use of land	Unimproved lease land	Improvement to land	Other vested assets	Buildings	Plant & Machinery	Water Supply Scheme	Mini Hydro Scheme	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Capitalized value (June 1992)										
Balance at the beginning of the year	-	5,317	15,702	151,815	29,981	420,747	3,347	9,293	636,202	636,202
Revaluation gains	-	-	-	-	-	253,356	-	-	253,356	-
Revaluation reversal of depreciation	-	-	-	-	-	(124,784)	-	-	(124,784)	-
Disposals/Transfer /(Out)	-	-	-	-	-	-	-	-	-	-
Balance at the end of the year	-	5,317	15,702	151,815	29,981	549,319	3,347	9,293	764,774	636,202
Amortization										
As at beginning of the year	-	3,262	15,702	151,815	29,981	244,668	3,347	9,293	458,068	433,312
Revaluation reversal of depreciation	-	-	-	-	-	(124,784)	-	-	(124,784)	-
Disposals/Transfer /(Out)	-	-	-	-	-	-	-	-	-	-
Amortisation for the year	-	100	-	-	-	24,655	-	-	24,755	24,756
At the end of the year	-	3,362	15,702	151,815	29,981	144,539	3,347	9,293	358,039	458,068
Carrying amount										
As at beginning of the year	-	2,055	-	-	-	176,079	-	-	178,134	202,890
As at the end of the year	-	1,955	-	-	-	404,780	-	-	406,735	178,134

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 18 June 1992. For this purpose, the Board of Directors of the Company decided, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the Statement of Financial Position as at 18 June, 1992.

15.2 Revaluation of Land and Buildings

15.2.1 Details of land and building stated at valuation

Distilleries Company of Sri Lanka PLC

A Valuation of freehold Lands and Buildings of Distilleries Company of Sri Lanka PLC was carried out by independent valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable market value" method and incorporated in the financial statements of the company. The surplus on revaluation of Land and Buildings has been credited to the revaluation reserve while loss been charged to Profit and Loss. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2026.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No.18,Sri Saddatissa Road , Kaluhara North , Kaluthara	56,730	-	-	1A - 0R - 23P	-	Estimated price per perch	-	310000	-	Positively correlated sensitivity
No.375/1 -2 ,Dutugamunu Mawatha, Mawilmada, Kandy	21,000	-	-	0A - 1R - 20P	-	Estimated price per perch	-	350000	-	Positively correlated sensitivity
No.35/12, Bandarawaththa Road, Seeduwa.	1,785,419	2,230,854	15	15A - 2R - 17P	184,377	Estimated price per perch	Estimated price per Square feet	714768	3,250-17,000	Positively correlated sensitivity
No.65/84, Distillery Road, Seeduwa.	581,815	291,687	22	5A - 2R - 15.10P	101,446	Estimated price per perch	Estimated price per Square feet	650000	3,000-6,250	Positively correlated sensitivity
No.35/13, Distillery Road, Seeduwa.	13,336	-	-	0A - 0R - 16.7P	-	Estimated price per perch	-	798563	-	Positively correlated sensitivity
No.35/13B, Distillery Road, Seeduwa.	13,336	-	-	0A - 0R - 16.7P	-	Estimated price per perch	-	798563	-	Positively correlated sensitivity
No.37/8A, Distillery Road, Seeduwa.	10,600	-	-	0A - 0R - 13.25P	-	Estimated price per perch	-	800000	-	Positively correlated sensitivity
No.37/20A, Distillery Road, Seeduwa.	5,600	-	-	0A - 0R - 8P	-	Estimated price per perch	-	700000	-	Positively correlated sensitivity
Hatton - Norwood Road,Dickoya	-	136,811	4	-	18,286	Estimated price per perch	Estimated price per Square feet	-	4,000-10,000	Positively correlated sensitivity
1st Lane, New Nuge Road, Peliyagoda.	-	57,500	4	-	15,406	Estimated price per perch	Estimated price per Square feet	-	4,250-6,500	Positively correlated sensitivity
No.375, Dutugemunu Mawatha, Mawilmada, Kandy	67,340	-	-	1A - 3R - 16P	15,406	Estimated price per perch	Estimated price per Square feet	210,438.00	-	Positively correlated sensitivity

DCSL Breweries Lanka Limited

A Valuation of freehold Lands and Buildings of DCSL Breweries Company Limited was carried out by independent valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable market value" method and "Depreerated Replacement Cost" method incorporated in the financial statements of the Group. The Board of Directors of the Group are of the view that the fair values of lands and buildings based on the revaluation carried out as at 31st March 2024 represent the market value of the properties at the date of acquisition of the subsidiary. Therefore, revaluation surplus related to these properties were considered as a part of the fair value of identifiable assets at the date of acquisition. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2026.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
Arankele - Doluwa road, Hakirilla, Wewalagama.	2,400	-	-	1A - 2R - 20P	-	Estimated price per perch	-	9375	-	Positively correlated sensitivity
Millawa, Kurunegala.	2,800	-	-	"0A - 0R - 28P "	-	Estimated price per perch		100000	-	Positively correlated sensitivity
Kandy road, Kottikapola, Mawathagama.	-	501,000	10	0	98,214	Estimated price per perch	Estimated price per Square feet	195000	4,000-17,500	Positively correlated sensitivity

Melstacorp PLC

Free hold Land and Building of the company were revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2026 on "contractor's Principle Basis" and incorporated in the financial statements of the company. The surplus on revaluation credited to revaluation reserve while loss has been charged to Profit and Loss in the consolidated financial statements. As these assets are leased out among subsidiaries, the company has classified these properties as investment properties.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 140/1, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	18,750	-	-	0A-0R-19.75P	-	Estimated price per perch	-	950,000	-	Positively correlated sensitivity
No 136, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	292,136	-	-	1A-1R-24.72P	-	Estimated price per perch	-	1,300,000	-	Positively correlated sensitivity
No 16 & 18, Bandarawatta Road, Seeduwa.	145,350	3,203	1	0A-2R-22P	930	Estimated price per perch	Depreciated construction cost	1,425,000	7,250	Positively correlated sensitivity
Residential Premises at Medagama Road, Welikamulla, Badulla	22,186	1,883	1	0A-3R-37.20P	1522	Estimated price per perch	Construction cost per Square feet	132,500-155,000	5,500	Positively correlated sensitivity
Industrial Premises at Seed Station Road, Nawalayathanna, Katugastota	40,328	72,064	8	0A-2R-27.54P	13214.5	Estimated price per perch	Depreciated construction cost	375,000	6,000-9,750	Positively correlated sensitivity
Industrial Premises at Seed Station Road, Nawalayathanna, Katugastota	264,752	173,842	13	5A-0R-4.16P	34047	Estimated price per perch	Depreciated construction cost	325,000-350,000	4,000-9,250	Positively correlated sensitivity
Commercial premises at Dambulla road, Muththetugala, Kurunegala.	119,900	50,273	2	0A-2R-29P	10122.5	Estimated price per perch	Depreciated construction cost	1,100,000	3000-9,000	Positively correlated sensitivity
No 165, Harichandra Mawatha, Anuradhapura.	106,013	75,842	3	0A-3R-21.35P	11411	Estimated price per perch	Construction cost per Square feet	750,000	3,000-8,500	Positively correlated sensitivity
No 152, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	52,000	118,400	2	0A – 1R –3.30P	18920	Estimated price per perch	Depreciated construction cost	1,200,000	5,160-13,760	Positively correlated sensitivity
No 152/2, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	10,000	-	-	0A – 0R –10.0P	-	Estimated price per perch	-	1,000,000	-	Positively correlated sensitivity
No 59, Distilleries Road, Bandarawatta, Seeduwa.	31,265	-	-	0A – 0R –24.05P	-	Estimated price per perch	-	1,300,000	-	Positively correlated sensitivity
No 61 & 61/1 Distilleries Road, Bandarawatta, Seeduwa.	17,200	-	1	0A – 0R –12.27P	1910	Estimated price per perch	Depreciated construction cost	1,400,000	-	Positively correlated sensitivity

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 150/1 & 150/1A, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	37,500	-	-	0A – 0R –37.50P	-	Estimated price per perch	-	1,000,000	-	Positively correlated sensitivity
No 150, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	22,500	-	-	0A – 0R –18.75P	-	Estimated price per perch	-	1,200,000	-	Positively correlated sensitivity
No 144, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	27,400	-	-	0A – 0R –22.85P	-	Estimated price per perch	-	1,200,000	-	Positively correlated sensitivity
Factory Premises at Habarakada Road, Nawagamuwa, Ranala, Kaduwela.	320,000	155,755	1	10A-0R-0P	56530	Estimated price per perch	Depreciated construction cost	200,000	6,500-8,500	Positively correlated sensitivity
No 68 & 68A, Attidiya Road, Ratmalana.	343,465	157,152	3	1A-0R-28.2P	30113	Estimated price per perch	Depreciated construction cost	1,825,000	4,250-8,250	Positively correlated sensitivity
No 459, Wackwella Road, Kalegana, Galle.	84,700	35,154	4	0A-1R-37P	8129	Estimated price per perch	Depreciated construction cost	1,100,000	6,500-8,500	Positively correlated sensitivity
Industrial Premises at Galle Road, Beruwala.	350,978	139,723	8	2A-1R-19.08P	15279.5	Estimated price per perch	Depreciated replacement cost	720,000-1,075,000	5,250-16,500	Positively correlated sensitivity
No 823 & 823/1-4 Srimavo Bandaranayake Mawatha, Colombo 14.	1,272,000	-	-	2A-1R-14.10P	-	Estimated price per perch	-	3,400,000	-	Positively correlated sensitivity
No 161, 161A & 161B, Tangalle Road, Ambalantota.	48,120	41,511	6	0A-1R-24.16P	7657	Estimated price per perch	Construction cost per Square feet	750,000	4,750-8,500	Positively correlated sensitivity
Gampaha Road, Udugampola	181,326	77,699	2	1A-3R-35.35P	18,124	Estimated price per perch	Estimated price per Square feet	575,000	8,000-8,500	Positively correlated sensitivity
No.326, Kanupelella Road, Badulla	18,900	37,488	1	0A-0R-27P	4,686	Estimated price per perch	Depreciated construction cost	700,000.00	8,000	Positively correlated sensitivity

Melsta Properties (Pvt) Ltd

Free hold Land and Building of the company were revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2026 on "contractor's Principle Basis" and incorporated in the financial statements of the company. In this valuation technique, the valuer has used the contractors cost method as a reference price to value properties. The surplus on revaluation credited to revaluation reserve while loss has been charged to profit and loss.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 110, Norris Canel Road, Colombo 10.	3,201,100	197,663	2	1A-1R-15.20P	30,000 sq.ft	Estimated price per perch	Depreciated replacement cost	14,875,000	8,500-13,000	Positively correlated sensitivity
No 133, Temple Road, Deshashtra, Kaluthara	303,021	185,100	22	04A - 00R –33.38P	61,402 sq.ft	Estimated price per perch	Depreciated replacement cost	450,000	2,750-10,000	Positively correlated sensitivity
No 69/1, Rajapaksha Broadway, Negombo	220,000	47,382	3	0A – 1R – 28.75P	8,576 sq.ft	Estimated price per perch	Depreciated replacement cost	3,200,000	6,500-8,750	Positively correlated sensitivity
No 68/1, Saravanai Road, Batticola.	223,423	52,991	5	3A – 0R – 11.04P	10921.5	Estimated price per perch	Depreciated replacement cost	455,000	2,250-9,000	Positively correlated sensitivity
No 87, Station Road, Vavunia	184,428	78,667	5	0A – 3R – 33.69P	12,300 sq.ft	Estimated price per perch	Depreciated replacement cost	1,200,000	4,000-7,250	Positively correlated sensitivity
No 41, Old Ferry Road, Deshashtra, Kaluthara	102,135	52,689	11	01A – 1R – 04.27P	22,686 sq.ft	Estimated price per perch	Depreciated replacement cost	500,000	2,500-10,000	Positively correlated sensitivity
No 156,Orr's Hill Road, Trincomalee.	68,845	29,624	4	0A – 1R –38.68P	5,168.25 sq.ft	Estimated price per perch	Depreciated replacement cost	875,000	5,250-9,500	Positively correlated sensitivity
No 215/9, Jayamalapura, Nawalapitiya, Gampola.	114,336	50,772	4	0A - 3R-38.8P	7737 sq.ft	Estimated price per perch	Depreciated replacement cost	720,000	6,750-9,000	Positively correlated sensitivity
No 118,120, Kunupallela Road, Badulla.	101,936	29,963	9	0A - 2R - 08.67P	9,950 sq.ft	Estimated price per perch	Depreciated replacement cost	1,150,000	2,500-8,750	Positively correlated sensitivity
Dummalakotuva, Kurunegala Road, Dankotuva.	95,520	3,608	2	02A - 02R – 05.0P	2,083.5 sq.ft	Estimated price per perch	Depreciated replacement cost	240,000	600-5,250	Positively correlated sensitivity
Teak Store Warehouse, Palathota, Kaluthara South.	48,200	23,215	12	01A - 0R - 32.8P	15,551 sq.ft	Estimated price per perch	Depreciated replacement cost	250,000	4,500-10,000	Positively correlated sensitivity
Mirishena Warehouse, Ethanamadala Road, Kaluthara North.	79,170	21,413	10	01A - 02R – 23.90P	10,335 sq.ft	Estimated price per perch	Depreciated replacement cost	300,000	4,500-10,000	Positively correlated sensitivity
No 7/11, Kandy Road, Kaithadi.	76,266		-	2A - 0R - 11.59P	-	Estimated price per perch	-	230,000	-	Positively correlated sensitivity

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 150, Coastal Road, Thalwila, Marawila.	48,000	-	-	02A - 00R –00.0P	-	Estimated price per perch	-	150,000	-	Positively correlated sensitivity
No 669, Beach Road, Gurunagar, Jaffna.	45,206	-	-	0A – 3R – 12.96P	-	Estimated price per perch	-	340,000	-	Positively correlated sensitivity
No 125, Norwood Road, Dickoya.	22,000	-	-	0A - 3R-9.60P	-	Estimated price per perch	-	170,000	-	Positively correlated sensitivity
Pradeshiya Sabha Road,Kaithadi.	9,740			0A - 1R-8.70P	-	Estimated price per perch	-	200,000	-	Positively correlated sensitivity

Browns Beach Hotel PLC

Freehold land of the company was revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2026 on "Current Fair Value Market Value" as at the 31st March 2026 and revaluation surplus has been credited to the revaluation reserve.

Freehold buildings of the company was revalued by Mr. J.M.J.Fernando (F.I.V. Sri Lanka) a Chartered Valuation Surveyor on 20th February 2024 on "Current Fair Market Value" as at the 31st March 2024 has been credited to the revaluation reserve. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2026.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No. 175 Lewis Place, Negombo	2,140,330	3,493,690	4	4A-8R-68.05P	233,697	Estimated price per perch	Depreciated replacement cos	2,000,000-2,500,000	7000-22000	Positively correlated sensitivity

Melsta Hospitals Ragama (Pvt) Ltd

The fair value of the land and buildings were determined by an external independent properly valuer, having appropriate recognised professional qualifications and experience in the category of the property being valued. The valuer has used the cost approach where the current construction cost of similar properties have been considered in determining the fair values. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2026.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 43, Mahabage Road, Ragama.	653,310	951,690	4	"1A – 1R – 17.77P"	55,413	Estimated price per perch	Depreciated replacement cost	1,300,000	7,500-11,500	Positively correlated sensitivity

Madulsima Plantations PLC

The fair value of the Building was determined by an external independent property valuer, having appropriate recognised professional qualifications and experience in the category of the property being valued. The valuer provides the fair value of the property.

Location (Region)	Estate	Revalued Amount Rs.'000	No of Buildings	Significant UnobservableInputs	Range of Estimates for unobservable inputs(Estimated Price per sq.ft)	Sensitivity of fair value to unobservable inputs
Madulsima	Battawatte	68,505	552	Estimated Replacement cost per Sq.Ft.	1250-5250	Positively correlated sensitivity
Metigahatenne	Cocogalla	72,509	303	Estimated Replacement cost per Sq.Ft.	1500-6750	Positively correlated sensitivity
Madulsima	Galloola	56,833	260	Estimated Replacement cost per Sq.Ft.	1250-6500	Positively correlated sensitivity
Madulsima	Mahadowa	122,663	737	Estimated Replacement cost per Sq.Ft.	1250-5250	Positively correlated sensitivity
Madulsima	Uvakellie	17,770	303	Estimated Replacement cost per Sq.Ft.	1250-5000	Positively correlated sensitivity
Madulsima	Verellapatna	107,938	438	Estimated Replacement cost per Sq.Ft.	1500-5250	Positively correlated sensitivity
Passara	El Teb	103,514	1030	Estimated Replacement cost per Sq.Ft.	2000-5250	Positively correlated sensitivity
Pitamaruawa	Roeberry	111,204	918	Estimated Replacement cost per Sq.Ft.	1750-5000	Positively correlated sensitivity
Bogawantalawa	Kew	72,056	613	Estimated Replacement cost per Sq.Ft.	3000-6000	Positively correlated sensitivity
Bogawantalawa	Kirkoswald	184,545	1182	Estimated Replacement cost per Sq.Ft.	1000-6500	Positively correlated sensitivity
Bogawantalawa	Theresia	73,984	639	Estimated Replacement cost per Sq.Ft.	1250-5250	Positively correlated sensitivity
Norwood	Venture	112,568	572	Estimated Replacement cost per Sq.Ft.	1500-5500	Positively correlated sensitivity
Badulla	Head Office	10,170	2	Estimated Replacement cost per Sq.Ft.	4000-5000	Positively correlated sensitivity

Balangoda Plantations PLC

Buildings of the Company are stated based on a valuation performed by Mr. S Sivaskantha, R I C S (Sri Lanka) an external, independent Chartered Valuation Surveyor using Depreciation Replacement Cost method. This reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost) and discounted for the age, condition, refurbishment level of maintenance etc.The details of which are as follows,

Region	Estate	Location	Valuation of Building Rs.'000	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Significant Unobservable Inputs
Rathnapura	Galatura	Galatura Estate, Kiriella	59,740	24	90,812	Estimated replacement cost of a Sq., Ft. adjusted for wear and tear	Rs.1,250-5,000	Positively correlated sensitivity
Rathnapura	Mahawela	Mahawela Estate, Ratnapura	69,171	37	89,433	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-5,500	Positively correlated sensitivity
Rathnapura	Mutwagalla	Mutwagalla Estate, Kiriella	26,515	30	43,819	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.2,000-5,500	Positively correlated sensitivity
Rathnapura	Millawitiya	Millawitiya Estate, Ratnapura	9,249	10	13,396	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-5,500	Positively correlated sensitivity
Rathnapura	Palmgarden	Palmgarden Estate, Ratnapura	95,390	31	99,336	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.270-5,500	Positively correlated sensitivity
Rathnapura	Rambukkande	Rambukkande Estate, Ratnapura	26,230	25	44,096	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.2,000-5,500	Positively correlated sensitivity
Balangoda	Balangoda	Balangoda Estate, Balangoda	67,806	45	102,313	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	RS.1,500-5,500	Positively correlated sensitivity
Balangoda	Cecilton	Cecilton Estate, Balangoda	52,908	21	67,151	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Balangoda	Meddakande	Meddakande Estate, Balangoda	58,485	33	79,985	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	RS.2,500-5,500	Positively correlated sensitivity
Balangoda	Non Pareil	Non Pareil Estate, Belihuloya	22,971	29	31,806	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity

Region	Estate	Location	Valuation of Building Rs.'000	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Significant Unobservable Inputs
Balangoda	Pettiagalla	Pettiagalla Estate, Balangoda	36,083	20	52,145	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Balangoda	Rasagalla	Rasagalla Estate , Balangoda	53,740	35	80,972	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Balangoda	Rye/Wikilliya	Rye/Wikiliya Estate, Balangoda	26,985	19	32,020	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.2,000-5,500	Positively correlated sensitivity
Balangoda	Walaboda	Walaboda Estate, Balangoda	16,961	13	14,134	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Badulla	Cullen	Cullen Estate, Badulla	15,595	22	24,480	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Badulla	Gowerakelle	Gowerakelle Estate, Badulla	22,706	20	27,709	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Badulla	Glen Alpin	Glen Alpin Estate, Badulla	154,689	55	129,968	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,750-5,500	Positively correlated sensitivity
Badulla	Spring Valley	Spring Valley Estate, Badulla	199,267	69	193,989	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-5,500	Positively correlated sensitivity
Badulla	Telbedde	Telbedde Estate, Badulla	148,935	76	151,870	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-5,500	Positively correlated sensitivity
Badulla	Ury	Ury Estate, Badulla	137,520	48	136,174	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-5,500	Positively correlated sensitivity
Badulla	Wewesse	Wewesse Estate, Badulla	85,974	40	91,390	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-5,500	Positively correlated sensitivity

Aitken Spence PLC

Company	Location	Last revaluation date	Estimated price per perch (Significant unobservable inputs) Rs.	Extent	Carrying amount as at 31.03.2026 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Aitken Spence PLC (a)	315, Vauxhall Street, Colombo 02	20.03.2026	18,500,000	1 A 0 R 12.78 P	**3,195,848**	3,194,691	1,157
	316, K. Cyril C. Perera Mw., Colombo 13	26.03.2026	4,600,000	1 A 0 R 20.37 P	**832,936**	827,945	4,991
	170, Sri Wickrema Mw., Colombo 15	26.03.2026	1,600,000	3 A 3 R 31.00 P	**1,004,500**	961,539	42,961
	Moragalla, Beruwala	06.03.2026	1,000,000	10 A 1 R 23.97 P	**1,663,970**	1,663,016	954
	290/1, Inner Harbour Road, Trincomalee	17.03.2026	650,000	0 A 1 R 4.95 P	**29,000**	29,000	-
Ace Containers (Pvt) Ltd (a)	775/5, Negombo Road, Wattala	10.03.2026	700,000	22 A 0 R 24.88 P	**2,480,000**	2,385,447	94,553
	385, Colombo Road, Welisara	10.03.2026	1,000,000	8 A 3 R 3.20 P	**1,356,000**	1,269,327	86,673
	No.377, Negombo Road, Welisara, Ragama	10.03.2026	1,000,000	1 A 0 R 34.30 P	**185,000**	97,935	87,065
Ace Distriparks (Pvt) Ltd (a)	80, Negombo Road, Wattala	05.03.2026	2,250,000	2 A 2 R 17.03 P	**938,000**	568,438	369,562
Ahungalla Resorts Ltd (a)	"Ahungalla Resorts", Galle Road, Ahungalla	31.03.2026	600,000-900,000	12 A 3 R 35.21 P	**1,760,877**	861,000	899,877
Aitken Spence (Garments) Ltd (a)	222, Agalawatte Road, Matugama	08.10.2025	850,000	2 A 2 R 31.94 P	**367,149**	361,989	5,160
Aitken Spence Hotel Holdings PLC (a)	"Heritance Ahungalla", Galle Road, Ahungalla	31.03.2026	900,000	11 A 3 R 34.02 P	**1,722,618**	1,704,416	18,202
	"Heritance Ahungalla", Galle Road, Ahungalla	31.03.2026	700,000	0 A 0 R 39.26 P	**27,500**	22,293	5,207
Aitken Spence Hotel Managements (South India) Ltd (b)	144/7, Rajiv Gandhi Salai, Kottivakkam, OMR, Chennai, India	12.08.2025	16,000,000	0 A 3 R 14.40 P	**2,114,318**	1,387,044	727,274
Aitken Spence Property Developments Ltd (a)	90, St.Rita's Estate, Mawaramandiya	10.03.2026	700,000	3 A 1 R 26.75 P	**378,800**	354,372	24,428
	100, St.Rita's Estate, Mawaramandiya	10.03.2026	600,000	1 A 0 R 0.00 P	**96,000**	41,761	54,239
Aitken Spence Resorts (Middle East) LLC (c)	Al Hamriya, Sultanate of Oman	25.03.2026	7,000,000	5 A 0 R 7.87 P	**5,731,041**	171,926	5,559,115
Branford Hydropower (Pvt) Ltd (a)	225, Gangabada Road, Kaludawela, Matale	17.03.2026	80,000	2 A 0 R 14.00 P	**26,720**	16,187	10,533
Clark Spence and Company (Pvt) Ltd (a)	24-24/1, Church Street, Galle	10.03.2026	12,500,000	0 A 1 R 26.60 P	**832,500**	832,465	35
Heritance (Pvt) Ltd (a)	Moragalla, Beruwala	31.03.2026	1,000,000	5 A 3 R 6.80 P	**926,800**	915,720	11,080

Company	Location	Last revaluation date	Estimated price per perch (Significant unobservable inputs) Rs.	Extent	Carrying amount as at 31.03.2026 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Kandalama Hotels Ltd	Kandalama, Dambulla	31.03.2026	625	169 A 2 R 22.00 P	16,964	**9,580**	7,384
		31.03.2026	30,000	13 A 3 R 38.00 P	66,840	**18,718**	48,122
Logilink (Pvt) Ltd (a)	309/4 a, Negombo Road, Welisara	10.03.2026	800,000	2 A 1 R 9.50 P	**295,000**	212,509	82,491
Meeraladuwa (Pvt) Ltd (a)	Meeraladuwa Island, Balapitiya	31.03.2026	60,000-225,000	29 A 2 R 9.00 P	**354,950**	254,688	100,262
Neptune Ayurvedic Village (Pvt) Ltd (a)	Ayurvedic village - Moragalla, Beruwala	31.03.2026	350,000	0 A 0 R 19.30 P	**6,750**	2,686	4,064
Perumbalam Resorts (Pvt) Ltd (d)	Cochin - Kerala, India	28.03.2026	165,000	4 A 0 R 11.39 P	**106,846**	93,030	13,816
PR Holiday Homes (Pvt) Ltd (d)	Cochin - Kerala, India	28.03.2026	360,000	13 A 0 R 10.05 P	**797,597**	637,457	160,140
Turyaa (Pvt) Ltd (a)	418, Parallel Road, Kudawaskaduwa, Kalutara	31.03.2026	700,000-1,000,000	5 A 1R 37.90 P	**853,630**	833,865	19,765
	49, Sea Beach Road, Kalutara	31.03.2026	1,000,000	0 A 1R 26.47 P	**66,470**	64,982	1,488
	Kudawaskaduwa, Kalutara	31.03.2026	600,000-1,000,000	1 A 3 R 33.20 P	**309,200**	252,421	56,779
	Kudawaskaduwa, Kalutara	31.03.2026	900,000	0 A 1 R 32.70 P	**65,430**	56,256	9,174
Vauxhall Investments Ltd (a)	316, K. Cyril C. Perera Mw., Colombo 13	26.03.2026	4,600,000	0 A 1 R 21.08 P	**282,064**	260,225	21,839
Vauxhall Property Developments Ltd (a)	305, Vauxhall Street, Colombo 02	26.03.2026	18,500,000	0 A 2 R 24.73 P	**1,937,152**	1,922,421	14,731
					30,828,470	22,285,349	8,543,121

The above lands have been revalued on the basis of current market value by independent, qualified valuers who have recent experience in the location and category of property being valued.

a. Valuation of the land was carried out by Mr. K.C.B Condegama, F.I.V [Sri Lanka].

b. Valuation of the land was carried out by Mr. S.Sivaskantha , F.I.V [Sri Lanka].

c. Valuation of the land was carried out by Sunil Fernando and Associates (Pvt) Ltd, Chartered Valuation Surveyors [Sri Lanka].

d. Valuation of the land was carried out by CBRE South Asia Pvt. Ltd, [India].

e. Valuation of the land was carried out by R. Tulsian Global, [Oman].

f. Valuation of the land was carried out by Er. MAYA R, M. Tech, M.I.E., C. E(I), F.I.V., BEEE [India].

Melsta Logistics (Pvt) Ltd

Free hold Land and Building of the company were revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2026 on "contractor's Principle Basis" and incorporated in the financial statements of the group. In this valuation technique, the valuer has used the contractors cost method as a reference price to value properties. The surplus on revaluation credited to revaluation reserve while loss has been charged to profit and loss.

Location (Region)	Revalued Amount Rs.'000 Buildings	Number of Buildings	Building Area Sq.Ft.	Significant Unobservable Inputs Buildings	Range of estimates for un-odservable input Per sq.ft	Sensitivity of fair value to un-observable inputs
Seed Farm Road, Nawayalathenna, Katugastota, Kandy	392,800	5	37,547 sq.ft	Depreciated replacement cost	8,500-13,000	Positively correlated sensitivity
No.160, Negombo Road, Seeduwa	154,600	5	44,136 sq.ft	Depreciated replacement cost	4,250-9,000	Positively correlated sensitivity

15.3 Gross carrying value of fully depreciated assets

The cost of the fully depreciated assets of the Group and the Company amounts to Rs 47,606 Mn. (Rs 42,067Mn-2024/25) and Rs.26 Mn (Rs.31 Mn-2024/245 respectively as at reporting date.

15.4 Property plant and equipment that have been pledged

The property plant and equipment that are pledged for long term borrowings are disclosed in Note 43 to these financial statements.

15.5 Borrowing cost - capitalised

Borrowing cost capitalised during the year is disclosed in Note 31 to these financial statements.

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

	Group			
	2026		2025	
For the year ended 31 March,	Land Rs.'000	Building Rs.'000	Land Rs.'000	Building Rs.'000
Cost	**10,787,104**	**80,575,305**	10,435,680	80,575,305
Accumulated depreciation and impairment	**-**	**(26,090,739)**	-	(26,061,323)
Carrying value	**10,787,104**	**54,484,566**	10,435,680	54,513,982

16 INTANGIBLE ASSETS

For the year ended 31 March,	Group							
	2026							2025
	License fees Note 16.1	FLAG cable Note 16.2	Software cost and implementation	Software cost and implementation (WIP)	Goodwill on acquisition	Other	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/carrying value								
Balance at the beginning of the year	1,487,266	2,797,761	1,039,307	8,425	7,301,495	10,020	12,644,274	13,082,334
Acquisitions/(disposals) of subsidiaries during the year	-	-	-	-	-	-	-	-
Exchange Difference	-	-	23,769	-	48,937	-	72,706	(16,392)
Additions	-	-	45,725	3,184	-	-	48,909	40,481
Other Transfers	-	-	-	-	-	-	-	(480,490)
Transferred to Assets Held for Sale	-	-	-	-	-	-	-	-
Transfers from property, plant and equipment	-	-	41,055	-	-	-	41,055	18,341
Disposals	-	(2,797,761)	(299,575)	-	-	-	(3,097,336)	-
Balance at the end of the period	1,487,266	-	850,281	11,609	7,350,432	10,020	9,709,608	12,644,274
Accumulated amortization and impairment								
Balance at the beginning of the year	1,487,266	2,797,761	923,869	-	1,079,245	9,593	6,297,734	6,604,946
Exchange Difference	-	-	15,382	-	7,990	-	23,372	(4,201)
Acquisitions/(disposals) of subsidiaries during the year	-	-	-	-	-	-	-	-
Amortised during the year	-	-	52,791	-	-	-	52,791	80,802
Impaired during the year	-	-	-	-	99,111	-	99,111	81,816
Other Transfers	-	-	-	-	-	-	-	(480,490)
Transferred to Assets Held for Sale	-	-	-	-	-	-	-	-
Transfers from property, plant and equipment	-	-	40,049	-	-	-	40,049	14,860
Disposals	-	(2,797,761)	(299,575)	-	-	-	(3,097,336)	-
Balance at the end of the period	1,487,266	-	732,516	-	1,186,346	9,593	3,415,721	6,297,733
Carrying value								
As at beginning of the year	-	-	115,438	8,425	6,222,250	427	6,346,540	6,477,388
As at end of the year	-	-	117,765	11,609	6,164,086	427	6,293,887	6,346,541

For the year ended 31 March,	Company			
	2026			2025
	Software cost and implementation	Software cost and implementation (WIP)	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/carrying value				
Balance at the beginning of the year	**6,676**	**1,374**	**8,050**	8,050
Additions during the year	**2,792**	**(1,374)**	**1,418**	-
Balance at the end of the period	**9,468**	**-**	**9,468**	8,050
Accumulated amortization and impairment				
Balance at the beginning of the year	**6,521**	**-**	**6,521**	6,416
Amortised during the year	**808**	**-**	**808**	105
Balance at the end of the period	**7,329**	**-**	**7,329**	6,521
Carrying value				
As at beginning of the year	**155**	**1,374**	**1,529**	1,634
As at end of the year	**2,139**	**-**	**2,139**	1,529

16.1 License fees

(i) License fee represents the operator license fee of Rs. 408Mn paid as a renewal of operating licence fee and it is amortised over 10 years commencing from 1st March 2016.

(ii) The External Gateway License fee of Rs. 102Mn is amortised over a period of 10 years, commencing from 28th February 2013.

(iii) The Wi-Max 2365-2380 MHz License Fee of Rs. 510.2Mn was paid in 2011/12 and 2012/13 and operations commenced on 1st July 2013.

16.2 FLAG cable

FLAG cable represents the expenditure incurred on under sea fibber optic cable link and the landing station , which enables the Company to offer direct global connectivity and a complete end-to-end data connectivity solution. The total expenditure is amortized over the license period of 15 years on a straight line basis from August 2008.

16.3 Goodwill on acquisition

The Goodwill on acquisition represents following amounts

For the year ended 31 March,	Group	
	2026	2025
	Rs.'000	Rs.'000
Diversified sector	**5,446,138**	5,504,302
Plantation sector	**71,862**	71,862
Beverage sector	**447,998**	447,998
Real Estate sector	**198,088**	198,088
	6,164,086	6,222,250

16.3.1 Impairment of goodwill

Impairment during the year

The Group has assessed the goodwill on acquisition for impairment in accordance with LKAS 36 - "Impairment of Assets" and as per the assessment the group has recognised an impairment of Rs. 91.1 Mn during the year ended 31st March 2026 (2024/25: Rs 81.8 Mn).

The recoverable amount of the Hotel-Oman CGU was determined based on its value in use calculation, established by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was identified to be higher than its recoverable amount of OMR 8.6 million. Hence an impairment loss of OMR 100,000 (equivalent to Rs. 79.1 million) has been recognised during the financial year 2025/2026 (2024/2025 - OMR 105,751).

The goodwill relating to the Other Services – Money Transfer CGU was fully impaired during the year, resulting in an impairment charge of Rs. 20.1 million (2024/2025 - Nil), due to expected losses in the near future stemming from the nature of its operations. Total of above impairment losses was allocated to goodwill and recognised in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

Impairment Assessment

16.3.1.1 Diversified Sector

The recoverable amount of the components within the diversified sector was determined with reference to their fair value less costs of disposal as at 31 March 2026. In determining fair value less costs of disposal, the Group applied the Sum-of-the-Parts (SOTP) valuation methodology, which is commonly used to value companies operating across multiple industries. Under this method, the independently valued business units are aggregated to arrive at a total equity value for the Group. Each business unit was valued using the most appropriate methodology for its industry.

The following table summarizes the SOTP valuation approach:

Relative Price to Book Value (PBV) Method

Net Book Value (NBV) Method

16.3.1.2 Plantation sector

Recoverable value of plantation sector has been determined based on fair value less cost to sell calculation that considers the market values of these companies adjusted appropriately to reflect the conditions applicable to the cash generating unit. Fair value estimated under this method could be classified as a Level 3 fair value measurement. Following key assumptions were used in the estimation.

Business Segment	Valuation Methods	Key Assumptions
Cargo & Logistics	P/BV and NBV	Maritime & Logistics Sector Multiple = 1.28x
Apparel	P/BV	Implied Apparel Sector P/BV = 1.15x
Power	P/BV and NBV	Implied Power Sector P/BV = 1.80x
Tourism	P/BV and NBV	Applicable Transaction Multiple = 2.11x
Plantations	P/BV and NBV	Applicable Trading Multiple = 3.28x
Property	NBV	-
Others	NBV	-

Key assumptions applied in determining the fair value less costs of disposal include the following:
The Group has no commitments that would require significant time to be fulfilled prior to a potential disposal of the sector.
Costs of obtaining necessary approvals are not considered material.

16.3.1.2 Healthcare Sector

Consequent to the Group's assessment of impairment on Goodwill on Consolidation, a full provision of impairment amounting to Rs. 352.6 Mn was recognised for the Goodwill of Healthcare Sector during the year ended 31st March 2022. The recoverable value of this CGU was determined with reference to its Fair Value less cost to sell measured using the net assets value of the sub-group. Fair Value determined under this approach could be classified as a Level-3 Fair Value measurement. In estimating the recoverable value of the Group assumed that costs related to realisation of the recoverable value as immaterial.

16.3.1.3 Plantation sector

The recoverable amount of the Plantation Sector CGU was determined based on its fair value less costs of disposal (FVLCD). The fair value was estimated using the market values of the respective companies, adjusted appropriately to reflect the specific conditions and characteristics applicable to the CGU. The fair value determined under this approach is classified as a Level 3 fair value measurement due to the use of significant unobservable inputs.

The key assumptions used in determining the recoverable amount were as follows:
A control premium of 10%–15% was applied, based on comparable historical transactions.
Costs associated with the disposal of the investments were considered immaterial. It
was assumed that the necessary regulatory approvals would be obtained to facilitate the proposed transaction.

16.3.1.4 Beverage sector

The recoverable amount of the component in beverage sector was determined based on its value in use calculation, established by discounting the future cashflows to be generated from the continuing use of the CGU.

Key assumptions used in value in use computation

Discounting factor 17.00%

Terminal Growth Rate 3.1%

16.3.1.4 Real estate sector

The recoverable amount of the cash-generating unit (CGU) within the real estate sector was determined as at 31 March 2026, based on fair value less costs of disposal. Fair value was measured using an asset-based valuation approach, reflecting the market value of the CGU's principal assets (investment properties), as determined by an independent external valuer.

17 INVESTMENT PROPERTY

As at 31 March,	Group				
	Land	Building	Capital Work In Progress	Total	
				2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Valuation					
Balance at the beginning of the year	7,812,580	1,088,015	-	**8,900,595**	8,800,474
Additions during the year	17,548	43,274	-	**60,822**	32,395
Change in fair value during the year	262,528	124,369	-	**386,897**	262,551
Transfers from/ (to) property, plant and equipment	(18,802)	(95,573)	-	**(114,375)**	(194,825)
Balance at the end of the period	8,073,854	1,160,085	-	**9,233,939**	8,900,595

As at 31 March,	Company				
	Land	Building	Capital Work In Progress	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/Valuation					
Balance at the beginning of the year	6,264,886	1,413,608	119,365	**7,797,859**	7,478,541
Additions	17,550	36,529	1,655,676	**1,709,755**	119,365
Assets retired	-	(72,215)	-	**(72,215)**	(256,510)
Change in fair Value	373,569	24,313	-	**397,882**	456,463
Balance at the end of the period	6,656,005	1,402,235	1,775,041	**9,833,281**	7,797,859

17.1 Revaluation of Investment Properties

17.1.1 Valuation details

Melstacorp PLC

A valuation of investment properties of Melstacorp PLC was carried out by Independent valuers Mr. Sivaskanthan F.I.V (Sri Lanka) by using "Contractor's Principle Method" and incorporated in the financial statements of the group as at 31st March 2026.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 451, Galle Road, Kollupitiya, Colombo 03	611,400	-	-	0A-0R-20.38P	-	Estimated price per perch	-	30,000,000	-	Positively correlated sensitivity
No 146 & 146/1, Munidasa, Kumaratunga Mawatha, Bandarawatta, Seeduwa	36,400	-	-	0A-0R-31.41P	-	Estimated price per perch	-	1,000,000	-	Positively correlated sensitivity
No 63, Norris Canal Road, Maradana, Colombo 10.	298,310	22,631	2	0A - 0R - 25.94P	5,642	Estimated price per perch	Depreciated construction cost	11,500,000	8,000-8,500	Positively correlated sensitivity
No.04,Alfred House Garden, Colombo 03 (Geethajalie Place)	557,200	102,782	1	0A - 0R - 19.9P	12,768	Estimated price per perch	Depreciated construction cost	28,000,000	14,000	Positively correlated sensitivity
No.453, Galle Road, Colombo 03.	1,132,875	32,817	1	0A - 0R - 39.75P	9,652	Estimated price per perch	Depreciated construction cost	28,500,000	8,500	Positively correlated sensitivity
No.20, Bandarawatta Road, Seeduwa.	193,050	103,992	2	0A - 1R - 38P	17,332	Estimated price per perch	Depreciated construction cost	2,475,000	8,000	Positively correlated sensitivity

Aitken Spence PLC

The open market value of the below properties based on the directors' valuation as at 31st March 2026.

Location	Significant Unobservable Inputs	Extent	Original Cost Rs.'000	Revalued Amount Rs.'000
Irakkakandi Village, VC Road, Nilaweli	80,000 - 275,000	113A - 1R - 1P	1,632	2,922

Melsta Tower (Pvt) Ltd

Free hold Land and Buildings classified as investment properties of this subsidiary were revalued by Mr.S.Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2026 on "contractor's Principle Basis

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 136, Vipulasena Mw,Colombo 10.	1,163,750		-	0A-2R-38.75P	-	Estimated price per perch	-	9,800,000	-	Positively correlated sensitivity
No 140/1, Vipulasena Mw,Colombo 10.	149,600		-	0A-0R-15.27P	-	Estimated price per perch	-	9,800,000	-	Positively correlated sensitivity
No 128, Vipulasena Mw,Colombo 10.	410,620	16,480	2	0A-1R-1.90P	3255	Estimated price per perch	Depreciated construction cost	9,800,000	9,000-7,000	Positively correlated sensitivity
No 140, Vipulasena Mw,Colombo 10.	212,695	7,105	2	0A-0R-20.65P	1920	Estimated price per perch	Depreciated construction cost	10,300,000	9,000-7,000	Positively correlated sensitivity

Melsta House (Pvt) Ltd

Free hold Land and Buildings classified as investment properties of this subsidiary were revalued by Mr.S.Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2026 on "contractor's Principle Basis

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No. 210, De Saram Place, Colombo 10	548,625	288,275	1	0A-0R-38.50P	25653	Estimated price per perch	Depreciated construction cost	14,250,000	14,500	Positively correlated sensitivity
No. 195, De Saram Place, Colombo 10	155,900	10,000	1	0A-0R-10.68P	5205	Estimated price per perch	Depreciated construction cost	14,600,000	7,000	Positively correlated sensitivity

Balangoda Plantations PLC

Investment Properties of the Company are stated at fair value as at 31 December 2025 based on a valuation performed by Mr. S Sivaskantha, R I C S (Sri Lanka) an external, independent Chartered Valuation Surveyor using Depreciation Replacement Cost method. This reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost) and discounted for the age, condition, refurbishment level of maintenance etc. The details of which are as follows,

Region	Estate	Location	Revalued Amount (Rs) Buildings	Number of Buildings Nos	Building Area Sq.Ft	Significant Unobservable Inputs	Range of estimates for unobservable input Buildings(Rs)	Significant Unobservable Inputs
Rathnapura	Mutwagalla	Tea Factory- Mutwagalla Estate, Kiriella	66,254	8	41,366	Estimated replacement cost per Sq.Ft adjusted for wear and tear	3,000-5,500	Positively correlated sensitivity
Rathnapura	Millawitiya	Tea Factory- Millawitiya Estate, Ratnapura	51,351	4	29,487	Estimated replacement cost per Sq.Ft adjusted for wear and tear	1,500-5,500	Positively correlated sensitivity
Rathnapura	Palmgarden	Restaurant- Palmgarden Estate,Ratnapura	17,038	2	7,425	Estimated replacement cost per Sq.Ft adjusted for wear and tear	2,500-5,500	Positively correlated sensitivity
Balangoda	Rye/Wikilliya	Tea Factory- Rye/ Wikiliya Estate, Balangoda	237,711	19	139,052	Estimated replacement cost per Sq.Ft adjusted for wear and tear	2,000-5,500	Positively correlated sensitivity
Badulla	Gowerakelle	Tea Factory- Gowerakelle Estate, Badulla	87,613	3	37,030	Estimated replacement cost per Sq.Ft adjusted for wear and tear	4,500-5,500	Positively correlated sensitivity
Balangoda	Non-Perial	Holiday Bungalow- Non-Perial Estate Balangoda	16,304	1	4,645	Estimated replacement cost per Sq.Ft adjusted for wear and tear	8,000	Positively correlated sensitivity
Balangoda	Non-Perial	Tea Factory-Non Periel Estate - Balangoda	24,482	1	30,631	Estimated replacement cost per Sq.Ft adjusted for wear and tear	3,000-4,500	Positively correlated sensitivity
Rathnapura	Palmgarden	Tea Factory- Palmgarden Estate, Rathnapura	53,699	1	38,036	Estimated replacement cost per Sq.Ft adjusted for wear and tear	1,250-5,500	Positively correlated sensitivity
Balangoda	Agarsland	Tea Factory- Agarsland Estate, Rasagalla Balangoda	21,586	1	19,228	Estimated replacement cost per Sq.Ft adjusted for wear and tear	2,500-4,000	Positively correlated sensitivity

17.1.2 Sensitivity of assumptions employed in investment property valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the investment property valuation.

Melstacorp PLC

For the year ended 31 March,	Increase/ (Decrease) in Land & Building at Melstacorp	2026			
		Land		Building	
		Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)	Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)
No 451, Galle Road, Kollupiyiya, Colombo 03	5%	30,570	30,570	-	-
	-5%	(30,570)	(30,570)	-	-
No 146 & 146/1, Munidasa, Kumaratunga Mawatha, Bandarawatta, Seeduwa	5%	1,820	1,820	-	-
	-5%	(1,820)	(1,820)	-	-
No 63, Norris Canal Road, Maradana, Colombo 10.	5%	14,916	14,916	1,132	1,132
	-5%	(14,916)	(14,916)	(1,132)	(1,132)
No.04,Alfred House Garden, Colombo 03 (Geethajalie Place)	5%	27,860	27,860	5,139	5,139
	-5%	(27,860)	(27,860)	(5,139)	(5,139)
No.453, Galle Road, Colombo 03. (Green Cabin)	5%	56,644	56,644	1,641	1,641
	-5%	(56,644)	(56,644)	(1,641)	(1,641)
No.20, Bandarawatta Road, Seeduwa.	5%	9,653	9,653	5,200	5,200
	-5%	(9,653)	(9,653)	(5,200)	(5,200)

Melsta Tower (Pvt) Ltd

For the year ended 31 March,	Increase/ (Decrease) in Land & Building at Melsta Tower (Pvt) Ltd	2026			
		Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)	Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)
No.136, Vipulasena Mw, Colombo 10	5%	58,188	58,188	-	-
	-5%	(58,188)	(58,188)	-	-
No.128, Vipulasena Mw, Colombo 10.	5%	20,531	20,531	824	824
	-5%	(20,531)	(20,531)	(824)	(824)
No.140, Vipulasena Mw, Colombo 10.	5%	10,635	10,635	355	355
	-5%	(10,635)	(10,635)	(355)	(355)
No.140/1, Vipulasena Mw, Colombo 10.	5%	7,480	7,480	-	-
	-5%	(7,480)	(7,480)	-	-

Melsta House (Pvt) Ltd

For the year ended 31 March,	Increase/ (Decrease) in Land & Building at Melsta Tower (Pvt) Ltd	2026			
		Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)	Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)
No. 210, De Saram Place, Colombo 10	5%	27,431	27,431	-	14,414
	-5%	(27,431)	(27,431)	-	(14,414)
No. 195, De Saram Place, Colombo 10	5%	7,795	7,795	500	500
	-5%	(7,795)	(7,795)	(500)	(500)

17.1.3 The fair value measurement for all investment properties have been categorized as level 3 fair value based on the inputs to the valuation techniques used.

18 BIOLOGICAL ASSETS

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000
Bearer biological assets	18.1	**2,902,132**	2,864,790
Consumer biological assets	18.2	**9,680,643**	8,766,660
		12,582,775	11,631,450

18.1 Bearer biological assets

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000
On finance lease (JEDB/SLSPC)	18.1.1	**3**	1,016
Investments after formation of the plantation company/ in new Plantation	18.1.2	**2,902,129**	2,863,774
		2,902,132	2,864,790

18.1.1 On finance lease (JEDB/SLSPC)

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatization of plantation estates, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 18th June 1992. For this purpose, the Board decided at its meeting on 8th March, 1995, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company.

For the year ended 31 March,	2026					2025
	Immature Plantations	Mature Plantations			Total	Total
	Tea Rs.000	Tea Rs.000	Rubber Rs.000	Total Rs.000	Rs.'000	Rs.'000
Cost						
Balance as at the beginning of the year	-	**417,888**	-	**417,888**	**417,888**	417,888
Balance as at the end of the year	-	**417,888**	-	**417,888**	**417,888**	417,888
Accumulated amortization						
Balance as at the beginning of the year	-	**416,872**	-	**416,872**	**416,872**	412,788
Amortisation for the year	-	**1,013**	-	**1,013**	**1,013**	4,084
Balance as at the end of the year	-	**417,885**	-	**417,885**	**417,885**	416,872
Carrying amount	-	**3**	-	**3**	**3**	1,016

Investment in Immature Plantations at the time of handing over to the Company as at 18 June, 1992 by way of estate leases were shown under Immature Plantations.

However, since then all such investments in immature plantations attributable to JEDB/ SLSPC period have been transferred to mature plantations. These mature tea and rubber were classified as bearer biological assets in terms of LKAS 41 - Agriculture. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognized at cost less amortisation. Further investments in such plantations to bring them to maturity.

18.1.2 Investments after formation of the plantation companies/ in new Plantation

For the year ended 31 March,	2026			2025
	Immature Plantations	Mature Plantations	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
Balance as at the beginning of the year	1,552,069	3,490,013	5,042,082	4,915,401
Additions/ Transfers in during the year	202,315	128,830	331,145	182,182
Disposals/ Transfers out	(181,345)	46,255	(135,090)	-
Write-off during the year	-	(1)	(1)	(82)
Balance as at the end of the year	1,573,039	3,665,097	5,238,136	5,097,501
Accumulated amortization and impairments				
Balance as at the beginning of the year	864,980	1,313,327	2,178,307	2,001,072
Charge for the year	-	139,091	139,091	126,680
Provision for impairment	19,627	-	19,627	105,975
Write-off During the year	-	-	-	-
Disposals/ Transfers out	-	(1,018)	(1,018)	-
Balance as at the end of the year	884,607	1,451,400	2,336,007	2,233,727
Carrying amount at the end of the year	688,432	2,213,697	2,902,129	2,863,774

Investments in bearer plants since the formation of the Company have been classified as shown above and mainly includes tea and rubber plantations. Bearer plants are stated at cost less accumulated depreciation and impairment in accordance with LKAS 16 – "Property, plant and equipment".

The immature plants are classified as mature plants when they are ready for commercial harvesting.

18.1.2.1 Impairment of bearer biological assets

The Company has performed an impairment assessment on immature biological assets and identified that some of immature plantations are non existing and / or untappable. Accordingly, the management has performed a calculation of provision for impairment on such immature fields based on the costs incurred after considering the recoverable amount of untappable trees based on fair value less cost to sell.

18.1.3 Produce on Bearer Biological Assets

For the year ended 31 March,	Group	
	2026	2025
	Rs.'000	Rs.'000
Balance as at the beginning of the year	**14,158**	13,108
Change in fair value less cost to sell	**(474)**	1,050
Balance as at the end of the year	**13,684**	14,158

The volume of produce growing on bearer plants are measured using the estimated crop of the last harvesting cycle of the year as follows:

Tea – Three days crop (50% of 6 days cycle)

Rubber – One days crop (50% of 2 days cycle)

Produce that grows on mature bearer plantations are measured at fair value less cost to sell. The value of the unharvested green leaves is measured using the Tea Commissioner's formula for bought leaf and rubber crop is fair valued using RSS prices.

18.2 Consumable biological assets

As at 31 March,	Group	
	2026	2025
	Rs.'000	Rs.'000
Balance as at the beginning of the year	**8,766,659**	7,975,873
Increase due to development	**19,754**	28,102
Decrease due to harvest/transfer	**(3,362)**	-
Gain/(loss) arising from changes in fair value less cost to sell	**897,592**	762,685
Balance as at the end of the year	**9,680,643**	8,766,660

18.2.1 Information about Fair value measurements using significant unobservable inputs (Level 3)

Balangoda Plantations PLC

The valuation of consumable biological assets was carried by Mr Chadrasena Weerasinghe, an independent Chartered Valuation Surveyor, using Discounted Cash Flows (DCF) methods. The Valuation Report dated 31 December 2025 has been prepared based on the physically verified timber statistics provided by the Company. The future cash flows are determined by reference to current timber prices. The fair value measurement for the consumable biological assets has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques and significant unobservable inputs

Type Valuation	Technique Used	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing timber	***Discounted cash flows***	***Determination of Timber Content***	
Standing timber older than 4 years.	The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis. Expected cash flows are discounted using a riskadjusted discount rate of 14.5% (2024: 16.5%)	Timber trees in inter-crop areas and pure crop areas have been identified field-wise and species were identified and harvestable trees were separated, according to their average girth and estimated age." Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size. ***Determination of Price of Timber*** Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of logs sawn timber at the popular timber traders in Sri Lanka. In this exercise, following factors have been taken into consideration. a) Cost of obtaining approval of felling. b) Cost of felling and cutting into logs. c) Cost of transportation. d) Sawing cost.\ e) Cost of sale. Accordingly, prices falling within the range of Rs. 100 - 50,000 per cubic ft./ per tree has been considered in the valuation. f) Exclusion of trees located in restricted area specialized in the circular no 2019/01 dated on 6 November 2019 issued by the Ministry of Plantation Industries. Accordingly, prices falling within the range of Rs. 150 - 50,000 per cubic ft. has been considered in the valuation ***Risk-adjusted discount rate*** 2025 - 14.5% (Risk Premium 4.5%) 2024 - 16.5% (Risk Premium 4.5%)	The estimated fair value would increase/ (decrease) if; the estimated timber content were higher/ (lower). the estimated timber prices per cubic meter were higher/(lower). the estimated selling related costs were lower/(higher). the estimated maturity age were higher/(lower). the risk-adjusted discount rate were lower/(higher)."

Madulsima Plantations PLC

The valuation of consumable biological assets was carried by Mr Weerasinghe Chadrasena, an independent Incorporated Valuation Surveyor, using Discounted Cash Flows (DCF) methods. The Valuation Report dated 31 December 2025 has been prepared based on the physically verified timber statistics provided by the Company. The future cash flows are determined by reference to current timber prices. The fair value measurement of the consumable biological assets have been categorised as level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques and significant unobservable inputs

Non Financial Assets	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs	Relationship pf Unobservable inputs to Fair Value
Standing timber older than 4 years	***Discounted Cash Flow Method*** The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree per- tree basis."	Discounting factor	14.50%	The higher the discount rate, the lower the fair value
		Optimum rotation (Maturity)	25-35 years	Lower the rotation period, the higher the fair value
		Price per cu.ft	Rs.150/- Rs.700/- per	The higher the price per cu.ft, the higher the fair value
Young plants (Age less than 4 years)	***Cost Techniques*** The cost techniques consider the cost of creating a comparable plantation, taking in to account the cost of infrastructure, cultivation and preparation, buying and planting young trees with an estimate profit that would apply to this activity	Estimated cost of cultivation and preparation per hectare	Rs. 250,000 - Rs. 350,000	The estimated fair value would increase (decrease) if; The estimated cost of infrastructure, cultivation and preparation and buying and planting trees were higher/ (lower).
		Estimated cost of buying and planting young plants per hectare	Rs. 62,000 - Rs. 65,000	

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the each company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

The biological assets of the Group are mainly cultivated in leased lands. When measuring the fair value of the biological assets, it was assumed that these concessions can and will be renewed at normal circumstances. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

The Group is exposed to the following risks relating to its timber plantations.

Regulatory and environmental risk

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Company also insures itself against natural disasters such as floods, land slides and hurricanes.

Key assumptions used in the valuation

1. The harvesting is approved by the PMMD and Forest Department based on the forestry development plan

2.The prices adopted are net of expenditure

3.Though the replanting is a condition precedent for harvesting , yet the cost are not taken in to consideration.

18.2.2 Sensitivity Analysis

Sensitivity variation sales price

Values as appearing in the statement of financial position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise of decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets :

Managed Timber	-10% Rs.'000	10% Rs.'000
As at 31st December , 2025	(985,283)	985,283
As at 31st December , 2024	(894,528)	894,528

Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1% of the discount rate has the following effect on the net present value of biological assets :

Managed Timber	-1% Rs.'000	1% Rs.'000
As at 31st December , 2025	379,470	(348,992)
As at 31st December , 2024	321,080	(294,513)

18.3 Gain / (Loss) on fair value of biological assets

For the year ended 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000
From Consumable biological assets	18.2	897,592	762,685
From produce on bearer biological assets	18.1.3	(474)	1,050
		897,118	763,735

19 RIGHT-OF-USE ASSETS

19.1 Movement during the year

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as right-of-use assets.

As at 31 March,	Group				
	2026				2025
	Right-of-Use Land	Right-of-Use buildings	Right-of-Use Motor Vehicles	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost					
Balance at he beginning of the year	**29,766,340**	**4,762,077**	**60,275**	**34,588,692**	34,830,354
Operating leases pre-paid	**-**	**-**	**-**	**-**	7,128
Termination of leases	**-**	**-**	**-**	**-**	(70,696)
Exchange difference	**1,673,062**	**374,502**	**-**	**2,047,564**	(478,022)
Remeasurement during the year	**835,067**	**-**	**1,846,780**	**2,681,847**	136,828
Additions	**11,758,436**	**194,004**	**-**	**11,952,440**	234,075
Disposals	**(11,458)**	**(109,534)**	**(60,275)**	**(181,267)**	(70,976)
Balance at the end of the year	**44,021,447**	**5,221,049**	**1,846,780**	**51,089,276**	34,588,691
Accumulated depreciation					
Balance at he beginning of the year	**15,019,335**	**3,292,648**	**60,275**	**18,372,258**	16,626,012
Exchange difference	**885,594**	**303,207**	**-**	**1,188,801**	(260,304)
Charge for the year	**1,652,384**	**146,748**	**-**	**1,799,132**	2,107,792
Capitalised under property, plant and equipment	**6,078**	**-**	**-**	**6,078**	8,558
Termination of leases	**-**	**-**	**-**	**-**	(42,959)
Disposals	**(11,458)**	**(105,200)**	**(60,275)**	**(176,933)**	(66,841)
Balance at the end of the year	**17,551,933**	**3,637,403**	**-**	**21,189,336**	18,372,258
Carrying amount as at 31st March					
Recognised under non-current	**26,469,514**	**1,583,646**	**1,846,780**	**29,899,940**	16,216,433
Recognised under current *	**-**	**-**	**-**	**-**	-
Carrying amount as at 31st March	**26,469,514**	**1,583,646**	**1,846,780**	**29,899,940**	16,216,433

As at 31 March,	Company		
	2026		2025
	Right-of-Use buildings	Total	Total
	Rs.'000	Rs.'000	Rs.'000
Cost			
Balance at he beginning of the year	**36,522**	**36,522**	36,521
Additions	**-**	**-**	-
Balance at the end of the year	**36,522**	**36,522**	36,521
Accumulated depreciation			
Balance at he beginning of the year.	**29,217**	**29,217**	21,912
Charge for the year	**7,305**	**7,305**	7,305
Balance at the end of the year	**36,522**	**36,522**	29,217
Carrying amount as at 31st March	**-**	**-**	7,304
Carrying amount as at 31st March	**7,304**	**7,304**	14,609

* Consequent to the expiry of power purchase agreement signed between Ace Power Embilipitiya (Pvt) Ltd., and the Ceylon Electricity Board (CEB) on the 6th April 2021, after the date of the statement of financial position, the right-of-use assets of Ace Power Embilipitiya (Pvt) Ltd., was transferred to current assets.

19.2 Amounts recognised in profit or loss on SLFRS 16 - Leases

	Note	Group		Company	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation expense of right-of-use assets	19.1	**1,799,132**	2,107,792	**7,305**	7,305
Interest on lease liabilities	32	**840,191**	930,654	**352**	953
Expenses relating to short term leases and leases of low value assets		**575,082**	546,490	**-**	-

19.3 Amounts recognised in statement of cash flows on SLFRS 16 - Leases

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total cash outflow for leases	**3,023,379**	3,056,501	**9,178**	8,739

19.4 Details of right-of-use assets relating to leased properties

Company	Nature of the leasing activity	Location of the leased property	Unexpired lease periods as at 31.03.2026
Ace Apparels (Pvt) Ltd	Land	Koggala - Sri Lanka	38 years
Ace Apparels (Pvt) Ltd	Factory and Warehouse facilities	Koggala - Sri Lanka	28 years
Ace Containers (Pvt) Ltd	Yard and Warehouse facilities	Wattala - Sri Lanka	1-4 years
Ace Container Terminals (Pvt) Ltd	Land	Katunayake - Sri Lanka	61 years
Ace Distriparks (Pvt) Ltd	Land	Mihinthale - Sri Lanka	17 years
Ace Distriparks (Pvt) Ltd	Warehouse facilities	Welisara and Wattala - Sri Lanka	02 years
Ace Windpower (Pvt) Ltd	Land	Ambewela - Sri Lanka	06 years
Aitken Spence Agriculture (Pvt) Ltd	Land	Dambulla - Sri Lanka	16 years
Aitken Spence Cargo (Pvt) Ltd	Warehouse facilities	Mulleriyawa - Sri Lanka	02 year
Aitken Spence Hotel Managements (Pvt) Ltd	Warehouse facilities	Colombo 02 - Sri Lanka	02 years
Aitken Spence Property Developments (Pvt) Ltd	Land	Colombo 02 - Sri Lanka	02 year
Global Parcel Delivery (Pvt) Ltd	Warehouse facility	Ingiriya - Sri Lanka	Less than 01 year
Hethersett Hotels Ltd	Land	Nuwara Eliya - Sri Lanka	69 years
Kandalama Hotels (Pvt) Ltd	Land	Dambulla - Sri Lanka	17 years
Waltrim Hydropower (Pvt) Ltd	Land and building	Nuwara Eliya - Sri Lanka	14 years
Western Power Company (Pvt) Ltd	Land	Muthurajawela - Sri Lanka	21 years
ADS Resorts (Pvt) Ltd	Island	North Male' Atoll - Maldives	10 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	22 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	38 years
Jetan Travel Services Company (Pvt) Ltd	Island	South Male' Atoll - Maldives	17 years
Unique Resorts (Pvt) Ltd	Island	South Male' Atoll - Maldives	19 years
Fiji Ports Terminal Ltd	Wharfs used for ports operations	Suva - Fiji	03 years

The Group leases office space, office equipment, motor vehicles etc with contract terms of one to five years. These leases are either short term (term less than one year) and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

19.5 Right to use of land-Madulsima Plantations PLC and Balngoda Plantations PLC

The Right of Use - Lands consist of the lease rights on Janatha Estates Development Board/Sri Lanka State Plantations Corporation Estates. Leases have been executed for a period of 53 years. All of these leases are retroactive to 22 June 1992 the date of formation of the Company. The leasehold right to the land on all of these estates have been taken into the books of the Company on 22 June 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka.

19.5.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka

The Government of Sri Lanka has initiated actions under provisions of the Land Acquisition Act No.28 of 1964, to acquire lands from lands leased to the Company in Agarsland Estate, Cecilton Estate, Rasagalla Estate, Non Pareil Estate, Balangoda Estate and Rye Wikiliya Estate located in Balangoda region; Mutwagala Estate, Palmgarden Estate, Millawitiya Estate, Galuthara Estate and Rambukkanda Estate located in Ratnapura region, and Glen Alpin Estate, Telebedde Estate, Ury Estate and Wewesse Estate located in Badulla region; El-Teb, Mahadowa, Uvakallie and Veralapatana estates located in Madulsima Region.

The Government of Sri Lanka has already acquired a total land extent of 203.02 hectares (refer Note A below).

(A) List of lands acquired by the Government as at 31 December 2025

Company	Region	Estate	Purpose of Acquisition	Extent (Hectares)
Balangoda Plantations PLC	Balangoda	Cecilton Estate	Expansion of an Village	7.21
	Balangoda	Non Perial Estate	Construction of R/Non Paeril Tamil Vidyalaya	0.81
	Balangoda	Non Perial Estate	Construction of Army camp	36.18
	Balangoda	Non Perial Estate	Construction of R/Karagastalawa Maha Vidyalaya	1.21
	Balangoda	Non Perial Estate	Widening of Road	0.38
	Balangoda	Non Perial Estate	Widening of Road	0.3
	Balangoda	Non Perial Estate	Village Alienation	12.09
	Balangoda	Agarsland Estate	Construction of R/Wellawala Mukalana Tamil School	0.81
	Balangoda	Agarsland Estate	Village Alienation	6.79
	Balangoda	Rasagalla Estate	Village Alienation	7.87
	Balangoda	Rasagalla Estate	Village Alienation	4.34
	Balangoda	Rasagalla Estate	Village Alienation	2.37
	Balangoda	Rasagalla Estate	Construction of Estate Hospital – Rasagalla	0.81
	Balangoda	Rye Wikiliya Estate	Construction of Balangoda Pinnawala Police Station	1
	Balangoda	Rye Wikiliya Estate	Village Alienation	2.02
	Ratnapura	Mutwagala Estate	Construction of North Karadana Police Post	0.06
	Ratnapura	Palmgarden Estate	Construction of an Industrial Estate	34.49
	Ratnapura	Palmgarden Estate	Village Alienation	5.26
	Badulla	Glen Alpin Estate	Expansion of Uva Wellassa University	10.1
	Badulla	Glen Alpin Estate	Construction of an Industrial Zone	9.49
	Badulla	Telebedde Estate	Construction of a Lake	1.62
	Badulla	Ury Estate	Village Alienation	2.9
	Badulla	Wewesse Estate	Expansion of Uva Wellassa University	17.81
	Ratnapura	Galuthara Estate	Construction of Houses for Flood Victims	1.18
	Ratnapura	Millawitiya Estate	Village Alienation	11.86
	Ratnapura	Mutwagala Estate	Village Alienation	4.9
	Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	3.49

Company	Region	Estate	Purpose of Acquisition	Extent (Hectares)
	Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	4.78
	Balangoda	Balangoda Estate	Build a Mini Hydro Project	0.66
	Badulla	Ury Estate	Construction of Peradeniya Badulla Highway	0.01
	Badulla	Wewesse Estate	Construction of Peradeniya Badulla Highway	2.91
	Badulla	Telbedde Estate	Construction of a Rural Hospital	0.37
	Badulla	Glen Alpin Estate	Relocation of Diyangalla Tamil School	0.4
	Ratnapura	Palmgarden Estate	Relocation of Ratnapura Tamil Maha Vidyalaya	2.02
	Ratnapura	Mutwagala Estate	Disaster Housing programme	0.13
Madulsima Plantations PLC	Madulsima	El-Teb	Lower Division No 01 Tamil School	0.81
	Madulsima	Mahadowa	Lower Division No 01 Tamil School	0.44
	Madulsima	Mahadowa	Hospital Development	0.81
	Madulsima	Mahadowa	Chengaladi Road Expansion	0.12
	Madulsima	Uvakellie	Tamil School	0.8
	Madulsima	Veralapatana	Expansion of Madulsima town	0.81
	Madulsima	Veralapatana	Police Station & Quarters	0.6
				203.02

No adjustments have been made to the financial statements in respect of these lands acquired as the compensation receivable on these acquisitions are not known and the Government Valuation is pending as at 31 December 2025. Accordingly, the transactions pertaining to those acquisitions are incomplete as at 31 December 2025.

20 INVESTMENTS IN SUBSIDIARIES

As at 31 March,	Note	Company	
		2026 Rs.'000	2025 Rs.'000
Quoted Investments	20.1	**57,214,236**	57,324,187
Unquoted Investments	20.2	**11,506,993**	11,506,993
		68,721,229	68,831,180
Less: Provision for impairment of investments in subsidiaries	20.3	**(4,866,885)**	(4,866,885)
		63,854,344	63,964,295

20.1 Quoted Investments

As at 31 March,	2026				2025			
	Number of shares	Effective holding	Market Value Rs.'000	Cost Rs.'000	Number of shares	Effective holding	Market Value Rs.'000	Cost Rs.'000
Balangoda Plantations PLC	34,134,932	72.21%	2,048,096	2,118,122	35,268,300	74.61%	2,380,610	2,188,449
Browns Beach Hotel PLC	54,273,234	41.88%	1,519,651	726,399	54,273,234	41.88%	1,020,337	726,399
Distilleries Company of Sri Lanka PLC	4,248,259,664	92.35%	231,530,152	31,497,860	4,252,264,664	92.44%	154,782,434	31,527,517
Aitken Spence PLC	208,410,213	51.33%	28,969,020	21,858,971	208,410,213	51.33%	26,624,405	21,858,971
Madulsima Plantations PLC	93,509,677	55.17%	1,019,255	1,012,884	94,429,833	55.71%	1,152,044	1,022,851
			265,086,174	57,214,236			185,959,830	57,324,187

20.2 Unquoted Investments

As at 31 March,	2026			2025		
	Number of shares	Effective holding	Cost Rs.'000	Number of shares	Effective holding	Cost Rs.'000
Milford Holdings (Pvt) Limited	333,067,925	98.36%	3,350,000	333,067,925	98.36%	3,350,000
Periceyl (Pvt) Limited	240,000,000	100.00%	6,750	240,000,000	100%	6,750
Continental Insurance Lanka Limited	120,000,007	100.00%	1,164,000	120,000,007	100%	1,164,000
Melsta Logistics (Pvt) Limited	90,000,000	100.00%	571,486	90,000,000	100%	571,486
Bogo Power (Pvt) Limited	993,000,000	99.30%	993,250	993,000,000	99.30%	993,250
Bellvantage (Pvt) Limited	5,000,100	100.00%	75,000	5,000,100	100%	75,000
Melsta Properties (Pvt) Limited	158,994,901	100.00%	1,589,949	158,994,901	100%	1,589,949
Melsta Tower (Pvt) Limited	65,751,636	100.00%	657,516	65,751,636	100%	657,516
Melsta Technologies (Pvt) Limited	1,000,000	100.00%	10,000	1,000,000	100%	10,000
Melsta Health (Pvt) Ltd	197,600,002	100.00%	1,976,000	197,600,002	100%	1,976,000
Timpex (Pvt) Limited	15,611,662	51.03%	156,897	15,611,662	51.03%	156,897
Splendor Media (Pvt) Limited	100,002	100.00%	50,686	100,002	100%	50,686
Melsta House (Pvt) Ltd	419,443	100.00%	905,459	419,443	100%	905,459
			11,506,993			11,506,993

20.3 Provision for impairment of investment in subsidiaries

As at 31 March,	Company	
	2026 Rs.'000	2025 Rs.'000
Balance at the beginning of the year	**4,866,885**	4,691,876
Provision made during the year	**-**	197,509
Reversal of Impairement on Disposal of fully impaired subsidiaries	**-**	(22,500)
Balance at the end of the year	**4,866,885**	4,866,885

The provision for impairment of investments in subsidiary companies as at 31st March 2026 are attributable to followings.

As at 31 March,	Company	
	2026 Rs.'000	2025 Rs.'000
Milford Holdings (Pvt) Limited	**3,350,000**	3,350,000
Splendor Media (Pvt) Limited	**50,686**	50,686
Timpex (Pvt) Ltd	**156,897**	156,897
Melsta Health (Pvt) Ltd	**1,309,302**	1,309,302
	4,866,885	4,866,885

20.3.1 Milford Holdings (Pvt) Limited

The recoverable value of Milford Holdings (Pvt) Limited was calculated with reference to its net assets value (Rs: Nil) held as at 31st March 2026. (Level 3 Valuation)"

20.3.2 Splendor Media (Pvt) Limited

The recoverable value of Splendor Media (Pvt) Limited was calculated with reference to its net assets value (Rs: Nil) held as at 31st March 2026. (Level 3 Valuation)"

20.3.4 Timpex (Pvt) Ltd

Texpro Industries Limited The recoverable value of Timpex (Pvt) Ltd and Texpro Industries Limited were calculated with reference to its net assets value (Rs: Nil) held as at 31st March 2026. (Level 3 Valuation)"

20.3.6 Melsta Health (Private) Limited

The recoverable value of Melsta Health (Private) Limited was calculated with reference to its net assets value (Rs. Nil) held as at 31st March 2026 (Level 3 Valuation)."

20.4 Group holdings in subsidiaries

	Subsidiary		Sector	Principal Activity	Reporting period	Reason for using a different period	Indirectly holding through	2026	
								No. of shares	Effective ownership interest
1	Aitken Spence PLC	SPEN	TOU /MFL/ SER/PLT/FS	Diversified Holding	31-Mar	-		208,410,213	51.33%
2	Balangoda Plantations PLC	BPL	PLT	Cultivation and processing of Tea & Rubber	31-Dec	To comply with the rules and regulations in the Plantation sector		34,134,932	72.21%
3	Bell Solutions (Pvt) Ltd	BSL	TEL	"Information & Communication Technology"	31-Mar	-	LB	100,000	98.36%
4	Bellvantage (Pvt) Ltd	BV	SER	BPO,KPO & Software Development	31-Mar	-		5,000,100	100.00%
5	Bogo Power (Pvt) Ltd	BP	SI	"Generation and sale of Hydro Electric Energy"	31-Mar	-		993,000,000	99.50%
6	Browns Beach Hotel PLC	BBH	TOU	Leisure-Hospitality services	31-Mar	-	SPENCE	102,900,337	56.22%
7	Continental Insurance Lanka Limited	CIL	FS	General Insurance Services	31-Dec	To comply with the rules and regulations in the Insurance sector		120,000,007	100.00%
8	Lanka Bell Ltd	LB	TEL	Telecommunication Services	31-Mar	-	MH	50,719,061	98.36%
9	Distilleries Company of Sri Lanka PLC	DCSL	BEV	Distilling, Manufacturing and distribution of Hard Liquor	31-Mar	-		4,248,259,664	92.35%
10	Melsta Logistics (Pvt) Ltd	ML	MFL	Logistics	31-Mar	-		90,000,000	100.00%
11	Milford Holdings (Pvt) Ltd	MH	SI	Investment Holding Company	31-Mar	-		333,067,925	98.36%
12	Negombo Beach Resorts (Pvt) Ltd	NBR	TOU	Leisure-Hospitality services	31-Mar	-	BBH	91,400,001	56.22%
13	Periceyl (Pvt) Ltd	PCL	BEV	"Distribution of locally manufactured Foreign Liquor"	31-Dec	To operate in line with foreign strategic alliances		240,000,000	100.00%
14	Splendor Media (Pvt) Ltd	SM	SER	Media Buying & Creative Services	31-Mar	-		100,002	100.00%
15	Bell Active (Pvt) Ltd	TF	TEL	Telecommunication Services	31-Mar	-	LB	100,000	98.36%
16	Texpro Industries Ltd	TEXP	SI	Dyeing and Printing Woven Fabrics	31-Mar	-	DCSL	46,836,524	92.35%
17	Timpex Ltd	TIM	SI	Investment Holding Company	31-Mar	-		15,611,661	51.03%
18	Melsta Properties (Pvt) Ltd	MP	SER	Management of Real Estate	31-Mar	-		158,994,901	100.00%
19	Melsta Tower (Pvt) Limited	Tower	SER	Management of Real Estate	31-Mar	-		65,751,636	100.00%

	Subsidiary		Sector	Principal Activity	Reporting period	Reason for using a different period	Indirectly holding through	2026	
								No. of shares	Effective ownership interest
20	Melsta Technology (Pvt) Limited	TECH	SER	IT Services	31-Mar	-		1,000,000	100.00%
21	Madulsima Plantations PLC	MPL	PLT	Cultivation and processing of Tea	31-Dec	-		93,509,677	55.71%
22	Melsta Health (Pvt) Ltd	HEALTH	SER	Investment holding company	31-Mar	-		197,600,002	100.00%
23	Melsta Laboratories (Pvt) Ltd	MLAB	SER	Dianostic services	31-Mar	-	HEALTH	30,000,001	100.00%
24	Hospital Management Melsta (Pvt) Ltd	HMM	SER	Healthcare services	31-Mar	-	HEALTH	25,225,001	100.00%
25	Melsta Healthcare Colombo (Pvt) Ltd	MHCOL	SER	Healthcare services	31-Mar	-	HEALTH	13,000,000	100.00%
26	Melsta Hospitals Ragama (pvt) Ltd	MHR	SER	Healthcare services	31-Mar	-	MHCOL	180,725,000	100.00%
27	Melsta Healthcare Colombo North (Pvt) Ltd	MHNC	SER	Healthcare services	31-Mar	-	MHR	25,362,500	100.00%
28	Melsta Pharmaceuticals (Pvt) Ltd	PHARMA	SER	Healthcare services	31-Mar	-	HEALTH	1,700,000	100.00%
29	Formula World (Pvt) Ltd	FWORLD	MFL	Automobile Servicing and Logistics	31-Dec	-	CIL	1,000,000	100.00%
30	Continental Insurance Life Lanka Ltd	CLIFE	FS	Life Insurance services	31-Dec	To comply with the rules and regulations in the Insurance sector	CIL	50,000,000	100.00%
31	Melsta House (Pvt) Ltd	MHOUSE	SER	Management of Real Estate	31-Mar	-		153,958,709	100.00%
32	DCSL Breweries Lanka Limited	DBL	BEV	Brewing and distribution of soft Liquor	31-Mar	-	DCSL	1,991,585,000	92.35%
33	DCSL Group Marketing (Pvt) Ltd	DGMKT	BEV	Marketing of liquor products	31-Mar	-	DCSL	1	92.35%

Sectors - Beverage - **BEV**/ Tourism-**TOU** / Maritime Freight & Logistics - **MFL** / Strategic investment - **SI** / Services - **SER** / Plantation - **PLT** / Financial Services - **FS** / Telecommunication - **TEL**

20.5 Changes in ownership without change in control

During the year ended 31 March 2026, DCSL PLC, a 92.35%-owned subsidiary of the Group, acquired additional interests in DCSL Breweries Lanka Limited and Texpro Industries Limited without a change in control. DCSL PLC increased its interest in DCSL Breweries Lanka Limited from 99.58% to 100% for a consideration of Rs. 42,075,000, resulting in the Group's effective ownership interest increasing from 92.05% to 92.35%. Further, DCSL PLC increased its interest in Texpro Industries Limited from 85.73% to 100%, resulting in the Group's effective ownership interest increasing from 79.25% to 92.35%.

20.6 Disclosure of the interest that non-controlling interests have in the group's activities and cash flows

Name of the subsidiary	Aitken Spence PLC (SPEN)	Balangoda Plantations PLC (BPL)	Browns Beach Hotels PLC (BBH)	Madulsima Plantations PLC (MPL)
Principal place of business	No.815, Vauxhall Street, Colombo 02.	In the areas of Ratnapura,Balangoda and Badulla	No. 175, Lewis Place, Negombo	In the areas of Badulla and bogawanthalawa.
Proportion of ownership interest held by non controlling interest	48.67%	27.79%	43.78%	44.83%
Profit / (loss) allocated to non controlling interest (Rs. '000)	5,618,399	165,828	49,910	23,388
Accumulated non controlling interest at the end of the reporting period (Rs. '000)	69,570,739	1,250,074	259,177	291,613

20.7 Summarised financial information of subsidiaries that have material NCI

As at/ for the year ended,	BPL		BBH		MPL		SPEN	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Dividends paid to non controlling interests	-	-	-	-	-	-	1,877,787	2,103,664
Current assets	777,802	764,571	776,187	623,597	1,038,865	1,112,936	78,684,500	73,259,759
Non current assets	8,714,776	7,826,345	5,275,304	4,518,023	10,228,274	8,688,050	152,941,157	132,741,576
Current liabilities	(855,461)	(1,054,033)	(3,392,772)	(3,335,535)	(6,081,932)	(5,886,556)	(54,530,966)	(58,877,853)
Non current liabilities	(4,139,069)	(3,819,864)	(2,628,580)	(2,555,815)	(4,534,755)	(4,047,437)	(72,841,674)	(57,234,371)
Net assets	4,498,048	3,717,019	30,139	(749,730)	650,452	(133,007)	104,253,017	89,889,111
Revenue	4,279,555	4,841,854	1,824,507	1,492,898	4,379,194	4,684,545	94,473,162	93,631,779
Profit/(Loss) After Tax	596,685	741,214	114,014	(153,909)	52,168	243,743	9,106,781	7,179,126
Other comprehensive income	231,613	(162,156)	665,855	60,623	731,290	10,470	7,808,805	(153,252)
Total comprehensive income	828,298	579,058	779,869	(93,286)	783,458	254,213	16,915,586	7,025,874
Cash Flows								
Cash flows from operating activities	1,110,383	1,110,383	231,250	231,250	819,260	819,260	13,225,583	13,225,583
Cash flows from investing activities	(108,456)	(108,456)	(38,199)	(38,199)	(157,444)	(157,444)	(4,575,631)	(4,575,631)
Cash flows from financing activities	(932,039)	(932,039)	(321,535)	(321,535)	(57,033)	(57,033)	(4,845,190)	(4,845,190)

21 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Recognised in the statement of financial position					
Interest in joint ventures	21.1	**2,588,884**	2,191,466	**-**	-
Interest in associates	21.2	**10,043,904**	8,737,402	**-**	-
Carrying amount as at 31st March		**12,632,788**	10,928,868	**-**	-
Recognised in the income statement					
Interest in joint ventures	21.1.1	**1,180,274**	449,460	**-**	-
Interest in associates	21.2.1	**1,119,300**	968,969	**-**	-
Share of profit of equity-accounted investees (net of tax) for the year ended 31 March		**2,299,574**	1,418,429	**-**	-
Recognised in the statement of profit or loss and other comprehensive income					
Interest in joint ventures	21.1.1	**42,029**	(40,248)	**-**	-
Interest in associates	21.2.1	**320,711**	(86,900)	**-**	-
Share of other comprehensive income of equity-accounted investees (net of tax) for the year ended 31 March		**362,740**	(127,148)	**-**	-

Share of other comprehensive income of equity-accounted investees (net of tax) is further analysed as ;

	Group	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Items that will not be reclassified to profit or loss	**(18,860)**	(6,993)
Items that are or may be reclassified to profit or loss	**381,600**	(120,155)
	362,740	(127,148)

21.1 Investment in joint ventures

	Country of incorporation	Sector	Principle Activity	No. of shares	Holding %	Group As at 31st March 2026 Rs.'000	Group As at 31st March 2025 Rs.'000	No. of shares	Holding %	Company As at 31st March 2026 Rs.'000	Company As at 31st March 2025 Rs.'000
Aitken Spence C & T Investments (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka-	Providing retirement home service	SER	14,170,000	50.00	**141,700**	141,700	-	-	**-**	-
Aitken Spence Engineering Solutions (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka-	supply, install, test,commission and maintain equipment of any kind in the field of Air-conditioning, fire and security	SER	20,000	50.00	**2,000**	2,000	-	-	**-**	-
CINEC Campus (Pvt) Ltd (a) (formally Colombo International Nautical and Engineering College (Pvt) Ltd) (consolidated with CINEC Skills (Pvt) Ltd) (Ordinary shares - Unquoted)	Sri Lanka -	Providing maritime higher education	MFL	253,334	40.00	**502,950**	502,950	-	-	**-**	-
Spence Seahorse Marine (Pvt) Ltd (a) (Ordinary shares - Unquoted)	Sri Lanka -	Supply of Bunkers and Marine services at all Sri Lanka Ports	MFL	18,222,991	50.00	**182,230**	182,230	-	-	**-**	-
Port City PBO (Pvt) Ltd (a) (b) (c) (Ordinary shares - Unquoted)	Sri Lanka	"provide BPO services to off shore clients"	SER	31,020	50.00	**15,295**	15,295	-	-	**-**	-
Melsta GAMA (Pvt) Ltd	Sri Lanka -	Import, Packaging and distribution of Cement		16,020,000	50.00	**-**	-	-	-	**-**	-
Ace Bangladesh Ltd (a) (Ordinary shares - Unquoted)	Bangladesh -	Provides international freight forwarding services	MFL	172,970	49.00	**32,587**	32,587	-	-	**-**	-
"Aitken Spence Cargo (Cambodia) Co. Ltd (Ordinary shares - Unquoted)"	Cambodia -	International Freight Forwarding and General Sales Agent for Airline Cargo	MFL	10,000	50.00	**3,089**	3,089	-	-	**-**	-
Carrying amount as at 31st March						**879,851**	879,851	-	-	**-**	-
Provision for impairment of investments						**-**	-	-	-	**-**	-
Opening cumulative net assets accruing to the group net of dividend						**1,311,615**	(80,168)	-	-	**-**	-
Group's share of total comprehensive income for the year						**1,222,303**	409,212	-	-	**-**	-
Dividends received for the year						**(747,350)**	(163,717)	-	-	**-**	-
Share of net assets partially disposed *						**(77,535)**	-	-	-		-
Cumulative net assets accrued to the group net of dividend from Joint Venture Disposed during the year						**-**	1,146,288	-	-	**-**	-
Equity value of investments						**2,588,884**	2,191,466	-	-	**-**	-

Sectors - Tourism-**TOU** / Maritime Freight & Logistics-**MFL** / Strategic investment-**SI** / Services-**SER** /Plantation-**PLT**/ Financial Services-**FS** / Telecommunication-**TEL**

* During the period under review, the Group undertook a partial disposal of its investment in Port City PBO (Pvt) Ltd. The resulting loss has been recognised and presented within other operating income in the income statement.

21.1.1 Summarised financial information of joint ventures - Group

The following analyses, in aggregate, the carrying amount, share of profit and other comprehensive income of individually immaterial joint ventures.

As at	2026 Rs.'000	2025 Rs.'000
Carrying amount of interest in joint ventures	**2,588,884**	2,191,466
Group's share of :		
Profit for the year (net of tax)	**1,180,274**	449,460
Other comprehensive income for the year (net of tax)	**42,029**	(40,248)
Total comprehensive income for the year	**1,222,303**	409,212

21.2 Investment in associates

	Country of incorporation	Sector	Principle Activity	Group			
				No. of shares	Holding %	As at 31 March, 2026 Rs.'000	As at 31 March, 2025 Rs.'000
Aitken Spence Plantation Managements PLC (consolidated with Elpitiya Plantations PLC(Ordinary shares - Quoted)	Sri Lanka-	PLT	Managing agents for Elpitiya Plantations PLC.	8,295,860	38.95	**165,000**	165,000
Fiji Ports Corporation Ltd consolidated with Fiji Ships Heavy Industries Ltd (Ordinary Shares - Unquoted)	Fiji-	MFL	Owns and operates all the major ports and providing navigational services at all Fijian Ports.	14,630,970	20.00	**2,351,255**	2,351,255
Serendib Investments Ltd (Ordinary Shares - Unquoted	Fiji -	SI	Printing and Packaging	1,750,000	25.00	**151,215**	151,215
Browns Beach Hotels PLC (consolidated with Negombo Beach Resorts (Pvt) Ltd) (Ordinary shares - Quoted)	Sri Lanka					**-**	-
Amethyst Leisure Ltd © (consolidated with Paradise Resort Pasikudah (Pvt) Ltdt) (Ordinary shares - Unquoted)	Sri Lanka -	TOU	Leisure-Hospitality services	218,348,465	10.67	**933,637**	569,205
Ace Aviation Myanmar Ltd (Ordinary shares - Unquoted)	Myanmar-	TOU	Destination Management	1,525,000	33.33	**20,075**	20,075
Carrying amount as at 31st March						**3,621,182**	3,256,750
Provision for impairment of investments						**(55,889)**	(55,889)
Opening cumulative net assets accruing to the group net of dividend						**5,536,541**	4,974,075
Group's share of total comprehensive income for the year						**1,440,011**	882,069
Dividends received for the year						**(656,473)**	(451,136)
Share of net assets recognised in equity						**158,532**	131,533
Equity value of investments						**10,043,904**	8,737,402
Market value of quoted investments as at 31st March						**-**	-

Sectors - Tourism-**TOU** / Maritime Freight & Logistics-**MFL** / Strategic investment-**SI** / Services-**SER** /Plantation-**PLT**/ Financial Services-**FS** / Telecommunication-**TEL**

21.2.1 Summarised financial information of associates - Group

The following analyses, in aggregate, the carrying amount, share of profit and other comprehensive income of individually immaterial associates.

For the year ended 31 March,	2026 Rs.'000	2025 Rs.'000
Carrying amount of interest in associates	**10,043,904**	8,737,402
Group's share of :		
Profit for the year (net of tax)	**1,119,300**	968,969
Other comprehensive income for the year (net of tax)	**320,711**	(86,900)
Total comprehensive income for the year	**1,440,011**	882,069

21.2.2 Inter-company shareholdings - investment in associates

Investee	Country of incorporation	Investor	Number of shares as at 31.03.2026	Percentage holding (%)		
				Investor holding %	Group holding %	Non-controlling holding %
Amethyst Leisure Ltd	Sri Lanka	Aitken Spence Hotel Holdings PLC	**218,345,163**	27.89%	10.67%	89.33%
	Sri Lanka	Distilleries Company of Sri Lanka PLC	**3,302**	0.00%		
Ace Aviation Myanmar Ltd	Myanmar	Aitken Spence Cargo (Pvt) Ltd	**1,525,000**	33.33%	33.33%	66.67%

Principal activities of the Group's interest in associates are described on page 352.

22 DEFERRED TAX ASSET AND LIABILITIES

22.1 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

As at 31 March,	Group					
	2026			2025		
	Assets Rs.'000	Liabilities Rs.'000	Net Rs.'000	Asset Rs.'000	Liabilities Rs.'000	Net Rs.'000
Accelerated depreciation for tax purposes on property, plant and equipment	-	19,775,849	19,775,849	-	19,538,128	19,538,128
Biological assets	-	3,785,870	3,785,870	-	3,499,990	3,499,990
Provision for impairment of receivables	(202,602)	-	(202,602)	(151,246)	-	(151,246)
Other Provisions	(279,110)	-	(279,110)	(229,297)	-	(229,297)
Financial assets at FVOCI	4,838	-	4,838	(9,972)	-	(9,972)
Defined benefit obligations	(1,688,432)	-	(1,688,432)	(1,516,513)	-	(1,516,513)
Right-of-Use Asset	-	1,391,950	1,391,950	-	689,860	689,860
On lease liability	(1,406,281)	-	(1,406,281)	(721,721)	-	(721,721)
Revaluation Surplus on Freehold Land and building	240,301	5,777,656	6,017,957	-	3,384,417	3,384,417
Expected credit losses	-	-	-	-	-	-
Unrealised exchange gain	-	71,325	71,325	-	299,139	299,139
Unutilised tax loss carry-forwards	(4,256,211)	-	(4,256,211)	(4,791,659)	-	(4,791,659)
Undistributed profits of consolidated entities	-	169,266	169,266	-	169,266	169,266
	(7,587,497)	30,971,916	23,384,419	(7,420,408)	27,580,800	20,160,392

As at 31 March,	Company					
	2026			2025		
	Assets Rs.'000	Liabilities Rs.'000	Net Rs.'000	Asset Rs.'000	Liabilities Rs.'000	Net Rs.'000
Property, plant and equipment	-	1,392,766	1,392,766	-	1,372,540	1,372,540
Employee benefits	(5,983)	-	(5,983)	(8,074)	-	(8,074)
Right-of-Use Asset	-	4,383	4,383	-	6,574	6,574
On lease	(4,381)	-	(4,381)	(7,029)	-	(7,029)
	(10,364)	1,397,149	1,386,785	(15,103)	1,379,114	1,364,011

22.1.1 Movement in recognised deferred tax assets and liabilities

For the year ended 31 March,	Group					
	2026					
	Balance as at 1st April 2025	Acquisition of Subsidiary	Charged/(credited) in			Balance as at 31st March 2026
			Profit or loss (Note 23.1.1.1)	Other comprehensive income	Exchange Difference	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	19,538,128	-	(524,171)	736,144	25,749	19,775,852
Biological assets	3,499,990	-	285,880	-	-	3,785,870
Provision for impairment of receivables	(151,246)	-	(47,613)	-	(3,743)	(202,602)
Provisions	(229,298)	-	(49,636)	-	(178)	(279,111)
Financial assets at FVOCI	(9,971)	-	-	14,810	-	4,839
Defined benefit obligations	(1,516,513)	-	(142,937)	(23,647)	(5,336)	(1,688,432)
Right-of-Use Asset	689,860	-	681,754	-	20,336	1,391,950
On lease liability	(721,721)	-	(665,517)	-	(19,042)	(1,406,281)
Revaluation Surplus on Freehold Land	3,384,417	-	240,301	2,390,912	2,327	6,017,957
Expected credit losses	-	-	-	-	-	-
Unrealised exchange gain	299,139	-	(227,747)	-	(67)	71,325
Unutilised tax loss carry-forwards	(4,791,659)	-	537,046	-	(1,598)	(4,256,211)
Undistributed profits of consolidated entities	169,266	-	-	-	-	169,266
	20,160,392	-	87,360	3,118,219	18,448	23,384,422

For the year ended 31 March,	Group					
	2025					
	Balance as at 1st April 2024	Acquisition of Subsidiary	Charged/(credited) in			Balance as at 31st March 2025
			Profit or loss	Other comprehensive income	Exchange Difference	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	19,124,331	179	(11,515)	457,215	(32,082)	19,538,128
Biological assets	3,270,037	-	221,202	8,751	-	3,499,990
Provision for impairment of receivables	(383,547)	81	232,184	-	36	(151,246)
Provisions	(219,138)	-	(10,187)	-	27	(229,298)
Financial assets at FVOCI	(11,640)	-	-	1,669	-	(9,971)
Defined benefit obligations	(1,339,046)	-	(56,867)	(121,871)	1,271	(1,516,513)
Right-of-Use Asset	927,838	-	(229,449)	-	(8,529)	689,860
On leases	(979,720)	-	249,385	-	8,614	(721,721)
Other Items	8,751	-	-	(8,751)	-	-
Revaluation Surplus on Freehold Land	3,378,193	-	-	13,457	(7,233)	3,384,417
Unrealised exchange gain	204,825	-	94,314	-	-	299,139
Unutilised tax loss carry-forwards	(5,156,009)	-	334,996	-	29,354	(4,791,659)
Undistributed profits of consolidated entities	129,726	-	39,540	-	-	169,266
	18,954,601	260	863,603	350,470	(8,542)	20,160,392

For the year ended 31 March,	Company			
	2026			
	Balance as at 1st April 2025	Charged/(credited) in		Balance as at 31st March 2026
		Profit or loss	Other comprehensive income	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	1,372,540	20,225	-	1,392,765
Retirement benefit obligation	(8,073)	(1,429)	3,519	(5,983)
ROU Assets	6,574	(2,191)	-	4,383
On lease	(7,029)	2,648	-	(4,381)
	1,364,012	19,253	3,519	1,386,785

For the year ended 31 March,	Company			
	2025			
	Balance as at 1st April 2024	Charged/(credited) in		Balance as at 31st March 2025
		Profit or loss (Note 22.1.1.1)	Other comprehensive income	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	1,292,503	80,037	-	1,372,540
Retirement benefit obligation	(6,238)	(2,402)	566	(8,074)
From Net of Right-of-Use Asset & Lease Liability	4,383	2,191	-	6,574
On lease	(4,983)	(2,046)	-	(7,029)
	1,285,665	77,780	566	1,364,011

22.1.1.1 Charged/(credited) in profit or loss

For the year ended 31 March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
From continuing operation	87,360	853,698	19,253	77,780
From discontinued operations	-	(25,111)	-	-
	87,360	828,587	19,253	77,780

22.1.1.2 Deferred tax charge/(reversal) for the year

For the year ended 31 March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax (reversal) / charged to profit or loss				
Gue to change in the effective tax rate	-	(27,490)	-	-
Due to change in temporary differences	87,360	891,093	19,253	77,780
	87,360	863,603	19,253	77,780
Deferred tax (reversal) / charged to other comprehensive income				
Gue to change in the effective tax rate		257,702	-	-
Due to change in temporary differences	3,118,219	92,768	3,519	566
	3,118,219	350,470	3,519	566

22.2 Unrecognised net deferred tax assets & liabilities

Deferred tax assets/(Liabilities) have not been recognized in respect of the following items:

For the year ended 31 March,	Group	
	2026 Rs.'000	2025 Rs.'000
Property, plant & equipment & intangible assets	**5,707**	1,164
Net lease liabilities	**68**	-
Employee benefits	**(15,440)**	1,369
Impairment of trade receivables	**158,479**	165,852
Tax losses	**15,573,365**	16,309,679
Other deductible temporary differences	**262,442**	-
Net deferred tax asset/(liabilities) not recognized	**15,984,621**	16,478,064

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

23 OTHER FINANCIAL INVESTMENTS

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Non current investments					
Financial investments at fair value through OCI	23.1	**59,990,947**	51,129,757	**53,367,971**	46,344,668
Financial investments at amortised cost	23.3	**5,196,357**	5,705,960	**724,380**	724,380
		65,187,304	56,835,717	**54,092,351**	47,069,048
Current investments					
Financial investments at fair value through OCI	23.1	**-**	-	**-**	-
Financial investments at Fair value through profit or loss (FVTPL)	23.2	**390,371**	432,482	**82,540**	111,897
Held to maturity (HTM) financial investments	23.3	**-**	-	**-**	-
Financial investments at amortised cost	23.3	**31,618,515**	29,164,672	**4,997,174**	4,973,849
		32,008,886	29,597,154	**5,079,714**	5,085,746

23.1 Financial investments at fair value through OCI

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Non current investments					
Quoted equity securities	23.1.1	**58,743,115**	50,665,405	**53,367,971**	46,344,668
Unquoted equity securities	23.1.2	**283,230**	269,155	**-**	-
Investments in unit trusts		**-**	-	**-**	-
Government Securities	23.1.3	**964,602**	195,197	**-**	-
Quoted Debt securities	23.1.5	**-**	-	**-**	-
Unquoted Debt securities		**-**	-	**-**	-
		59,990,947	51,129,757	**53,367,971**	46,344,668
Current investments					
Quoted equity securities	23.1.1	-	-	-	-
Government securities	23.1.4	-	-	-	-
Quoted Debt securities	23.1.5	-	-	-	-
Unquoted Debt Securities		-	-	-	-
		-	-	-	-

23.1.1 Quoted equity securities - Non current assets

As at 31 March,	Group					
	2026			2025		
	No. of shares	Cost Rs.'000	Fair value Rs.'000	No. of shares	Cost Rs.'000	Fair value Rs.'000
Diversified investments						
John Keells Holdings PLC	1,418,088,220	21,519,525	26,092,823	1,418,088,220	21,519,525	28,645,382
Vellibal One PLC	2,842	71	281	2,842	71	186
		21,519,596	26,093,104		21,519,596	28,645,568
Bank finance & insurance						
Commercial Bank of Ceylon PLC	68,694,956	8,226,071	14,030,944	62,961,850	7,204,821	9,179,837
Seylan Bank PLC	18,483	1,235	1,945	18,483	1,235	1,340
DFCC Bank PLC	26,986,746	4,189,413	3,821,813	26,986,746	4,189,413	2,860,595
Hatton National Bank PLC	10,482,540	1,234,895	4,305,703	13,982,540	3,007,241	4,264,675
National Development Bank PLC	6,702	148	947	6,554	148	742
		13,651,762	22,161,352		14,402,858	16,307,189
Beverage, food & tobacco						
Lanka Milk Foods (CWE) PLC	130,360,740	1,809,753	10,441,895	130,360,740	1,809,753	5,657,656
		1,809,753	10,441,895		1,809,753	5,657,656
Manufacturing						
Pelwatte Sugar Industries PLC	33,140,501	926,473	-	33,140,501	926,473	-
TEEJEY Lanka PLC	889,500	13,343	31,044	889,500	13,343	46,610
		939,816	31,044		939,816	46,610
Hotel and travels						
The Kingsbury Hotel PLC	410,000	6,178	8,815	410,000	6,178	4,920
		6,178	8,815		6,178	4,920
Hospitals						
Ceylon Hospitals PLC - Non Voting	34,655	2,257	6,905	34,655	2,257	3,462
		2,257	6,905		2,257	3,462
Total quoted equity securities - FVOCI		37,929,362	58,743,115		38,680,458	50,665,405

As at 31 March,	Company					
	2026			2025		
	No. of shares	Cost Rs.'000	Fair value Rs.'000	No. of shares	Cost Rs.'000	Fair value Rs.'000
Diversified investments						
John Keells Holdings PLC	1,418,088,220	21,519,525	26,092,823	1,418,088,220	21,519,525	28,645,382
		21,519,525	26,092,823		21,519,525	28,645,382
Bank finance & insurance						
Commercial Bank of Ceylon PLC	63,693,977	7,204,751	13,009,495	62,960,871	7,204,751	9,179,695
Seylan Bank PLC	18,483	1,235	1,945	18,483	1,235	1,340
DFCC Bank PLC	26,986,746	4,189,413	3,821,813	26,986,746	4,189,413	2,860,595
		11,395,399	16,833,253		11,395,399	12,041,630
Beverage, food & tobacco						
Lanka Milk Foods (CWE) PLC	130,360,740	1,809,753	10,441,895	130,360,740	1,809,753	5,657,656
		1,809,753	10,441,895		1,809,753	5,657,656
Manufacturing						
Pelwatte Sugar Industries PLC	33,140,501	926,473	-	33,140,501	926,473	-
		926,473	-		926,473	-
Total quoted equity securities - FVOCI		35,651,150	53,367,971		35,651,150	46,344,668

23.1.2 Unquoted equity securities

As at 31 March,	Group					
	2026			2025		
	No. of shares	Cost Rs.'000	Fair value Rs.'000	No. of shares	Cost Rs.'000	Fair value Rs.'000
International Distilleries Lanka Ltd	100	3	3	100	3	3
Amethyst Leisure Ltd	214,080,600	271,489	-	-	-	-
W.M.Mendis & Co., Ltd	200	4	4	200	4	4
Rainforest Ecolodge (Pvt) Ltd	3,500,000	35,000	1,237	3,500,000	35,000	6,128
Business Process Outsourcing LLC	30,000	8,640	-	30,000	8,640	-
Floatels India (Pvt) Ltd	716,037	84,128	262,831	716,037	84,128	246,822
SLFFA Cargo Services Ltd (Ordinary shares)	1,243,000	3,223	19,097	1,243,000	3,223	16,140
Ingrin Institute of Printing & Graphics	10,000	100	58	10,000	100	58
		402,587	283,230		131,098	269,155

23.1.3 Government Securities

As at 31 March,	Group			
	2026		2025	
	Carrying Value	Fair Value Rs.'000	Carrying Value	Fair Value Rs.'000
Non Current Investments				
Treasury bonds	964,602	964,602	195,197	195,197
	964,602	964,602	195,197	195,197
Current Investments				
Treasury bills	-	-	-	-
	-	-	-	-

23.2 Financial investments at Fair value through profit or loss (FVTPL)

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Quoted equity securities	23.2.1	**292,649**	366,946	**82,540**	111,897
Investments in unit trusts	23.2.2	**97,722**	65,536	**-**	-
		390,371	432,482	**82,540**	111,897

23.2.1 Quoted equity securities

As at 31 March,	Group				Company			
	2026		2025		2026		2025	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Bank finance & insurance								
Commercial Bank of Ceylon PLC	**376,538**	**76,908**	372,205	54,901	-	-	-	-
DFCC Bank PLC (Ordinary shares)	**30,699**	**4,229**	29,861	3,165	-	-	-	-
Hatton National Bank PLC - Voting	**244,781**	**86,714**	238,937	62,480	-	-	-	-
Cargills Bank PLC	**-**	**-**	15,447,755	126,671	-	-	5,854,200	48,004
		167,851		247,217		-		48,004
Hotel and travels								
The Kingsbury Hotel PLC	**-**	**-**	1,237,200	14,723	-	-	-	-
		-		14,723		-		-
Construction and Engineering								
Colombo Dockyard PLC	**13,543**	**1,656**	13,543	1,073	-	-	-	-
		1,656		1,073		-		-
Manufacturing								
Kelani Cables PLC	**39,880**	**5,075**	3,988	1,863	-	-	-	-
Dipped Products PLC	**-**	**-**	58,227	3,173	-	-	-	-
Royal Ceramics Lanka PLC	**38,503**	**1,771**	38,503	1,675	-	-	-	-
Lanka Wall Tiles PLC	**24,158**	**1,208**	24,158	1,416				
Bukit Darah PLC	**72,200**	**62,381**	72,200	49,547	72,200	62,381	72,200	49,547
Hela Apparel Holdings PLC	**261,964**	**733**	261,964	969	261,964	733	261,964	969
		71,168		58,643		63,114		50,516
Diversified Investments								
John Keells Holdings PLC	**1,100,000**	**23,870**	1,100,000	24,860	-	-	-	-
Softlogic Holdings PLC	**180,000**	**1,800**	180,000	1,278	-	-	-	-
Browns Investments PLC	**139,043**	**918**	139,043	987	-	-	-	-
LOLC Holdings PLC	**2,651**	**1,485**	2,651	1,830	-	-	-	-
Carson Cumberbatch PLC	**29,400**	**19,426**	29,400	13,377	29,400	19,426	29400	13,377
Vallibal One PLC	**45,296**	**4,475**	45,296	2,958	-	-	-	-
		51,974		45,290		19,426		13,377
Total quoted equity securities -FVTPL		**292,649**		366,946		82,540		111,897

23.2.2 Investments in unit trusts

As at 31 March,	Group				Company			
	2026		2025		2026		2025	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
JB Vantage Money Market Fund	**42,145**	**2,209**	**42,145**	2,036	-	-	-	-
NDB Wealth Money Plus Fund	**2,142,446**	**81,126**	328,167	11,530	-	-	-	-
First Capital Money Market Fund	**444**	**1,581**	444	1,456	-	-	-	-
NDB Wealth Money Fund	**1,353,331**	**9,586**	1,353,331	47,547	-	-	-	-
Asia Security Money Market Fund	**98,427**	**1,707**	98,427	1,569	-	-	-	-
Comtrust Money Market Fund	**75,511**	**1,513**	75,511	1,398	-	-	-	-
Total unit trust investment -FVTPL	**-**	**97,722**	-	65,536	-	-	-	-

23.3 FINANCIAL INVESTMENTS AT AMORTISED COST

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Non current investments					
Corporate debentures		**2,110,596**	1,625,100	**-**	-
Sri Lanka Sovereign Bonds		**150,142**	152,832	**-**	-
Term Deposits		**2,935,619**	3,928,028	**-**	-
Loans granted to subsidiaries	23.3.1	**-**	-	**724,380**	724,380
		5,196,357	5,705,960	**724,380**	724,380
Current investments					
Government Securities	23.3.2	**1,679,067**	3,109,119	**-**	-
Repurchase agreements		**1,229,197**	1,074,268	**-**	-
Corporate debentures.		**63,669**	19,555	**-**	-
Bank Deposits	23.3.3	**28,646,582**	24,961,730	**-**	-
Loans granted to subsidiaries.	23.3.1	**-**	-	**4,997,174**	4,973,848
		31,618,515	29,164,672	**4,997,174**	4,973,848

23.3.1 Loans granted to subsidiaries

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Madulsima Plantations PLC	-	-	5,484,999	5,350,818
Negombo Beach Resorts (Pvt) Ltd	-	-	809,438	809,438
Lanka Bell Limited	-	-	4,811,449	4,999,642
Formula World (Pvt) Ltd	-		84,628	80,585
Impairment of balance receivable from Subsidiaries	-	-	(5,468,959)	(5,542,255)
	-	-	5,721,555	5,698,228
Loans recoverable within one year	-	-	4,997,174	4,973,848
Loans recoverable after one year	-	-	724,380	724,380
	-	-	5,721,554	5,698,228
Impairment of balance receivable from Subsidiaries				
Balance at the beginning	-	-	5,542,255	5,491,261
Net charge for the year	-	-	(73,296)	50,994
Balance at the end	-	-	5,468,959	5,542,255

23.3.2 Government Securities

Government securities consist of Treasury bills which are measured at amortised cost using the effective interest rate.

23.3.3 Bank Deposits

Bank deposits include fixed and call deposits which are measured at amortised cost using the effective interest rate. These financial assets are expected to be recovered through contractual cash flows.

23.4 INVESTMENTS THAT HAVE BEEN PLEDGED

The investments that are pledged for liabilities are disclosed in Note 43 to these financial statements if any.

24 INVENTORIES

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Raw materials		5,246,008	4,726,650	-	-
Packing material		2,815,202	1,966,219	-	-
Work in progress		1,991,485	2,284,159	-	-
Finished goods		2,892,771	1,776,236	-	-
Drugs, disposables, Reagents and vaccine		161,594	164,327	-	-
Harvested crop		370,374	484,970	-	-
Produce Stock		392,076	367,916	-	-
Biological Assets-Nurseries		18,486	24,554	-	-
CDMA and Non - CDMA equipment		696,888	709,929	-	-
Input materials, consumables and spares		4,614,519	3,527,865	849	918
Goods in transit		-	2,369	-	-
		19,199,403	16,035,194	849	918
Provision for slow moving and obsolete inventories	24.1	(1,679,411)	(1,789,848)	-	-
		17,519,992	14,245,346	849	918

24.1 Provision for slow moving and obsolete inventories

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Balance as at 01st April	**1,789,848**	1,821,438	**-**	-
Exchange difference	**1,107**	(111)	**-**	-
Charge for the year	**154,501**	170,235	**-**	-
Written-off during the period	**(266,045)**	(43,406)	**-**	-
Classified as held for sale	**-**	(158,308)	**-**	-
Balance as at 31st March	**1,679,411**	1,789,848	**-**	-

24.2 Inventories that have been pledged

The Inventories that are pledged for long term borrowings are disclosed in Note 43 to these financial statements if any.

25 TRADE AND OTHER RECEIVABLES

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Financial assets					
Trade receivables		**28,795,530**	28,909,444	**1,629**	2,189
Other financial receivables		**4,708,155**	4,242,654	**207**	126,223
Insurance contract receivables		**5,718,362**	4,083,021	**-**	-
Employee related debtors		**198,422**	205,925	**-**	-
Refundable deposits and advances		**1,557,242**	477,224	**3,129**	100,895
		40,977,711	37,918,268	**4,965**	229,307
Provision for impairment loss on financial assets		**(4,107,879)**	(4,856,692)	**(223)**	(223)
		36,869,832	33,061,576	**4,742**	229,084
Non financial assets					
Prepayments and advances		**8,617,057**	9,031,564	**47,216**	24,988
Accrued income		**9,533**	183,032	**-**	-
Deferred Revenue asset		**22,872**	6,327	**22,898**	1,004
Other non financial receivables		**104,288**	131,237	**-**	-
Tax Receivables		**754,889**	522,550	**75,674**	(1,509)
		9,508,639	9,874,710	**145,788**	24,483
		9,508,639	9,874,710	**145,788**	24,483
		46,378,471	42,936,286	**150,530**	253,567

25.1 Provision for impairment

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Balance as at 01st April	**4,856,692**	5,962,175	**223**	223
Exchange difference/direct write-offs and reversals	**62,594**	(83,539)	**-**	-
Net charge for the year	**(811,407)**	(1,021,944)	**-**	-
Balance as at 31st March	**4,107,879**	4,856,692	**223**	223

26 OTHER CURRENT ASSETS

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Property, plant and equipment	15	**9,283**	9,283	**-**	-
		9,283	9,283	**-**	-

27 CASH AND CASH EQUIVALENTS

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Favourable balances classified under current assets					
Short term deposits	27.1	**8,841,786**	6,800,560	**69,000**	-
Cash at bank and Cash in hand		**17,008,566**	15,063,351	**8,803**	4,503
Cash in transit		**60,704**	44,593	**-**	-
Total		**25,911,056**	21,908,504	**77,803**	4,503
Unfavourable balances classified under current liabilities					
Bank overdrafts and Other short term borrowings		**(24,859,097)**	(27,322,884)	**(1,370,842)**	(5,116,202)
Total		**(24,859,097)**	(27,322,884)	**(1,370,842)**	(5,116,202)
		1,051,959	(5,414,380)	**(1,293,039)**	(5,111,699)

27.1 Short term deposits

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Government securities which matures within 3 months		**589,600**	560,439	**-**	
Fixed deposits / Call Deposits which matures within 3 months		**8,252,186**	6,240,121	**69,000**	-
		8,841,786	6,800,560	**69,000**	-

27.1.1 Currency-wise analysis of cash and cash equivalents

As at 31 March,	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Sri Lankan Rupees	**(10,278,895)**	(14,002,428)	**(1,293,039)**	(5,111,699)
United States Dollars	**8,117,545**	6,751,008	**-**	-
Maldivian Rufiyaa	**1,309,038**	979,222	**-**	-
Fijian Dollar	**1,222,928**	983,702	**-**	-
Others	**681,343**	(125,884)	**-**	-
	1,051,959	(5,414,380)	**(1,293,039)**	(5,111,699)

27.1.2 Short term deposits that have been pledged

The Short term deposits that are pledged for long term borrowings are disclosed in Note 43 to these financial statements if any.

28 ASSETS HELD FOR SALE

Based on the decision made by the Group to divest from the ship owning business in 2007/2008 and the sale of ships by the Group's ship owning companies, the Group recognised the fair values of the investments in Ceyaki Shipping (Pvt) Ltd and Ceyspence (Pvt) Ltd under assets classified as held for sale. Further, the fair values of the Group's investment in Spence International (Pvt) Ltd., Aitken Spence Overseas Travel Services (Pvt) Ltd, Aitken Spence Technologies (Pvt) Ltd and Ace Resorts Pvt Ltd are also treated under assets classified as held for sale upon the decision made to liquidate these companies. The liquidation of these companies are not yet concluded.

Consequent to the expiry of the short-term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024, and the subsequent intimation by the Ceylon Electricity Board that they have not identified the requirement of purchasing electricity through the Company, Board of Directors of Aitken Spence PLC approved to dispose of the power generating assets belonging to Ace Power Embilipitiya (Pvt) Ltd. Accordingly, the plant and machinery and spare parts inventory of the company have been classified under assets held for sale.

As at 31 March,	Group	
	2026	2025
	Rs.'000	Rs.'000
Share of net assets of equity accounted investees classified as held for sale	**149,125**	149,125
Net current assets of group companies classified as held for sale	**20,298**	56,410
Carrying amount of the property, plant and equipment classified as held for sale	**695,736**	716,708
	865,159	922,243
Provision for impairment of assets classified as held for sale *	**(7,678)**	-
	857,481	922,243

* The Group impaired some of its assets classified as held for sale to their carrying value and recognised an impairment loss of Rs. 7.7 million in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

29 STATED CAPITAL

As at 31 March,	2026		2025	
	No. of shares	Value of shares Rs.'000	No. of shares	Value of shares Rs.'000
Balance at the beginning of the year	**1,165,397,072**	**70,000,000**	1,165,397,072	70,000,000
	1,165,397,072	**70,000,000**	1,165,397,072	70,000,000

As at 31 March,	Group / Company 2026 No. of shares	Group / Company 2025 No. of shares
Fully Paid Voting Shares	**1,165,397,072**	1,165,397,072
	1,165,397,072	1,165,397,072

The Company's stated capital consist with fully paid ordinary shares which provides entitlement to its holders to receive dividends as declared from time to time and to vote per share at a meeting of the Company. Further, the Company has non voting shares of 1000.

30 RESERVES

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Capital reserves					
Revaluation reserve	30.1	**22,869,252**	19,195,246	**109,382**	109,382
Capital reserve	30.2	**19,112,137**	19,112,137	**19,100,000**	19,100,000
Reserve fund	30.3	**20,491**	20,491	**-**	-
Total capital reserves		**42,001,880**	38,327,874	**19,209,382**	19,209,382
Revenue reserves					
General reserve	30.4	**5,109,359**	4,693,379	**-**	-
Exchange fluctuation reserve	30.5	**6,193,174**	5,206,513	**-**	-
Timber reserve	30.6	**4,437,348**	3,846,642	**-**	-
Fair value reserve	30.7	**25,737,473**	18,550,812	**18,718,464**	11,695,161
Cash flow hedge reserve	30.8	**(477,978)**	(468,202)	**-**	-
Total revenue reserves		**40,999,376**	31,829,144	**18,718,464**	11,695,161
Total reserves		**83,001,256**	70,157,018	**37,927,846**	30,904,543

30.1 Revaluation reserve

Revaluation reserve relates to the amount by which the Group has revalued its property, plant and equipment. There were no restrictions on distribution of these balances to the shareholders.

30.2 Capital reserve

Capital reserve comprises profits retained in order to utilize for the capital commitments.

30.3 Reserve fund

Reserve fund was created to comply with the Direction No.1 of 2003 (Capital funds) issued by the Central Bank. The Company is required to transfer 5% of annual profits to this reserve fund as long as the capital funds are not less 25% of total deposit liabilities.

30.4 General reserve

General reserve reflects the amount the Group has reserved over the years from its earnings.

30.5 Exchange fluctuation reserve

Exchange fluctuation reserve comprises of all foreign exchange differences arising from the translation of foreign subsidiaries in the Group.

30.6 Timber reserve

This represents the unrealized gains arising from the fair value of consumable biological assets (Timber plantations) until the assets are derecognized or impaired.

30.7 Fair value reserve

This represents the cumulative net change in the fair value of equity securities designated at fair value through OCI.

30.8 Cash flow hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

31 INTEREST BEARING LOANS AND BORROWINGS

31.1 Movement during the year

As at 31 March,	Group	
	2026 Rs.'000	2025 Rs.'000
Balance as at 01st April	47,758,569	50,151,560
Exchange difference	2,644,387	(471,913)
New loans obtained	11,447,499	20,683,884
Capital repayment	(17,777,637)	(22,376,790)
Charged to the income statement	3,424,365	4,384,225
Interest expenses Capitalised	37,919	64,232
Interest paid	(3,286,422)	(4,682,973)
Transaction cost	3,684	6,344
Balance as at 31st March	44,252,364	47,758,569
Repayable within one year	6,321,416	11,859,273
Repayable after one year	37,930,948	35,899,296
	44,252,364	47,758,569

31.2 Analysed by interest rate

As at 31 March,	Group	
	2026 Rs.'000	2025 Rs.'000
Linked to SOFR	27,109,868	24,513,619
Linked to AWPLR	10,893,746	12,103,425
Linked to EURIBOR	3,854,089	7,982,974
Fixed rate	1,225,135	1,828,706
Linked to Central Bank of Oman T-Bill rate	1,170,228	1,332,141
Transaction cost to be amortised	(702)	(2,296)
	44,252,364	47,758,569

31.3 Analysed by currency equivalent in Rupees

As at 31 March,	Group	
	2026 Equivalent 'Rs.000	2025 Equivalent 'Rs.000
United States Dollars	28,257,184	26,394,284
Sri Lankan Rupees	10,971,565	12,051,466
Euro	3,854,089	7,982,974
Oman Riyal	1,170,228	1,332,141
Transaction cost to be amortised	(702)	(2,296)
	44,252,364	47,758,569

31.4 Browns Beach Hotel PLC

Shareholder Loans - Stassen Exports (Pvt) Ltd

Term Loans includes a Shareholder Loan advanced by Stassen Exports (Pvt) Ltd to Browns Beach Hotel PLC which is Repayable in 7 years with a grace period of two years. Interest linked to AWPLR+1%. No security provided. Date of Loan disbursement was 24th July 2017. The Group has ceased charging interest after 31-01-2022 with the view of converting the same to Equity.

31.5 Analysed by credit terms and security details of Term Loans

Company	Bank / financial institution/ Lender	Loan No.	Sector	Currency	Interest rate basis
Aitken Spence PLC	Hatton National Bank	Loan 1	Tourism	USD	Fixed rate
		Loan 2	Tourism	USD	SOFR
		Loan 3	Strategic	LKR	AWPLR
		Loan 4	Strategic	LKR	AWPLR
		Loan 5	Strategic	LKR	AWPLR
		Loan 6	Maritime & Logis	LKR	AWPLR
	DFCC Bank	Loan 1	Tourism	LKR	AWPLR
		Loan 2	Strategic	LKR	AWPLR
		Loan 3	Strategic	LKR	Fixed rate
		Loan 4	Strategic	LKR	68% - Fixed rate & 32% - AWPLR
		Loan 5	Strategic	LKR	AWPLR
	The Hongkong and Shanghai Banking Corporation	Loan 1	Tourism	EUR	EURIBOR
		Loan 2	Tourism	USD	SOFR
	Sohar International Bank SAOG	Loan 1	Tourism	OMR	CBO T-Bill rate
	People's Bank	Loan 1	Tourism	USD	SOFR
		Loan 2	Strategic	LKR	AWPLR
	ABANCA Corporation Bancaria	Loan 1	Tourism	EUR	EURIBOR
		Loan 2	Tourism	EUR	EURIBOR
	DEG - German Investment Corporation	Loan 1	Strategic	USD	SOFR
	Bank of Ceylon	Loan 1	Tourism	USD	SOFR
		Loan 2	Tourism	USD	SOFR
		Loan 3	Strategic	LKR	AWPLR
	Habib Bank	Loan 1	Tourism	USD	Fixed rate
		Loan 2	Tourism	LKR	AWPLR
	National Development Bank	Loan 1	Tourism	USD	SOFR
	Commercial Bank of Ceylon	Loan 1	Strategic	LKR	AWPLR
		Loan 2	Strategic	LKR	"76% - Fixed rate & 24% AWPLR rate & 24% - AWPLR"
		Loan 3	Tourism	USD	SOFR
	Commercial Bank of Maldives	Loan 1	Tourism	USD	SOFR
	Sampath Bank PLC	Loan 1	Strategic	USD	SOFR
	Nations Trust Bank	Loan 1	Strategic	LKR	AWPLR
		Loan 2	Maritime & Logis	LKR	AWPLR
	Seylan Bank	Loan 1	Tourism	USD	SOFR
		Loan 2	Maritime & Logis	LKR	AWPLR
	Transaction cost to be amortised				
	Total				

Secured	Repayment terms	Maturity	LKR equivalent 31.03.2026 Rs.'000	LKR equivalent 31.03.2025 Rs.'000
Yes	76 monthly instalments remaining	Jul-2032	**1,147,315**	1,152,263
Yes	Fully settled during the financial year.	Mar-2026	**-**	559,082
Yes	22 quarterly instalments remaining	Jun-2031	**1,343,490**	1,587,133
Yes	Fully settled during the financial year.	Jun-2025	**-**	123,729
No	Fully settled during the financial year.	Jun-2025	**-**	45,703
No	Fully settled during the financial year.	Sep-2025	**-**	459,999
			2,490,805	3,927,909
Yes	42 monthly instalments remaining	Oct-2029	**872,909**	926,909
Yes	22 quarterly instalments remaining	Jun-2031	**1,343,490**	1,526,640
Yes	6 monthly instalments remaining	Sep-2026	**47,363**	142,224
Yes	Fully settled during the financial year.	Jun-2025	**-**	24,450
Yes	Fully settled during the financial year.	Oct-2025	**-**	7,211
			2,263,762	2,627,434
Yes	Fully settled during the financial year.	Jun-2025	**-**	3,993,541
Yes	Fully settled during the financial year.	Jul-2025	**-**	1,429,894
			-	5,423,435
Yes	11 quarterly instalments remaining	May-2028	**1,170,228**	1,332,141
			1,170,228	1,332,141
Yes	3 quarterly instalments remaining	Oct-2026	**724,805**	1,587,516
Yes	22 quarterly instalments remaining	Jun-2031	**2,015,235**	2,380,699
			2,740,040	3,968,215
Yes	"18 quarterly instalments commencing July 2026, with a 59% bullet repayment at maturity"	Jan-2031	**3,854,089**	-
Yes	Restructured during the financial year	Mar-2026	**-**	3,989,433
			3,854,089	3,989,433
No	Fully settled during the financial year.	Jan-2026	**-**	1,205,317
			-	1,205,317
Yes	112 monthly instalments remaining	Jul-2035	**4,218,095**	-
Yes	120 monthly instalments commencing June 2026	May-2036	**316,680**	
Yes	22 quarterly instalments remaining	Jun-2031	**1,343,490**	1,587,133
			5,878,265	1,587,133
Yes	Fully settled during the financial year.	Feb-2026	**-**	407,440
Yes	Fully settled during the financial year.	Mar-2026	**-**	318,126
			-	725,566
Yes	30 quarterly instalments remaining	Jun-2033	**3,568,186**	3,508,147
			3,568,186	3,508,147
YES	43 monthly instalments remaining	Feb-2031	**203,331**	300,476
YES	7 monthly instalments remaining	Oct-2026	**40,169**	108,576
YES	30 quarterly instalments remaining	Jun-2033	**9,738,234**	9,588,935
			9,981,734	9,997,987
Yes	30 quarterly instalments remaining	Jun-2033	**713,637**	701,629
			713,637	701,629
Yes	20 quarterly instalments commencing December 2026	Sep-2031	**6,317,237**	5,933,099
			6,317,237	5,933,099
None	62 monthly instalments remaining	May-2031	**538,000**	603,885
None	66 monthly instalments remaining	Sep-2031	**689,711**	-
			1,227,711	603,885
Yes	72 monthly instalments commencing July 2026	Jul-2032	**1,512,995**	-
None	69 monthly instalments remaining	Dec-2031	**863,705**	-
			2,376,700	-
			(702)	(2,296)
			42,581,692	45,529,034

NOTES TO THE FINANCIAL STATEMENTS

Company	Bank / financial institution/ Lender	Loan No.	Sector	Currency	Interest rate basis
Negombo Beach Resort (Pvt) Ltd	Hatton National Bank	Loan 1	Tourism	LKR	Linked to AWPLR
		Loan 2	Tourism	LKR	Linked to AWPLR
		Loan 3	Tourism	LKR	Linked to AWPLR
		Loan 4	Tourism	LKR	Linked to AWPLR
		Loan 5	Tourism	LKR	Linked to AWPLR
	Stassen Exports (pvt) Ltd	Shareholder Loan 1	Tourism	LKR	Linked to AWPLR
	Total				
Texpro Industries (Pvt) Ltd	Hatton National Bank	Loan 1	Dyeing & Printing of greige	USD	Linked to LIBO
	Bank of Ceylon	Loan 1	Dyeing & Printing of greige	USD	Linked to LIBO
	People's Bank	Loan 1	Dyeing & Printing of greige	USD	Linked to LIBO
	Total				
Melsta Laboratories (Pvt) Ltd	Commercial Bank of Ceylon PLC	Loan 1	Healthcare	LKR	Fixed Annual Interest Rate
		Loan 2	Healthcare	LKR	Fixed Annual Interest Rate
	Total				
Total					

	Secured	Repayment terms	Maturity	LKR equivalent 31.03.2026 Rs.'000	LKR equivalent 31.03.2025 Rs.'000
	Yes	120 Monthly instalments commencing from March 2017	Feb-2027	**778,540**	855,140
	Yes	120 Monthly instalments commencing from November 2017	Feb-2027	**467,400**	497,800
	Yes	Interest of two term loans from April 2019 to March 2020 have accrued and capitalized to a term loan	Feb-2027	**92,839**	134,101
	Yes	Interest of two term loans from April 2021 to March 2022 have accrued and capitalized to a term loan		**74,340**	107,380
	Yes	Interest of two term loans from April 2021 to July 2023 have accrued and capitalized to a term loan		**67,610**	97,659
	No	Originally Granted for Repayable in 7 years with a grace period of two years.		**189,943**	189,943
				1,670,672	1,882,023
	Yes	59 Equal monthly installments of USD 8,400 + USD 4,400 in 60th Month	Sep-2026	**-**	121,995
	Yes	First 24 Months - $ 3000 and 25- 60 months at $ 9,223	Mar-2027	**-**	113,377
	Yes	47 Equal monthly installments of USD 8,330 + USD 8,490 in 48th Month	May-2026	**-**	85,590
				-	320,962
	No	48 monthly instalments commencing from Jan 2022	Dec-2025	**-**	9,362
	No	48 monthly instalments commencing from March 2022	Feb-2026	**-**	17,188
				-	26,550
				44,252,364	47,758,569

32 LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities recognised due to application of SLFRS 16 - Lease, and its movements for the period ended 31 March 2021.

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Balance as at 1 April	**14,327,757**	16,333,440	**8,826**	16,614
Exchange difference	**786,966**	(214,287)	**-**	-
Remeasurement of Right of Use Asset and other adjustments	**2,680,650**	136,828	**-**	-
New leases obtained	**11,971,024**	234,075	**-**	-
Payment of lease liabilities	**(3,023,379)**	(3,056,501)	**(9,178)**	(8,739)
Termination of existing leases	**(9,463)**	(31,720)	**-**	-
Charged to the income statement	**840,191**	930,654	**352**	953
- Capitalised under property, plant and equipment	**9,529**	13,425	**-**	-
Balance as at 31st March	**27,583,275**	14,345,914	**-**	8,828
Current portion of lease liabilities	**(2,428,245)**	(1,855,824)	**-**	(8,828)
Non-current portion of lease liabilities	**25,155,030**	12,490,090	**-**	-

The lease of the estates have been amended, with effect from 11 June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The first rental payable under the revised basis is Rs.5.7 million from 11 June 1997.This amount is to be inflated annually by the Gross Domestic product (GDP) deflator, and was in the from of Contingent rental.

The Company has applied SLFRS – 16 with a date of initial application of 1 January 2019. As a result the Company has changed its accounting policy for Leases as detailed in Note 3.1 of Accounting Policies detailed in these Financial Statements.

33 RETIREMENT BENEFIT OBLIGATIONS

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Present value of unfunded obligations	**33.1**	**5,483,706**	5,036,802	**19,945**	26,911
Present value of funded obligations					
Total present value of obligations		**5,483,706**	5,036,802	**19,945**	26,911
Fair value of planed assets					
Provision for retirement benefit obligations		**5,483,706**	5,036,802	**19,945**	26,911

33.1 MOVEMENT IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Balance as at beginning of the year		**5,036,802**	4,533,430	**26,912**	20,792
Benefits paid by the plan		**(541,506)**	(676,819)	**(3,445)**	(883)
Exchange Difference		**5,677**	7,775	**-**	-
Expense recognized in the in the income statement	**33.1.1**	**913,136**	879,474	**8,209**	8,888
Actuarial (gain) / loss recognised in other comprehensive income		**70,930**	366,647	**(11,731)**	(1,887)
Adjustment on unpaid and unclaimed retiring gratuity		**(1,333)**	(73,705)	**-**	-
Balance as at the end of the year		**5,483,706**	5,036,802	**19,945**	26,911

33.1.1 Expense recognized in the in the income statement

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Current service costs	392,965	338,944	8,209	6,722
Past service costs	-	-	-	-
Interest costs	520,171	540,530	-	2,166
	913,136	879,474	8,209	8,888
From continuing operations	913,136	879,474	8,209	8,888
From discontinued operations	-	-	-	-
	913,136	879,474	8,209	8,888

33.1.2 Actuarial assumptions

Principal actuarial assumptions at the reporting date

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Discount rate (%)	11.5%-12%	11.5%-12%	11.26%	11.50%
Future salary increases (%)	5%-15%	5%-15%	7.50%	7.50%
Retirement age (years)	60-75 Years	60-75 Years	60-75 Years	60-75 Years
Staff turnover (%)	5%-32%	5%-32%	26.32%	26.32%

33.1.3 Maturity analysis of the payments

As at 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Within one year	689,086	634,013	375	505
Between 1-2 years	989,108	818,429	-	-
Between 2-5 years	1,052,844	1,096,495	1,004	1,355
Beyond 5 years	2,752,668	2,487,865	18,566	25,051
	5,483,706	5,036,802	19,945	26,911

33.1.4 Sensitivity of assumptions used

if one percentage increase/(decrease) in the assumptions would have the following effects.

	Group		Company		Group		Company	
	2026				2025			
	Discount rate	Salary increment rate	Discount rate	Salary increment rate	Discount rate	Salary increment rate	Discount rate	Salary increment rate
Increase by 1%	(293,695)	314,389	(386)	407	(268,452)	324,671	(351)	370
Decrease by 1%	346,800	(271,892)	374	(414)	321,144	(279,856)	340	(376)
Effect on Comprehensive Income,								
Increase by 1%.	293,695	(314,389)	(374)	414	268,452	(324,671)	351	(370)
Decrease by 1%.	(346,800)	271,892	386	(407)	(321,144)	279,856	(340)	376

34 OTHER LIABILITIES

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000
Non current liabilities			
Deferred grants and subsidies	34.1	**195,705**	212,657
Amounts due to equity accounted investees	34.4	**94,685**	179,589
		290,390	392,246

34.1 Deferred grants and subsidies

As at 31 March,	Group 2026 Rs.'000	Group 2025 Rs.'000
Balance at the beginning of the year	**212,657**	229,862
Grants received during the year	**250**	-
Amortisation for the year	**(17,202)**	(17,205)
Balance at the end of the year	**195,705**	212,657

The Balangoda Plantation PLC and Madulsima Plantation PLC have received funding from the Plantation Housing and Social Welfare Trust and Plantation Development Project (PDP) for the development of workers facilities such as re-roofing of line rooms, latrines, water supply, sanitation and roads etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies. Grants are amortized over the life of the assets for which they are being deployed.

The above amount represent funding received by Balangoda Plantations PLC and Madulsima Plantations PLC from various governmental and non-governmental Institutions for social and infrastructure development of estates.

34.2 Deferred revenue

As at 31 March,	Group 2026 Rs.'000	Group 2025 Rs.'000
Balance at the beginning of the year	**-**	17,507
Revenue received during the year	**-**	4,259
Deferred revenue recognised during the year	**-**	(21,766)
Balance at the end of the year	**-**	-
Deferred revenue to be recognised within one year	**-**	-
Deferred revenue to be recognised after one year	**-**	-
	-	-

34.3 Amounts due to equity accounted investees

This represents the long term advances received by Aitken Spence PLC group from its equity accounted investees.

34.4 Derivative financial liability recognised

Other financial liabilities includes derivative financial liability, which arises due to the negative movement in fair value of foreign exchange forward contracts.

35 TRADE AND OTHER PAYABLES

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Financial liabilities					
Trade payables		**9,429,433**	12,416,741	**-**	-
Insurance contract liabilities		**9,205,997**	6,610,532	**-**	-
Other financial liabilities		**15,716,055**	11,982,501	**81,989**	138,487
Refundable advances and deposits		**1,311,239**	1,376,877	**750**	750
		35,662,724	32,386,651	**82,739**	139,237
Non financial liabilities					
Accrued expenses		**4,089,503**	3,777,593	**11,087**	13,227
Other non financial liabilities		**5,496,608**	4,978,918	**-**	-
Direct and indirect taxes payables	35.1	**11,134,531**	9,057,969	**1,054**	650
Unclaimed dividends		**604,031**	525,119	**312,813**	253,233
		21,324,675	18,339,599	**324,954**	267,110
		56,987,397	50,726,250	**407,693**	406,347

35.1 Direct and indirect taxes payables

As at 31 March,	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Excise duty payable	**6,779,634**	5,476,176	**-**	-
Value added tax (VAT) payable	**2,843,161**	2,191,870	**-**	-
Other statutory payables	**1,511,736**	1,389,923	**1,054**	650
	11,134,531	9,057,969	**1,054**	650

36 RELATED PARTY DISCLOSURES

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 (LKAS 24) "Related Party Disclosures", the details of which are reported below. The Pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated Customers.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

36.1 Balances with related parties

36.1.1 Amounts due from related parties

As at 31 March,	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Subsidiaries	36.1.3	**-**	-	**604,258**	526,553
Equity accounted investees	36.1.4	**526,223**	518,821	**-**	-
Other related companies	36.1.5	**22,464**	14,795	**-**	-
		548,687	533,616	**604,258**	526,553

36.1.2 Amounts due to related parties

As at 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Subsidiaries	36.1.3	-	-	681,693	618,600
Equity accounted investees.	36.1.4	2,178,201	1,894,041	-	-
Other related companies	36.1.5	17,662	406,750	-	-
		2,195,863`	2,300,791	681,693	618,600

36.1.3 Subsidiaries

As at 31 March,	Group				Company			
	Amounts due from		Amounts due to		Amounts due from		Amounts due to	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Aitken Spence PLC	-	-	-	-	-	-	218	115
Balangoda Plantations PLC	-	-	-	-	278	-	-	-
Bell Solutions (Pvt) Ltd	-	-	-	-	682,943	598,740	-	-
Bellvantage (Pvt) Ltd	-	-	-	-	-	-	1,189	46
Continental Insurance Lanka Limited	-	-	-	-	-	-	46	46
Continental Insurance Life Lanka Limited	-	-	-	-	10,000	10,000	-	-
Distilleries Company of Sri Lanka PLC	-	-	-	-	-	-	650,431	596,018
Lanka Bell Ltd	-	-	-	-	-	-	36	36
Melsta Health (Pvt) Ltd	-	-	-	-	504,081	447,081	-	-
Melsta Laboratories (Pvt) Ltd	-	-	-	-	27,249	27,249	-	-
Melsta Logistics (Pvt) Ltd	-	-	-	-	244	544	-	-
Melsta Properties (Pvt) Ltd	-	-	-	-	-	-	29,065	18,523
Melsta Technologies (Private) Limited	-	-	-	-	600	527	-	-
Melsta House (Pvt) Ltd	-	-	-	-	28,400	3,450	-	-
Milford Holdings (Pvt) Ltd	-	-	-	-	5,552,525	5,050,631	-	-
Periceyl (Pvt) Ltd	-	-	-	-	3	3	-	-
Splendor Media (Pvt) Ltd	-	-	-	-	11,728	11,728	-	-
Telecom Frontier (Pvt) Ltd	-	-	-	-	2,288	2,288	-	-
Texpro Industries Ltd	-	-	-	-	20,700	34,500	-	-
Melsta Healthcare Colombo (Pvt) Ltd	-	-	-	-	601,247	546,518	-	-
Melsta Hospitals Ragama (Pvt) Ltd	-	-	-	-	478	-	-	2,614
Melsta Pharmaceuticals (Pvt) Ltd	-	-	-	-	-	-	708	1,202
Mels Automobiles (Pvt) Ltd	-	-	-	-	64	-	-	-
	-	-	-	-	7,442,828	6,733,259	681,693	618,600
Provision for impairment of amounts due from subsidiaries (Note 36.1.3.1)	-	-	-	-	(6,838,570)	(6,206,706)	-	-
	-	-	-	-	604,258	526,553	681,693	618,600

36.1.3.1 Provision for impairment

As at 31 March,	Company	
	2026 Rs.'000	2025 Rs.'000
Balance at the beginning	6,206,706	5,378,533
Net charge for the year	631,864	828,173
Balance at the end	6,838,570	6,206,706

36.1.4 Equity accounted investees

Balances due from Ace Bangladesh Ltd, Aitken Spence C & T Investments (Pvt) Ltd, Aitken Spence Cargo (Cambodia) Co. Ltd, Aitken Spence Engineering Solutions (Pvt) Ltd, CINEC Campus (Pvt) Ltd, Port City PBO (Pvt) Ltd and Spence Seahorse Marine (Pvt) Ltd, AEN Palm Oil Processing (Pvt) Ltd, Aitken Spence Plantation Management PLC, Elpitiya Plantations PLC, Paradise Resort Pasikudah (Pvt) Ltd, Serendib Investments Ltd and Fiji Ports Corporation Ltd are reflected under amount due from/ due to equity accounted investees.

36.1.5 Other related companies

As at 31 March,	Group				Company			
	Amounts due from		Amounts due to		Amounts due from		Amounts due to	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Ambewela Livestock Co.Ltd	**26**	11	**-**	-	**-**	-	**-**	-
Ambewela Products (Pvt) Ltd	**68**	-	**-**	-	**-**	-	**-**	-
Elpitiya Plantations PLC	**-**	-	**-**	122	**-**	-	**-**	-
Lanka Aluminium Industries PLC	**-**	-	**10,608**	10,608	**-**	-	**-**	-
Lanka Dairies (Pvt) Ltd	**378**	252	**22**	22	**-**	-	**-**	-
Lanka Milk Foods (CWE) PLC	**3,153**	2,167	**3,057**	-	**-**	-	**-**	-
Milford Exports Ceylon (Pvt) Ltd	**7**	5,346	**2,797**	26,333	**-**	-	**-**	-
Pattipola Livestock Co. Ltd	**239**	8	**-**	-	**-**	-	**-**	-
Stassen Exports (Pvt) Limited (36.1.1)	**6,943**	3,535	**1,171**	369,658	**-**	-	**-**	-
Stassen Foods (Pvt) Ltd	**6,602**	1,111	**7**	7		-		-
Stassen Natural Foods (Pvt) Ltd	**2,818**	48	**-**	-	**-**	-	**-**	-
United Dairies Lanka (Pvt) Ltd	**244**	331	**-**	-	**-**	-		-
Merbok MDF Lanka (Private) Limited	**1,986**	1,986	**-**	-	**-**	-	**-**	-
	22,464	14,795	**17,662**	406,750	**-**	-	**-**	-

36.2 Transactions with Related Parties

36.2.1 Transactions with Subsidiaries, Associates and Other Related Companies

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Distilleries Company of Sri Lanka PLC	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Dividends received	10,866,944
	Mr. C. R. Jansz		Rent Income	234,575
	Mr.M. A. N. S Perera (Resigned w.e.f 18/09/2025)		RPT Current A/C Interest Charged by DCSL	60,380
	Mr. N. De S. Deva Aditya		Reimbursement of expenses by Melstacorp incurred on behalf of DCSL	5,603
	Cap.K.J.Kahanda (Retd.)		Reimbursement of expenses by DCSL incurred on behalf of Melstacorp	19,288
	Ms.D.S.T. Jayawardena			
	Mr.L.U.D.Fernando			
	Dr.R.A. Fernando			
	Mr.A. Goonesekere			
	Mr. L. H. A. Lakshman Silva			
Periceyl (Pvt) Limited	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Dividend Received	340,097
	Mr. C.R.Jansz			
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
Milford Holding (Pvt) Ltd	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Capital repayment	3,300
	Mr. C.R.Jansz		Interest on RPT Advances received	2,961
	Cap.K.J.Kahanda (Retd.)		Interest on RPT Advances Given	501,555
	Mr.L.U.D.Fernando			
Bellvantage (Private) Ltd	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)	Subsidiary Co.	Services Obtained	3,521
	Mr.L.U.D.Fernando			
Melsta Health (Pvt) Ltd	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Additional capital granted	57,000
	Mr. C.R.Jansz			
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
Melsta Logistics (Pvt) Limited	Mr.L. U. D. Fernando	Subsidiary Co.	Vehicle Rentals and repairs	3,613
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)		Ground rent charged	2,690
	Cap.K.J.Kahanda (Retd.)			
Melsta Properties (Pvt) Ltd	Cap.K.J.Kahanda (Retd.)	Subsidiary Co.	Interest Charged on RPT Current A/C	2,375
			Reimbursement of expenses	507
			Rentals charged	11,109
Bogo Power (Pvt) Ltd	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Dividend Received	42,203
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
	Mr. C.R.Jansz			

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Balangoda Plantations PLC	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Dividend Received	29,978
	Mr. C.R.Jansz		Reimbursement of expenses	278
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
	Dr.R.A. Fernando			
	Mr.M.Reyas Mihular			
Madulsima Plantations PLC	Mr. D. Hasitha S. Jayawardena	Subsidiary Co.	Interest on Loans	489,736
	Mr. C.R.Jansz		Settlement of loan Interest	355,556
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
	Dr.R.A. Fernando			
	Mr.M.Reyas Mihular			
Continental Insurance Lanka ltd		Subsidiary Co.	Dividend Received	170,076
			Sponsorships received	100
			Insurance premiums paid	4,115
Lanka Bell Ltd		Subsidiary Co.	Settlement of loans	259,167
			Advances given	70,724
Melsta Technologies (Pvt) Ltd		Subsidiary Co.	Purchase of IT Equipment and Software	347
			Rent income	1,997
			Reimbursement of expense incurred by MC on behalf of MTECH	2,039
Bell Solutions (Pvt) Ltd	Mr.L. U. D. Fernando	Subsidiary Co.	Loans Granted	82,480
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)		Settlement of loans	28
Aitken Spence PLC	Ms.D.S.T Jayawardena	Subsidiary Co.	Dividends received	833,641
	Mr.C.R.Jansz		Secretarial services obtained	448
	Mr. D. Hasitha S. Jayawardena			
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
	Mr. N. De S. Deva Aditya			
	Dr.R.A. Fernando			
	Mr. M. R. Mihular			
Aitken Spence Printing and Packaging (Pvt) Ltd	Ms.D.S.T Jayawardena	Affiliated Co.	Printing Services Obtained	3,443
Aitken Spence Travels (Pvt) Ltd	Ms.D.S.T Jayawardena	Affiliated Co.	Services obtained	833
Melsta Hospitals Ragama (Pvt) Ltd	Mr.C.R.Jansz	Subsidiary Co.	Reimbursement of expense incurred by MHR on behalf of MC	25,281
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)		Donations made for kidney Transplant	4,000
			Reimbursement of expense incurred by MHR on behalf of MC	1,063
Melsta Healthcare Colombo (Pvt) Ltd	Mr.C.R.Jansz	Subsidiary Co.	Interest charged on share holder loan	54,379
	Mr. D. Hasitha S. Jayawardena		Short term funds granted	350
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Stassen Exports (pvt) Ltd	Mr. D. Hasitha S. Jayawardena	Affiliated Co.	Sponsorships given	350
	Mr.C.R.Jansz			
	Ms.D.S.T Jayawardena			
Melsta Laboratories (Pvt) Ltd	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)	Subsidiary Co.	Purchase of Fixed Assets	45
	Mr.L.U.D.Fernando			
Melsta Pharmaceuticals (Pvt) Ltd	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)	Subsidiary Co.	Reimbursement of Expenses incurred by Pharmacuiticals on behalf of MC	918
	Mr.L.U.D.Fernando			
Formula World (Pvt) Ltd		Subsidiary Co.	Vehicle repair charges	277
			Interest charged on Term Loan	4,042
Lanka Milk Foods (CWE) PLC	Mr. D. Hasitha S. Jayawardena	Affiliated Co.	Dividend Received	130,361
	Mr.C.R.Jansz			
	Ms.D.S.T Jayawardena			
Aitken Spence Elevators (Pvt) Ltd		Affiliated Co.	Purchase of Elevators	4,644
Texpro Industries Limited	Mr.L. U. D. Fernando	Subsidiary Co.	Short term loans settled	13,800
Melsta House (Pvt) Ltd	Mr.L. U. D. Fernando	Subsidiary Co.	Additional funds granted	24,950
	Mr.M.A.N.S Perera (Resigned w.e.f 18/09/2025)			
	Mr.D.Hasitha.S Jayawardena			

36.2.2 Transactions with Key Management Personnel

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

36.2.2.1 Compensations to Key Management Personnel

There were no compensation paid to Key Management Personnel during the year other than those disclosed below.

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Short term employee benefits	**2,548,899**	1,913,358	**161,549**	132,947
Post employment benefits	**2,385**	41,677	**-**	-

36.2.2.2 Loans to Directors

There were no loans granted to Directors during the year.

36.2.3 There are no non-recurrent related party transactions exceeding 10% of the total assets of the entity as per audited financial statements, whichever is lower (CSE Ruling)

36.2.4 There were no non recurrent related Party Transactions, where the aggregate value of the recurrent Related Party Transactions exceeds 10% of the Group gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity. (CSE Ruling).

37 FINANCIAL INSTRUMENTS

37.1 Accounting classification of financial instruments

37.1.1 Accounting classification of financial assets

As at 31 March,	Note	Group							
		Assets at amortised cost		Assets at fair value through profit and loss (FVTPL)		Assets at Fair Value through OCI		Total	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Assets as per balance sheet									
Non Current Assets									
Other non current financial investments	23	**5,196,357**	5,705,960	**-**	-	**59,990,947**	51,129,757	**65,187,304**	56,835,717
Current Assets									
Trade and other receivables	25	**36,869,832**	33,061,576	**-**	-	**-**	-	**36,869,832**	33,061,576
Amounts due from related companies	36.1.1	**548,687**	533,616	**-**	-	**-**	-	**548,687**	533,616
Other current financial investments	23	**31,618,515**	29,164,672	**390,371**	432,482	**-**	-	**32,008,886**	29,597,154
Cash and cash equivalents	27	**25,911,056**	21,908,504					**25,911,056**	21,908,504
Total		**100,144,447**	90,374,328	**390,371**	432,482	**59,990,947**	51,129,757	**160,525,765**	141,936,567

As at 31 March,	Note	Company							
		Assets at amortised cost		Assets at fair value through profit and loss (FVTPL)		Assets at Fair Value through OCI		Total	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Assets as per balance sheet									
Non Current Assets									
Other non current financial investments	23	**724,380**	724,380	**-**	-	**53,367,971**	46,344,668	**54,092,351**	47,069,048
Current Assets									
Trade and other receivables	25	**4,742**	229,084	**-**	-	**-**	-	**4,742**	229,084
Amounts due from related companies	36.1.1	**604,258**	526,553	**-**	-	**-**	-	**604,258**	526,553
Other current financial investments	23	**4,997,174**	4,973,849	**82,540**	111,897	**-**	-	**5,079,714**	5,085,746
Cash and cash equivalents	27	**77,803**	4,503	**-**	-	**-**	-	**77,803**	4,503
Total		**6,408,357**	6,458,369	**82,540**	111,897	**53,367,971**	46,344,668	**59,858,868**	52,914,934

37.1.2 Accounting classification of financial liabilities

As at 31 March,	Note	Group					
		Financial liabilities at fair value through profit or loss		Financial liabilities measured at amortised cost		Total	
		2026	2025	2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Liabilities as per balance sheet							
Non current liabilities							
Interest bearing loans and borrowings	31	-	-	37,930,948	35,899,296	37,930,948	35,899,296
Lease Liability				25,155,030	12,490,090	25,155,030	12,490,090
Current Liabilities							
Trade and other payables	35	-	-	35,662,724	32,386,651	35,662,724	32,386,651
Amount due to related companies	36.1.2	-	-	2,195,863	2,300,791	2,195,863	2,300,791
Interest bearing loans and borrowings	31	-	-	6,321,416	11,859,273	6,321,416	11,859,273
Bank overdrafts and other short term borrowings	27	-	-	24,859,097	27,322,884	24,859,097	27,322,884
Lease Liability	32			2,428,245	1,855,824	2,428,245	1,855,824
Total		-	-	134,553,323	124,114,809	134,553,323	124,114,809

As at 31 March,	Note	Company					
		Financial liabilities at fair value through profit or loss		Financial liabilities measured at amortised cost		Total	
		2026	2025	2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Liabilities as per balance sheet							
Non current liabilities							
Interest bearing loans and borrowings	31	-	-	-	-	-	-
Lease Liability				-	-	-	-
Current Liabilities							
Trade and other payables	35	-	-	82,739	139,237	82,739	139,237
Amount due to related companies	36.1.2	-	-	681,693	618,600	681,693	618,600
Interest bearing loans and borrowings	31	-	-	-	-	-	-
Bank overdrafts and other short term borrowings	27	-	-	1,370,842	5,116,202	1,370,842	5,116,202
Lease Liability	32	-	-	-	8,828	-	8,828
Total		-	-	2,135,274	5,882,867	2,135,274	5,882,867

37.2 Cash flow hedge

A subsidiary company in the Group designated a hedge relationship between its highly probable foreign currency denominated sales and its foreign currency denominated borrowings.

The risk management objective of this cash flow hedge is to hedge the risk of variation in the foreign currency exchange rates associated with foreign currency denominated forecasted sales.

The risk management strategy is to use the foreign currency variability (gains /losses) arising from the revaluation of foreign currency borrowing due to the changes in spot foreign exchange rates to off-set the variability due to foreign exchange rate movements, on LKR conversion of EURO denominated forecasted sales.

The effective portion of the gain or loss on the hedging instrument is recognised in the Other Comprehensive Income Statement (OCI) and any ineffective portion is recognised immediately in the Income Statement.

The amount recognised in Other Comprehensive Income is transferred to the Income Statement when the hedge transaction occurs (when the forecasted revenue is realised). If the forecasted transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Income Statement.

Cash flow hedge reserve reflects the effective portion of the gain or loss on the hedging instrument. The cash flow hedging reserve as at 31st March 2026 represents the foreign currency variability arising from the revaluation of foreign currency borrowings due to the changes in spot exchange rate that is expected be set off from the variability of exchange rates of highly probable foreign currency denominated sales (namely "All Inclusive" apartment revenue) expected to occur from 1st quarter of 2017/18 up to the tenor of refinanced borrowings.

Hedging instrument - Foreign currency borrowing, the designated risk component historically covered on average 85% of the item as a whole.

Hedged item – Highly probable foreign currency denominated sales (named "All Inclusive" apartment revenue) expected to occur from April 2017 to March 2032.

During the year the effective portion of the hedging instrument being a loss of Rs. 42.6 million (2024/2025 - gain of Rs. 679.3 million) was recognised in the other comprehensive income statement (OCI) and no ineffective portion was recognised in the income statement during 2025/2026 and 2024/2025 financial year.

38 FAIR VALUE MEASUREMENT

38.1 Fair value measurement hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation techniques:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

As at 31 March,	Note	Group							
		Level 1		Level 2		Level 3		Total	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Property Plant and Equipment	15								
Freehold land		-	-	-	-	45,412,237	35,711,429	45,412,237	35,711,429
Freehold Buildings		-	-	-	-	82,744,482	83,213,298	82,744,482	83,213,298
Investment Properties	17	-	-	-	-	-	-	-	-
Freehold land		-	-	-	-	8,073,854	7,812,580	8,073,854	7,812,580
Freehold Buildings		-	-	-	-	1,160,085	1,088,014	1,160,085	1,088,014
Consumable biological assets		-	-	-	-	9,680,643	8,766,660	9,680,643	8,766,660
Other non current financial investments	23	-	-	-	-	-	-	-	-
Fair Value Through OCI	23.1	-	-	-	-	-	-	-	-
Quoted equity securities	23.1.1	58,743,115	50,665,405	-	-	-	-	58,743,115	50,665,405
Unquoted equity securities	23.1.2	-	-	-	-	283,230	269,155	283,230	269,155
Investments in unit trusts		-	-	-	-			-	-
Government Securities	23.1.3	964,602	195,197	-	-	-	-	964,602	195,197
Quoted Debt securities	23.1.5	-	-	-	-	-	-	-	-
Unquoted Debt securities		-	-	-		-	-	-	-
Current Assets									
Other current financial investments	23	-	-	-	-	-	-	-	-
Fair Value Through OCI	23.1	-	-	-	-	-	-	-	-
Quoted equity securities	23.1.1	-	-	-	-	-	-	-	-
Government securities	23.1.4	-	-	-	-	-	-	-	-
Quoted Debt securities	23.1.5	-	-	-	-	-	-	-	-
Unquoted Debt Securities		-	-	-	-	-	-	-	-
Fair value through profit or loss (FVTPL) financial investments	23.2	-	-	-	-	-	-	-	-
Quoted equity securities.	23.2.1	292,649	366,946	-	-	-	-	292,649	366,946
Investments in unit trusts.	23.2.2	97,722	65,536	-	-	-	-	97,722	65,536
Government Securities	23.2.3	-	-	-	-	-	-	-	-
Total		60,098,088	51,293,084	-	-	147,354,531	136,861,136	207,452,619	188,154,220

As at 31 March,	Note	Company							
		Level 1		Level 2		Level 3		Total	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Non Current Assets									
Investment Property		-	-	-	-	9,833,281	7,797,859	9,833,281	7,797,859
Other non current financial investments	23	-	-	-	-	-	-	-	-
Fair Value Through OCI	23.1	-	-	-	-	-	-	-	-
Quoted equity securities	23.1.1	53,367,971	46,344,668	-	-	-	-	53,367,971	46,344,668
Current Assets									
Quoted equity securities.	23.2.1	82,540	111,897	-	-	-	-	82,540	111,897
Government Securities	23.2.3	-	-	-	-	-	-	-	-
Total		53,450,511	46,456,565	-	-	9,833,281	7,797,859	63,283,792	54,477,873

38.2 Reconciliation of fair value measurement of "Level 3" financial instruments

The following table shows a reconciliation from the opening balance to the closing balance for level 3 fair values.

For the year ended 31 March,	Group
	Unquoted equity securities
	Rs.'000
Balance as at 1st April 2025	269,155
Exchange difference	-
Additions during the year	-
Depreciation charged during the year	-
Other movements	-
Disposed during the year	-
Total gains and losses recognised in profit and loss	-
- Fairvalue gains/(losses) on Investment land and buildings(unrealised)	-
Total gains and losses recognised in other comprehensive income	-
- Net change in fair value of financial assets measured at FVOCI (unrealised)	14,075
- Revaluation of freehold land and Buildings(unrealised)	-
Balance as at 31st March 2026	283,230

38.2.1 Transfers between levels of fair value hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the year.

38.2.2 Valuation techniques and significant un observable inputs

The following table shows the valuation techniques used by both the Group and the Company in measuring Level 2 and Level 3 fair values, and the significant unobservable inputs used.

38.2.2.1 Assets and liabilities measured at fair value - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Property, plant and equipment			
Freehold land	**Market comparable method** This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land	Estimated fair value would increase (decrease) if ; – Price per perch increases (decreases)
Freehold Building	**Market comparable method** This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per Sq Ft of Building	Estimated fair value would increase (decrease) if ; – Price per Sq Ft increases (decreases)
Investment Properties			
Investment land	**Market comparable method** This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land	Estimated fair value would increase (decrease) if ; – Price per perch increases (decreases)
Investment Building	**Market comparable method** This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per Sq Ft of Building	Estimated fair value would increase (decrease) if ; – Price per Sq Ft increases (decreases)

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Other financial assets			
Unquoted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions.	Variability of inputs are insignificant to have an impact on fair values
	Market return on a comparable investment	Current market interest rates	Not applicable
Derivative financial assets / liabilities			
Forward foreign exchange contracts	**Market comparison technique** The fair values are based on quotes from banks and reflect the actual transactions of similar instruments.	Forward exchange rates as at reporting date.	Not applicable

38.2.2.2 Assets and liabilities for which fair values are disclosed - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs
Investment property		
Freehold land	**Market comparable method** This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land
Other financial assets		
Unquoted debt securities	Discounted cash flows	Current market interest rates
Other bank deposits		
Interest-bearing liabilities	Discounted cash flows	Current market interest rates

38.2.2.3 Assets and liabilities measured at fair value - Non-recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs
Assets classified as held for sale	- Valued at the cash available with the disposal group held for sale.	Not applicable

39 AMOUNT DUE FROM THE SECRETARY TO THE TREASURY ON ACCOUNT OF SLIC

a) In respect of Shares

As per the Judgment delivered by the Supreme Court of the Democratic Socialist Republic of Sri Lanka on 4 June 2009 it was declared and directed that the shares of SLIC purported to have been sold to Distilleries Consortium on 11 April 2003 along with any shares purchased from employees as per SSPA shall be deemed to have been held for and on behalf of the Secretary to the Treasury.

As directed by the said judgment, the Secretary to the Treasury returned Rs.5,716 Mn in 2010/11 that was paid by Group Subsidiary Milford Holdings (Pvt) Limited (MHL) to purchase shares from SLIC.

b) In respect of Profits Earned

Furthermore, MHL was entitled to retain the profits of SLIC derived by MHL from 11 April 2003 to 04 June 2009 in lieu of the interest for the aforesaid investment. The Secretary to the Treasury was directed to cause profits of SLIC to be computed and audited from the date of the last audited Balance Sheetof SLIC to 04 June 2009 to enable MHL to obtain such profits.

However, Secretary to the Treasury has not settled the profits made by SLIC to MHL.

40 IMPACT OF REVIVAL OF UNDERPERFORMING ENTERPRISES AND UNDERUTILIZED ASSETS BILL – PELWATTE SUGAR INDUSTRIES PLC GROUP (PSIP)

Consequent to the enactment and passage of the above Act of Parliament on 9 November 2011, the state officials are occupying the land leased to PSIP. As the leasing of the land to PSIP was done in 1985, and the above mentioned Act empowers the vesting of land leased during a period of 20 years before the enactment of the Act. The Company believes that the land that was used by PSIP have not been vested in the state. At this moment the management is unable to comment further on the implications on the ruling as the Company is awaiting instructions by the Secretary to the Treasury.

Financial results up to 30 September 2011 were consolidated to Group results for the year ended 31 March 2012. Subsequent financial results have not been incorporated to the Group results due to non accessibility of the information. Subsequently a Compensation Tribunal was formed as required by the Act. Without assuming any liability or without any prejudice to, or impact on its rights, PSIP has submitted a claim to the Compensation Tribunal.

Commercial High Court of Western Province (Colombo Civil) issued a winding-up order of Pelwatte Sugar Industries PLC on 13 March 2013. The Court has appointed P.E.A. Jayewickreme and G.J. David, as the Liquidators.

41 PENDING LITIGATIONS AND CONTINGENT LIABILITIES

Based on the information currently available, management is of the view that, other than the matters disclosed below, there are no material contingent liabilities, litigation, or claims that would have a material impact on the Group's financial position.

41.1 Legal Proceedings on Labour and Other Disputes: :

Several legal cases and disputes are pending against certain subsidiary companies of the Group in the Labour Tribunal and other courts. These matters are being vigorously contested, and, based on advice from the Group's legal counsel, the likelihood of an unfavourable outcome and the potential financial effect, including the amount or range of any possible loss, cannot be reliably determined at this stage

There are no legal cases and disputes pending against the company (Melstacorp PLC) in Labour Tribunal or Courts as at balance sheet date. .

41.2 Contingent liabilities on corporate guarantees

As at 31 March 2026, there were no contingent liabilities arising from corporate guarantees provided by Melstacorp PLC to its subsidiaries within the Group or to equity-accounted investees

As at the same date, contingent liabilities arising from corporate guarantees provided by subsidiaries and equity-accounted investees to other companies within the Group amounted to Rs. 13,623 million. Neither Melstacorp PLC, its subsidiaries, nor its equity-accounted investees have provided corporate guarantees on behalf of entities outside the Group as at 31 March 2026.

41.3. Going concern assurance and financial support undertaking

Confirmation letters have been provided by Melstacorp PLC to Madulsima Plantations PLC and Browns Beach Hotel PLC, affirming its commitment to support the respective companies' ability to continue as going concerns. Accordingly, Melstacorp PLC has undertaken to provide unconditional financial assistance to Madulsima Plantations PLC and Browns Beach Hotel PLC, as necessary, to enable them to meet their financial obligations as and when they fall due and payable.

41.4 Contingent Liabilities Relating to Tax/ Duty Assessments and Penalties

41.4.1 Melstacorp PLC

The Company received an income tax assessment from the Commissioner General of Inland Revenue ("CGIR") in relation to the Group's restructuring transactions. The CGIR claims that Melstacorp PLC derived a gain of approximately Rs. 41 billion, representing the net asset gains arising from the Group restructuring, and has imposed an additional income tax liability of approximately Rs. 11.4 billion, together with a penalty of approximately Rs. 5.7 billion, resulting in a total disputed liability of approximately Rs. 17.1 billion. .

The Company filed a Writ Application before the Court of Appeal challenging the legality of the assessment. Following the completion of oral and written submissions by the parties, the Court of Appeal, by an interim order dated 28 June 2023, restrained the Commissioner General of Inland Revenue from taking any further steps pursuant to the Letter of Intimation, Notice of Assessment, Penalty Notice and Tax in Default Notice until the final determination of the petition. .

Subsequently, on 28 July 2023, the Hon. Attorney General sought Special Leave to Appeal to the Supreme Court against the said interim order. The interim order dated 28 June 2023 was set aside, and the Supreme Court directed the President of the Court of Appeal to nominate a different Bench to hear and conclude the application for interim relief. In Supreme Court Case No. SC/SPL/LA 205/23, the Hon. Attorney General undertook to inform the Inland Revenue Department not to take further action until the application for interim relief was supported afresh.

Pursuant to the directions of the Supreme Court, the Court of Appeal nominated a new Bench. When the matter was called on 13 June 2025, both parties agreed to proceed with the substantive arguments without addressing the interim relief. Accordingly, the arguments were taken up and concluded on 5 May 2026.

Following the conclusion of the arguments, Their Lordships' Court directed the parties to file consolidated written submissions on or before 20 July 2026 and fixed the matter to be mentioned in open court on 24 July 2026.

The Company duly filed its written submissions. When the matter was subsequently called on 7 August 2026, Counsel appearing on behalf of the Hon. Attorney General sought further time. Accordingly, the Court directed that the written submissions be filed in the Registry, and the matter was fixed for judgment on 9 October 2026.

41.4.2 Distilleries Company of Sri Lanka PLC

The Company has received an income tax assessment dated 09th August 2022 from the Commissioner General of Inland Revenue imposing an additional income tax liability of Rs.4.1 Bn and a penalty of Rs.2.0 Bn against the Company for the year of assessment 2016/17 in relation to the Group's restructuring transactions.

The Company field a Writ Application in the Court of Appeal challenging the legality of the assessment(s). Following the completion of oral and written submission by the parties, the Court of Appeal issued an interim order on 28th June 2023, restraining the Commissioner General of Inland Revenue from taking any further steps pursuant to the Letter of Intimation, the Notice of Assessment , the Penalty Notice,and the Tax in Default Notice until a final determination is made on this petition.

Subsequently, on 28th July 2023, the Hon.Attorney General applied for Special Leave to appeal to the Supreme Court against the interim order. The interim order,delivered on 28th June 2023,was set aside,and in the Supreme Court case bearing No.SC/SPL/LA205/23, the Hon. Attorney General has Undertaken to inform the Inland Revenue Department not to take action until the application for interim relief is supported afresh.

Having considered the procedural and substantive grounds against the assessment raised,the Company is of the view that this assessment is not likely to result in any tax liability to the Company.

41.4.3 Aitken Spence PLC-Group

(a) Aitken Spence Travels (Pvt) Ltd, a subsidiary of the Group was assessed by the Department of Inland Revenue on Income tax for the years of assessment 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2016/2017. The Tax Appeals Commission hearing the appeals determined the matters in favour of Aitken Spence Travels (Pvt) Ltd for the years of assessment stated above. The Department of Inland Revenue appealed against the determinations of the Tax Appeals Commission to the Court of Appeal for the above years of assessment. The Court of Appeal decided in favour of the company for the years of assessment 2009/2010, 2010/2011 and 2011/2012. The Department of Inland Revenue appealed against the decisions of the Court of Appeal for the years of assessment 2009/2010, 2010/2011 and 2011/2012 to the Supreme Court. The Supreme Court hearing the appeals for the years of assessment 2009/2010 and 2011/2012 refused to grant leave to proceed. For the year of assessment 2010/11, it was brought to the notice of the Supreme Court that this was based on the same facts where the court has already held in favour of the Company. Thereafter, the matter was withdrawn by the Department of Inland Revenue and dismissed by the Supreme Court. Therefore, the judgements of the Court of Appeal for the years of assessment 2009/2010, 2010/2011 and 2011/2012, which was decided in favour of the Company prevailed. Based on expert advice and the decisions of the Tax Appeals Commission and the higher courts, the directors are confident that the ultimate resolution of the cases will not have a material adverse impact on the financial statements of the Group.

(b) Ace Containers (Pvt) Ltd., a subsidiary of the Group was issued with value added tax assessments for the taxable periods 2019 January (1911), 2019 April (1921) and 2019 May (1922). The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the above taxable periods. Ace Containers (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above taxable periods. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

(c) Cey Spence (Pvt) Ltd which was previously an equity accounted investee and was proposed to be liquidated, and the share of net assets of which is reflected under assets classified as held for sale in the consolidated financial statements of the Group was issued an income tax assessment under the Inland Revenue Act in relation to the year of assessment 2007/2008. The Court of Appeal hearing the appeal has determined the income tax assessment in favour of the Department of Inland Revenue. Pursuant to the determination of the Court of Appeal the company has appealed against the determination to the Supreme Court. The contingent liability to the Group is estimated to be Rs. 70 million inclusive of any penalties. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

MMBL Money Transfer (Pvt) Ltd., a subsidiary of the Group was issued with income tax assessments for the years of assessment 2012/2013,2013/2014, 2014/2015, 2015/2016 and 2017/2018. The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the years of assessment 2012/2013, 2013/2014, 2014/2015 and 2017/2018. MMBL Money Transfer (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above years of assessment. For the year of assessment 2015/2016, the Tax Appeals Commission issued the determination in favour of the company. The Department of Inland Revenue appealed against the said determination to the Court of Appeal for the year of assessment 2015/2016. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

41.4.4 Periceyl (Pvt) Ltd

(a) Tax Disputes Relating to Share Buyback Transactions

The Group is contesting two further tax assessments issued by the Commissioner General of Inland Revenue (CGIR) concerning share repurchase transactions carried out by Periceyl (Pvt) Ltd, a wholly owned subsidiary of Melstacorp PLC. .

(i) Year of Assessment 2016/2017

The total assessed amount is Rs.886.14 million, comprising dividend tax of Rs. 590.76 million and a penalty of Rs. 295.38 million. In July 2016, Periceyl (Pvt) Ltd repurchased 38,500 shares from Melstacorp PLC for Rs. 2.5 billion. The Commissioner General of Inland Revenue (CGIR) has challenged this transaction, treating it as a distribution of retained earnings subject to dividend tax. .

The company appealed the assessment to the Tax Appeals Commission (TAC) on 25 November 2024 and has submitted a bank guarantee of Rs. 221.54 million on 31st January 2025. During the last hearing on February 10, 2026, the Honorable Members of the Tax Appeals Commission reserved the Determination in respect of the Income Tax Appeal made by Periceyl (Pvt) Ltd for the year of assessment 2016/2017.

The Company has obtained legal and tax advice on the matter and, based on this advice, has determined that no provision for the assessed amount is required in these financial statements .

(ii) Year of Assessment 2018/2019

The total assessed amount is Rs.125.95 million, comprising dividend tax of Rs. 66.64 million, interest and penalty thereon, Rs. 59.31 million. In March 2018, Periceyl (Pvt) Ltd repurchased 140 million shares from Melstacorp PLC for Rs.546 million. The Commissioner General of Inland Revenue (CGIR) has challenged this transaction, treating it as a distribution of retained earnings subject to dividend tax (WHT).

The matter was initially heard by the Tax Appeals Commission (TAC) and is currently under appeal before the Court of Appeal.

The Company has obtained legal and tax advice on the matter and, based on this advice, has determined that no provision for the assessed amount is required in these financial statements.

41.4.5 Melsta Logistics (Pvt) Ltd

There were no material contingent liabilities as at 31 March 2026 which require adjustments to / or disclosure in the Financial Statements except as detailed below.

The Company received a tax assessment in May 2017, against the year of assessment 2014/15, regarding the tax treatment concerning capital allowances claimed on its buildings in Seeduwa and Kandy and the assessed amount is Rs. 6,182,045/-.

The matter has progressed through the standard tax appeal process, culminating in an unfavorable determination by the Tax Appeal Committee (TAC) of the Inland Revenue Department (IRD). Subsequently, the Company has lodged an appeal with the Court of Appeal, and the hearings are currently pending.

Based on expert advice and the decisions of the Tax Appeals Commission , the directors are confident that the ultimate resolution of the cases will not have a material adverse impact on the financial statements of the Group.

41.5 Contingent Liabilities Relating to Legal Proceedings and Claims (Excluding Tax Assessments)

41.5.1 Distilleries Company of Sri Lanka PLC

Supreme court case No. SC/Appeal 31/2009 (Commercial high court of Colombo Case No. 147/2005) (1) . A . Pliant filed by the Censtar International (Pvt) Ltd against the company claiming a sum of Rs. 17,982,358.38 with interest and costs. A claim in reconvention filed for Rs. 500,000,000/- and the matter was argued 24.10.2023 and delivery of the judgement has been reserved with no further date. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

41.5.2 Aitken Spence PLC-Group

Action was instituted in the Commercial High Court in 2009 by a prospective buyer for the repayment of the advance monies and other related amounts paid by them, for the purchase of a ship which was owned by Ceyaki Shipping (Pvt) Ltd., (an Associate company) which is classified as held for sale in the consolidated financial statements of the Group. The company contested the action as it deemed that the amount was not due and owing to the prospective buyer. The Commercial High Court delivered a determination in favour of the prospective buyer in March 2013. Consequently, Ceyaki Shipping (Pvt) Ltd., appealed to the Supreme Court against the determination of the Commercial High Court. Judgment is currently pending. The directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

42 CAPITAL AND OTHER COMMITMENTS

There were no material capital expenditure approved by the Board of Directors as at 31 March 2026 other than followings

42.1 Aitken Spence PLC

Commitments for capital expenditure for subsidiaries

	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Approximate amount approved but not contracted for	**11,573,989**	10,034,205
Approximate amount contracted for but not incurred	**1,814,768**	804,970
	13,388,757	10,839,175

The above includes Rs. 13,128.3 million (2024/2025 - Rs. 10,544.4 million) for the acquisition of property, plant and equipment and Rs. 260.4 million (2024/2025 - Rs. 294.8 million) for the acquisition of intangible assets.

Commitments for capital expenditure for equity accounted investees

	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Approximate amount approved but not contracted for	**585,630**	920,278
Approximate amount contracted for but not incurred	**20,453**	25,619
	606,083	945,897

The amount shown is the Group's share of capital commitments by equity accounted investees. .

The above includes Rs. 606.1 million (2024/2025 - Rs. 935.3 million) for the acquisition of property, plant and equipment and nil commitment for the acquisition of intangible assets (2024/2025 - Rs. 10.6 million). .

42.2 Browns Beach Hotel PLC

Commitments for capital expenditure for subsidiaries

	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Approximate amount approved but not contracted for	**46,857**	46,857
Approximate amount contracted for but not incurred	**2,682**	2,682
	49,539	49,539

43 ASSETS PLEDGED

Following assets have been pledged as securities for liabilities. .

Company	Nature of Liability	Security		Value of the assets pledged (Rs.'000) 2026
		Description	Asset type	
Negombo Beach Resorts (Pvt) Ltd	Long term loan	Freehold land and building of the Hotel has been mortgaged.	Property, Plant and Equipment	**1,670,672**
Aitken Spence PLC	Term Loans and overdrafts	Property, Plant and Equipment of the group were pledged	Property, Plant and Equipment	**39,695,224**
		Equity shares invested in subsidiaries were pledged	Investments in Shares	**4,549,174**
		right-of-use assets pledged by the Group as security for interest-bearing liabilities obtained from banks	Right of Use Assets	**4,251,176**
		pledged by the Group as security for facilities obtained from banks	Current Assets	**2,928,348**
		pledged by the Group as security for facilities obtained from banks	Inventory	**4,280,937**

44 DISCONTINUED OPERATIONS

During the financial year 2024/25, Melstacorp PLC discontinued its operations in the following subsidiaries, which have accordingly been classified as discontinued operations in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations:

Lanka Bell Group – a national CDMA service provider
Melsta Laboratories (Pvt) Ltd – a diagnostic services provider
Texpro Industries (Pvt) Ltd – a manufacturer of dyed and printed woven fabrics

The results of these entities have been separately presented as discontinued operations in the Statement of Profit or Loss, with prior year comparatives re-presented accordingly

Results of discontinued operations For the year ended 31 March,	2026 Rs.'000	2025 Rs.'000
Gross revenue	**31,231**	409,486
Excise duty	**-**	-
Cost of sales and net benefits paid	**(185,697)**	(1,702,077)
Gross profit	**(154,466)**	(1,292,591)
Other operating income	**1,181,589**	1,877,719
Selling and distribution expenses	**-**	(142)
Administrative expenses / reversal)	**16,449**	(247,983)
Other operating expenses	**(1,095)**	(38,581)
Results from operating activities	**1,042,477**	298,422
Finance income	**125**	475
Finance costs	**(14,644)**	(246,791)
Net finance income/(Costs)	**(14,519)**	(246,316)
Share of profit of equity-accounted investees (net of tax)	**-**	-
Profit before income tax expense	**1,027,958**	52,106
Taxation	**-**	(9,905)
Profit for the year	**1,027,958**	42,201
Gain on disposal of discontinued operations	**-**	-
Income tax on gain on disposal of discontinued operations	**-**	-
Loss from continued operations (Net of Tax)	**1,027,958**	42,201
Profit attributable to:		
Equity holders of the parent	**1,011,242**	(157,245)
Non controlling interest	**16,716**	199,446
	1,027,958	42,201
Basic earnings per share	**0.86**	(0.13)
Diluted earnings per share	**0.86**	(0.13)

45 EVENTS AFTER THE REPORTING PERIOD

Except for the matters set out below , there were no material events occurring after the reporting date that require adjustment to, or disclosure in, the financial statements

(a) Appointment of New Authorized Importer for BMW in Sri Lanka

In May 2026 ,the Company's fully owned subsidiary, Mels Automobiles (Private) Limited, was appointed as the authorized importer and dealer for BMW automotive vehicles in Sri Lanka, responsible for the importation, sales, and distribution of new BMW vehicles, the supply of genuine BMW parts, and authorized BMW aftersales and service operations.

(b) Sale of Shares of Continental Insurance Lanka Limited to Janashakthi PLC

On 13th August 2026, the Company entered into a Share Sale and Purchase Agreement with Janashakthi PLC ("Janashakthi") for the sale of 100% of the shareholding held by the Company in Continental Insurance Lanka Limited ("CILL"), for a total consideration of LKR 5,144,636,012.

The Company will initially sell and transfer to Janashakthi 81% of the issued shares of CILL, with the remaining 19% sold and transferred in two subsequent tranches of 9% and 10%. The transaction is subject to approval of the Insurance Regulatory Commission of Sri Lanka ("IRCSL"). The Board is of the view that the transaction is in the best interest of the Company and its shareholders.

(c) Third Interim Dividend

Subsequent to the reporting date, the Board of Directors approved a third interim dividend of Rs. 3.25 per share for the year 2025/2026. Details of the dividend are disclosed in Note 14 to the financial statements,47 Financial Risk Management

46 FINANCIAL RISK MANAGEMENT

Financial instruments used by the Group in its business activities contain multiple variables that are affected by various market and environmental conditions. Such variations are generally not within the control of the users, and therefore cause fluctuations in values of financial instruments. Fluctuations in value could result in a situation undesirable to the Group thereby exposing it to risk. These risks need to be managed, as unmanaged risks can lead to unplanned outcomes where the Group could fall short of its financial and budgetary objectives. The Group has adopted a financial risk management strategy aimed at minimising the risks associated with the use of financial instruments by establishing several policies and guidelines that are followed by the companies in the Group. These policies and guidelines are reviewed from time to time and updated to reflect current requirements in accordance with the developments in the operating environment.

Group's core business of beverage is essentially a cash business hence has a short cash cycle. This results in low financial risk adding to greater degree of control of finance. Other sectors such as Telecommunication, Plantation, Insurance, Finance and other diversified holdings exercise policies stemming from Melstacorp's practices of effective financial risk management as common members of the board ensures uniformity. Continental Insurance is exceptional and adhere to an even higher degree of management to comply with IBSL regulatory compliance/guidelines respectively.

Financial Instruments

Group's financial instruments consist of ASSETS - its portfolio of equity investments, deposits in banks, accounts receivable. LIABILITIES - Loan obligations, accounts payable and accrued liabilities such excise duty, taxes and payroll.

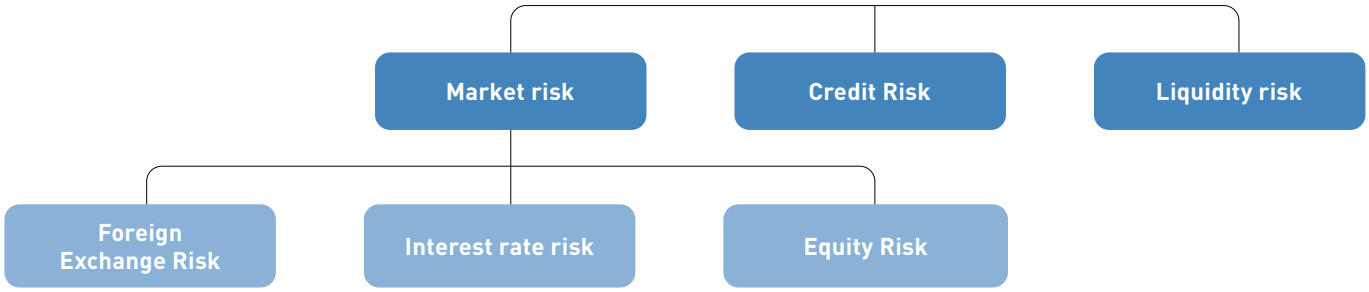
Financial Risk Management Objectives and Policies

Whilst 'risk management' is ingrained in the business from the Board down to operational level, financial risk management at Group is entrusted to a niche of in-house financial professionals ably supported by external economists, financial consultants, legal counsel, tax experts, banks and auditors.

In the normal course of business, the Group is exposed to financial risks that have the potential to negatively impact its financial performance. This is further accredited by the AAA/Stable rating assigned by Fitch this year.

This part of the report covers the financial impact that could arise from market risk, credit risk and liquidity risk, the most important elements of the financial risk that the Group is subject to.

The Group has exposure to the following risks from financial instruments



46.1 Market risk

Fluctuations of those market driven variables that affect cashflows arising from financial instruments can result in the actual outcome being different to expected cashflows thereby creating the market risk. Variables such as interest rates and exchange rates can move in directions different to those originally expected and the consequent cashflows could be different to the originally anticipated cashflows.

Market risk could result in the revenues and expenses of the Group being adversely affected and impacting the profit attributable to the shareholders. In order to identify, manage and minimise the market risk, the Group has put into practice a number of policies and procedures.

46.1.1 Currency risk

The currency risk arises when a financial transaction is denominated in a currency other than that of the reporting currency of an entity. The Group has operations in a number of regions across the globe and conducts business in a variety of currencies. The Group's worldwide presence in many geographies exposes it to the currency risk in the form of transaction and translation exposure.

Transaction exposure arises where there are contracted cashflows (receivables and payables) of which the values are subject to unanticipated changes in exchange rates due to contracts being denominated in a foreign currency. Translation exposure occurs due to the fluctuations in foreign exchange rates and arises to the extent to which financial reporting is affected by exchange rate movements when the reporting currency is different to those currencies in which revenues, expenses, assets and liabilities are denominated

As the Group transacts in many foreign currencies other than the Sri Lankan rupee which is the reporting currency, it is exposed to currency risk on revenue generation, expenses, investments and borrowings. The Group has significant investments in the Maldives, India, Oman and Fiji where the net assets are exposed to foreign currency translation risk. Revenue generations and expenses incurred in these geographies are exposed to foreign currency transaction risk.

The total interest-bearing liabilities of the Group denominated in US dollar and Euro amounted to Rs. 32.1 billion (2025: Rs.35.09 billion). The overseas investments made by the Group during the financial year were mostly financed through US dollar denominated borrowings from international and local banks. The translation exposure resulting from foreign currency borrowings has been hedged to a great extent by the acquisition of financial assets denominated in matching foreign currencies. A significant portion of the foreign currency borrowings have been made by the Group companies with incomes in foreign currencies, especially in the tourism and strategic investments sectors. Transaction exposures are usually minimised by selectively entering into forward contracts when future cashflows can be estimated with reasonable accuracy with regard to amounts as well as timing. The Group treasury monitors foreign exchange markets on a continuous basis and advises on appropriate risk mitigating strategies.

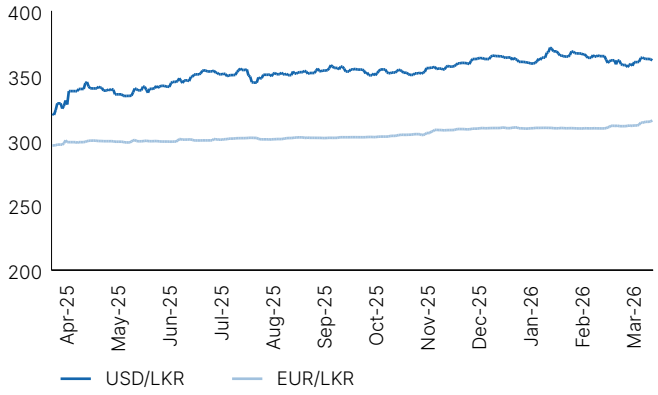
The Group actively evaluates the possibility of employing hedge accounting to mitigate the exposure to currency risk by designating an effective relationship between foreign currency denominated transaction with assets or liabilities. Hedge accounting enables to minimise the timing differences in recognising foreign currency translation impact to the income statement or other comprehensive income statement and to effectively capture the economic substance of the transaction

NOTES TO THE FINANCIAL STATEMENTS

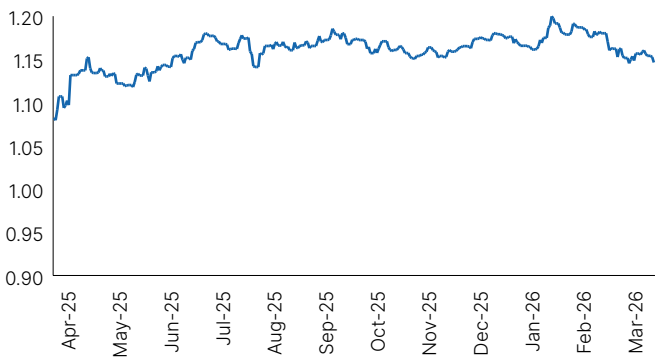
Movement in exchange rates during the year ended 31st March 2026

	Lowest Level		Highest Level		Spread	Year end rate
	Rate	Date	Rate	Date		
USD/LKR	296.14	02.04.2025	315.54	31.03.2026	19.4	315.54
EUR/LKR	319.71	02.04.2025	371.65	28.01.2026	51.94	361.74

USD/LKR & EUR/&LKR



EUR/USD



The USD/LKR exchange rate depreciated steadily throughout financial year 2025/26, with the rupee losing approximately 6.5% of its value against the US dollar. The rate opened around LKR 296 in April 2025 and the movement was broadly orderly, with the rate remaining under LKR 300.00 in the beginning of the year and then consolidating below 305.00 for an extended period during the second half of the year. Two periods of accelerated depreciation were noted: a sharp adjustment to around LKR 308 in mid-November 2025, followed by a more pronounced weakening during the final weeks of March 2026, culminating in a year-end closing rate of LKR 315.54. .

Foreign currency sensitivity

The main foreign currencies the Group transacts in are the US dollar and the Euro. The exposure to other foreign currencies is not considered as they are mostly related to foreign operations. In order to estimate the impact of the currency risk on financial instruments, a reasonable movement in the USD/ LKR and EUR/LKR exchange rates is assumed based on the observable trend in the market. Reflecting the exchange rate volatility experienced during the financial year, a 10% threshold is applied in the current year's sensitivity analysis.

	Effect on profit before tax			Effect on equity
	USD net financial assets / (liabilities) USD'000	EUR net financial assets / (liabilities) EUR'000	USD Forward Contracts USD'000	USD'000
As at 31st March 2026				
Net exposure	77,557	-8,110	-	171,549
LKR depreciates by 10%	1,223,618	-146,691	-	2,706,526
(Rs.'000)				
LKR appreciates by 10%	-1,223,618	146,691	-	-2,706,526
(Rs.'000)				
As at 31st March 2025				
Net exposure.	76,163	-22,217	-	156,963
LKR depreciates by 10%	819,372	-355,850	-	2,325,567
(Rs.'000)				
LKR appreciates by 10%	-819,372	355,850	-	-2,325,567
(Rs.'000)				

46.1.2 Interest rate risk

Values of financial instruments could fluctuate depending on the movements in interest rates giving rise to interest rate risk. This is a consequence of the changes in the present values of future cashflows derived from financial instruments. Value fluctuations in financial instruments will result in mark to market gains or losses in investment portfolios and could have an impact on reported financial results of the Group.

The Group's investment portfolio consists of a range of financial instruments with both fixed and variable interest rates such as treasury bills and treasury bonds which are subject to interest rate risk. Liabilities with variable interest rates such as AWPLR and LIBOR linked borrowings would expose the Group to cashflow risk as the amount of interest paid would change depending on the changes in market interest rates.

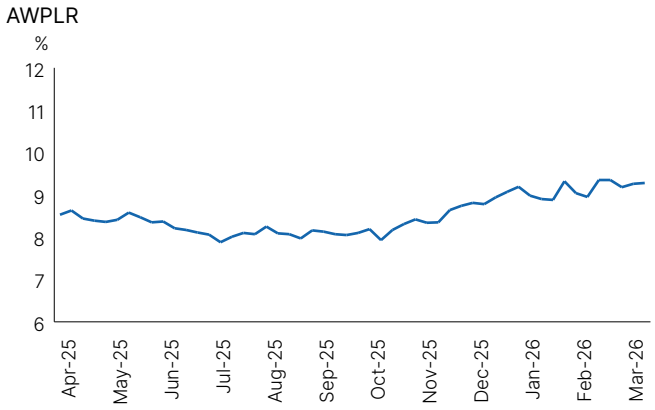
Investments with fixed interest rates would expose the Group to variations in fair values during the marking to market of portfolios. Suitable strategies are used by the Group treasury to manage the interest rate risks in portfolio investments. Using long term interest rate forecasts in order to determine the most suitable duration of investments with the objective of overcoming the re-investment risk as well as to minimise any adverse impact in marking to market of the portfolio is one of the often-used strategies. Interest rate swaps could be used when there is a need to hedge the risks on debt instruments with variable rates. Close monitoring of market trends is carried out to improve the accuracy of such decisions.

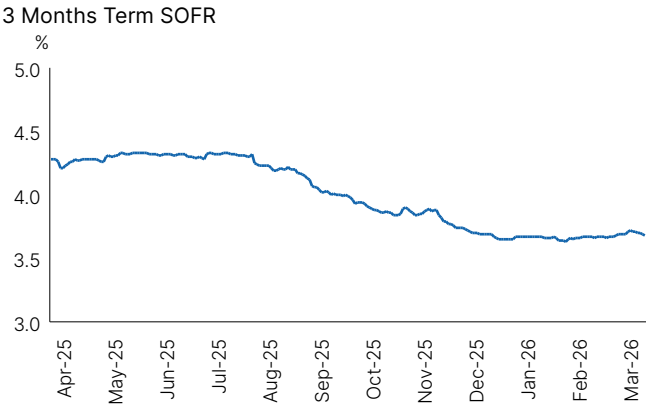
The Group treasury monitors the interest rate environment on a continuous basis to advise the sector finance managers on the most suitable strategy with regard to borrowings. The Group usually negotiates long term borrowings during the periods in which interest rates are low in order to extend the favourable impact to future reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

Movement in interest rates during the year ended 31st March 2026

	Lowest Level		Highest Level		Spread (basis points)	Year end rate %
	Rate %	Date	Rate %	Date		
LKR Interest rate (Weekly AWPLR)	7.88	Jul-25	9.35	Feb/Mar -26	147	9.28
USD Interest rate - SOFR (3 months)	3.63	Feb-26	4.33	May-25	70	3.68





The Average Weighted Prime Lending Rate (AWPLR) recorded a net increase of 85 basis points over the financial year 2025-26, opening at 8.43% in April 2025 and closing at 9.28% by end-March 2026. The year was characterised by two distinct phases. During the first half, the rate eased steadily, reaching a year-low of 7.88% in mid-July 2025. This was followed by a sustained reversal from November 2025 onwards, with the rate breaching the 9% threshold by January 2026 and remaining elevated for the remainder of the year, touching a peak of 9.35% in February and March 2026.

The CME 3-Month Term SOFR during FY 2025-26 began with an upward trend, reaching a peak near 4.33% in May 2025. From August onward, the rate entered a sustained decline, before settling into a relatively tight range in the final quarter.

Interest rate sensitivity

The interest rate sensitivity analysis for the Group and Company's interest-bearing financial instruments as at the reporting date is set out below. The analysis illustrates the potential impact on profit or loss arising from reasonably possible interest rate scenarios, with all other variables held constant.

Given the volatility in domestic interest rates, a fluctuation of 250 basis points has been applied to LKR-denominated financial liabilities for the sensitivity analysis. For USD-denominated financial liabilities, a sensitivity threshold of 100 basis points has b een considered.

Interest rate sensitivity analysis- Group

As at 31 March,	2026			2025		
	Exposure	Impact on profit		Exposure	Impact on profit	
		LKR Interest rate -250 bp	LKR Interest rate +250 bp		LKR Interest rate -250 bp	LKR Interest rate +250 bp
LKR financial liabilities (Rs.'000)	**12,264,588**	**306,615**	**-306,615**	17,683,765	442,094	-442,094

As at 31 March,	2026			2025		
	Exposure	Impact on profit		Exposure	Impact on profit	
		USD interest rates - 100bp	USD interest rates + 100bp		USD interest rates - 100 bp	USD interest rates + 100 bp
LKR financial liabilities (Rs.'000)	**27,109,870**	**271,099**	**-271,099**	24,834,581	248,346	-248,346

Interest rate sensitivity analysis- Company

As at 31 March,	2026			2025		
	Exposure	Impact on profit		Exposure	Impact on profit	
		LKR Interest rate -250 bp	LKR Interest rate +250 bp		LKR Interest rate -250 bp	LKR Interest rate +250 bp
LKR financial liabilities (Rs.'000)	**1,370,842**	**34,271**	**-34,271**	5,116,202	127,905	-127,905

46.1.3 Equity price risk

The Group has adopted the policy that its investment in subsidiaries, joint ventures and associate companies are recorded at cost as per LKAS 27 and 28 standards and therefore are scoped out from the Sri Lanka Accounting Standards, SLFRS 9 - Financial Instruments.

Investments made by the Group which do not belong to the above categories are classified as financial assets and recorded at fair value in financial statements.

At the reporting date the carrying values of equity investments are as follows

- Quoted equity securities: Rs. 59.03 billion (as at 31.03.2025; Rs. 51.03 Billion)

-Unquoted equity securities: Rs. 283.2 million (as at 31.03.2025; Rs. 269.2 million

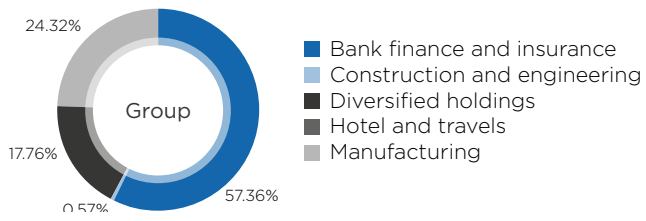
Certain companies of the Group have their major equity investment portfolios held on a long term basis; hence immune to daily fluctuations. Those are classified as financial investments at fair value through OCI (FVTOCI). Further, a small trading portfolio is managed by two reputed Unit Trust companies licensed by the SEC and individual companies manage their own short term portfolios as well. These investments are held by compiling with group investment policies. Safe Custodian agreements with banks are in place that adds a control dimension.

The Group manages the equity price risk through diversification of its investments to each sector. Further the Management daily monitors the reports of the equity portfolios

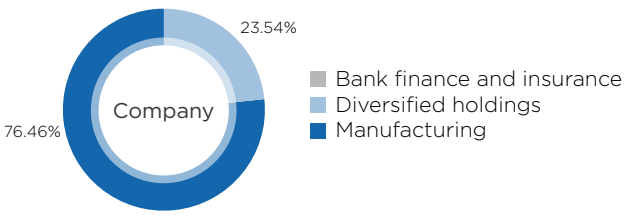
The extend of diversification of short term equity investments (FVTPL) are analysed bellow.

As at 31 March,	Group				Company			
	2026		2025		2026		2025	
	Rs'000	%	Rs'000	%	Rs'000	%	Rs'000	%
Bank finance and insurance	**167,851**	**57.4%**	247,217	67.4%	**-**	**0.0%**	48,004	42.90%
Construction and engineering	**1,656**	**0.57%**	1,073	0.3%	**-**	**0.0%**	-	0.00%
Diversified holdings	**51,974**	**17.8%**	45,290	12.3%	**19,426**	**23.5%**	13,377	11.95%
Hotel and travels	**-**	**0.0%**	14,723	4.0%	**-**	**0.0%**	-	0.00%
Manufacturing	**71,168**	**24.3%**	58,643	16.0%	**63,114**	**76.5%**	50,516	45.15%
	292,649	**100.0%**	366,946	100.0%	**82,540**	**100.0%**	111,897	100.0%

Short term equity investments (FVTPL)



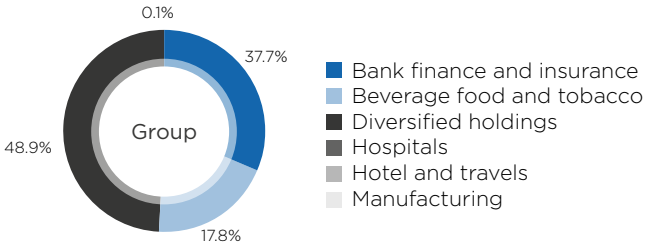
Short term equity investments (FVTPL)



The extend of diversification of long term equity investments (FVTOCI) are analysed bellow.

As at 31 March,	Group				Company			
	2026		2025		2026		2025	
	Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure
Bank finance and insurance	**22,161,352**	**37.7%**	16,307,189	32.2%	**16,833,253**	**31.5%**	12,041,630	25.98%
Beverage food and tobacco	**10,441,895**	**17.8%**	5,657,656	11.2%	**10,441,895**	**19.6%**	5,657,656	12.21%
Diversified holdings	**26,093,104**	**44.4%**	28,645,568	56.5%	**26,092,823**	**48.9%**	28,645,382	61.81%
Hospitals	**6,905**	**0.01%**	3,462	0.01%	**-**	**0.0%**	-	0.00%
Hotel and travels	**8,815**	**0.02%**	4,920	0.01%	**-**	**0.0%**	-	0.00%
Manufacturing	**31,044**	**0.1%**	46,610	0.1%	**-**	**0.0%**	-	0.00%
	58,743,115	**100.0%**	50,665,405	100.0%	**53,367,971**	**100.0%**	46,344,668	100.0%

long term equity investments (FVTOCI)



46.2 Credit Risk

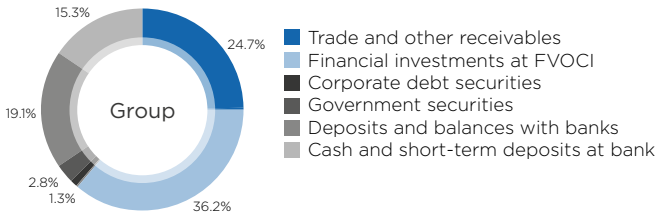
The risk assumed by an entity resulting from the risk of a counterparty defaulting on its contractual obligations in relation to a financial instrument or a customer contract is known as the credit risk. The Group's exposure to credit risk arises from its operating and investing activities including transactions with banks in placing deposits, foreign exchange transactions and through the use of other financial instruments. The maximum credit risk of the Group and the Company is limited to the carrying value of these financial assets as at the reporting date.

Maximum Credit Exposure

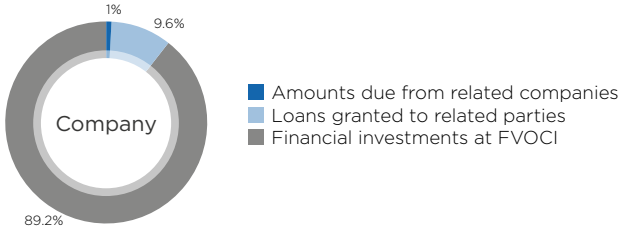
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows,,

As at 31 March,	Note	Group				Company			
		2026		2025		2026		2025	
		Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure
Trade and other receivables	46.2.1	**40,975,759**	**24.7%**	37,918,268	25.8%	**4,965**	**0.0%**	229,307	0.4%
Amounts due from related companies	46.2.2	**548,687**	**0.3%**	533,616	0.4%	**604,258**	**1.0%**	526,553	1.0%
Loans granted to related parties		**-**	**0.0%**	-	0.0%	**5,721,554**	**9.6%**	5,698,229	10.8%
Financial investments at FVOCI		**59,990,947**	**36.2%**	51,129,757	34.8%	**53,367,971**	**89.2%**	46,344,668	87.6%
Financial investments at FVTPL		**390,371**	**0.2%**	432,482	0.3%	**82,540**	**0.1%**	111,897	0.2%
Corporate debt securities	46.2.3	**2,174,265**	**1.3%**	1,644,655	1.1%	**-**	**0.0%**	-	0.0%
Government securities	46.2.4	**4,612,608**	**2.8%**	5,091,855	3.5%	**-**	**0.0%**	-	0.0%
Deposits and balances with banks	46.2.5	**31,582,201**	**19.1%**	28,889,758	19.7%	**-**	**0.0%**	-	0.0%
Cash and short-term deposits at bank	46.2.6	**25,321,456**	**15.3%**	21,348,065	14.5%	**77,803**	**0.1%**	4,503	0.0%
		165,596,294	**100.0%**	146,988,456	100.0%	**59,859,091**	**100.0%**	52,915,157	100.0%

Maximum Credit Exposure



Maximum Credit Exposure



Expected credit loss assessment

The Group adopted Expected Credit Loss (ECL) approach to impairment of its financial assets. This enables better credit risk reporting of financial instruments by carrying reasonably quantified default risk adjusted value of assets in the balance sheet and minimising the timing difference in recognition of future default loss.

ECL measurement approach that is best suited for each class of asset is determined based on underlying risk characteristics of the asset. Subsequent to selection between general and simplified approaches to measurement, the Group assesses financial assets using data that is determined to be predictive of default risk, including but not limited to external ratings, historical payment patterns, audited financial statements, cash flow projections. Group companies apply experienced credit judgement taking in to account qualitative and quantitative factors that are indicative of the risk of default. Scalar macroeconomic factor adjustments such as GDP forecast, also incorporated to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected recovery period.

"The Group re-evaluated its approach to measurement of ECL in the light of the current economic crisis in Sri Lanka, as the consequent unexpected deterioration in credit quality of investment portfolios (financial institutions) and trade receivables (non-financial institutions), will have a significant impact on the ECL measurement. The Group considered all reasonable and supportable information available without undue cost or effort at the reporting date as well as practical expedients made available. Economic Factor Adjustment (EFA) and Probability of Default (PD) updated to reflect the impact of adverse economic condition in measuring ECL while Loss Given Default (LGD) was used without modification. The Group also assessed it financial instruments for Significant Increase in Credit Risk (SICR) with available, reasonable and supportable information including economic support and relief measures provided to counterparties."

Movement in ECL allowance during the financial year

For the year ended 31 March,	Group		Company	
	Trade and other receivables	Other financial assets Bank deposits	Trade and other receivables	Other financial assets Bank deposits
Balance as at 01st April 2024	5,962,175	851	223	-
Exchange difference/direct write-offs and reversals	(83,539)	(362)	-	-
Net charge for the year	(1,021,944)	(251)	-	-
Balance as at 31st March 2025	4,856,692	238	223	-
Exchange difference/direct write-offs and reversals	46,088	49	-	-
Net charge for the year	(327,071)	(3,645)	-	-
Balance as at 31st March 2026	4,575,709	(3,358)	223	-

46.2.1 Trade and other receivables

Trade receivables consist of recoverable from a large number of customers spread across diverse industries, segments and geographies. More than 90% of the Group's trade receivables are due for settlement within 90 days as at the end of the financial year. The credit policy for each segment of business varies due to the diversity of operations in the Group. The credit policies that best suit their respective business environment are developed for each sector and the responsibility rests with the heads of finance and the senior management teams.

Group companies formulate their credit policies subsequent to analysing credit profiles of customers. In this regard factors such as the credit history, legal status, market share, geographical locations of operations, and industry information are considered. References from bankers or credit information databases are obtained when it is considered necessary. Each Group company has identified credit limits for their customers. In the event a customer does not meet the criteria or the stipulated benchmark on a transaction, then the business is carried out with such customers only up to the value of the collaterals or advances obtained.

As the large majority of Beverage accounts receivable balances are collectable from licensed retailers, management believes that the sector's credit risk relating to accounts receivable is at an acceptably low level.

The Group has observed higher credit risk in telecommunication sector due to large number of small customers. However, risk is managed and mitigated by adopting timely disconnection policy and converting customer to prepaid mode.

The requirement for an impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

The group's maximum exposure to credit risk from Insurance contract receivables are mainly consist with Premium Receivables.

Some of the actions specific to Premiums Receivables in Non-Life Insurance are shown below.

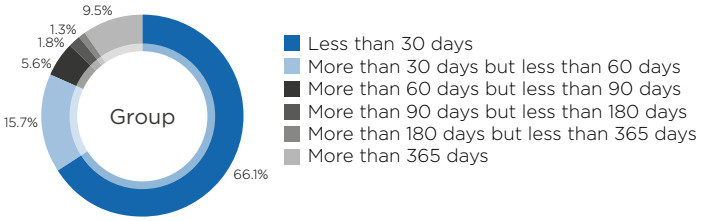
-Premium Payment Warranty (PPW) is strictly implemented and all Non - Life Insurance policies with payments outstanding for more than 60 days are cancelled.

- Follow-up meetings on debt collection are conducted with the participation of finance, distribution and underwriting officials on a monthly basis.

- Claim settlements are processed only after reviewing the position of outstanding receivables.

For the year ended 31 March,	Group			Company		
	Gross carrying amount	Impairment Provision	Net carrying amount	Gross carrying amount	Impairment Provision	Net carrying amount
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Less than 30 days	19,043,957	(72,078)	18,971,879	1,629	-	1,629
More than 30 days but less than 60 days	4,513,714	(8,102)	4,505,612	-	-	-
More than 60 days but less than 90 days	1,602,546	(8,002)	1,594,544	-	-	-
More than 90 days but less than 180 days	522,306	(15,028)	507,278	-	-	-
"More than 180 days but less than 365 days"	365,572	(54,091)	311,481	-	-	-
More than 365 days	2,745,807	(3,716,037)	(970,230)	-	-	-
	28,793,902	(3,873,338)	24,920,564	1,629	-	1,629

Trade Receivable Settlement Profile



46.2.2 Amounts due from related companies

The amounts due from related parties mainly consist of receivables from associates and other related ventures and those are closely monitored by the group.

46.2.3 Corporate debt securities

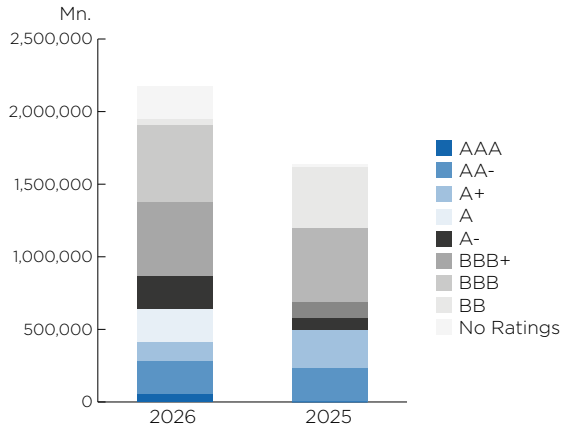
The Corporate debt securities are entirely consist of Corporate Debentures which are listed in Colombo Stock Exchange which are guaranteed by local and foreign credit rating agencies as BB+ or Better.

An Analysis of credit ratings of the issuers of debenture are as follows,

Credit Rating	Group				Company			
	2026		2025		2026		2025	
	Amount	% from total exposure	Amount	% from total exposure	Amount	% from total exposure	Amount	% from total exposure
AAA	52,598	2%	-	-	-	-	-	-
AA	-	0%	-	-	-	-	-	-
AA-	231,760	11%	231,758	14%	-	-	-	-
A+	127,239	6%	265,772	16%	-	-	-	-
A	227,408	10%	80,906	5%	-	-	-	-
A-	227,926	10%	103,936	6%	-	-	-	-
BBB+	509,860	23%	509,867	31%	-	-	-	-
BBB	526,197	24%	432,861	26%	-	-		
BBB-	-	0%	-	-	-	-	-	-
BB	44,535	2%	-	-	-	-	-	-
BB+	-	0%	-	-	-	-	-	-
No Ratings *	226,742	10%	19,555	1%	-	-	-	-
	2,174,265	100%	1,644,655	100%	-	-	-	-

* However minor potion of investments have been made on corporate debt instruments which does not backed with credit ratings. However those investments were made after having a thorough credit assessment on respective companies and after obtaining collaterals such as Mortgage bonds and personal guarantees.

Corporate debt securities by Credit Rating - Group



46.2.4 Government securities

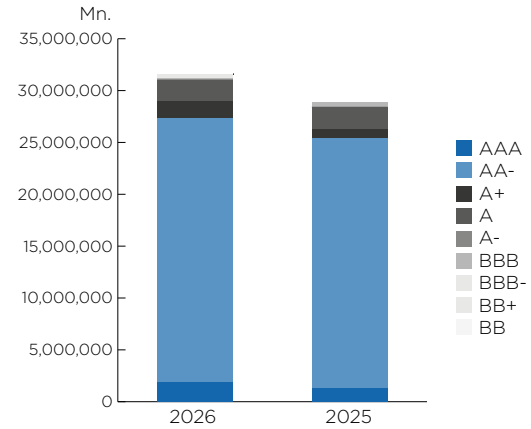
Government securities are referred to as risk free instruments in its nature.

46.2.5 Deposits and balances with banks

The Group has a number of bank deposits in Sri Lankan rupees and other currencies. These deposits have been placed in several banks in order to minimise the credit risk in accordance with the policy directions provided by the Board. In order to further minimise the credit risk, the Group's exposure and credit ratings of banks are regularly monitored and a diversified investment portfolio is maintained. In the event of any weakening of credit metrics of a bank the Group may decide to liquidate its investments and move to an institution with a higher credit rating.

As at 31 March, (Fitch national credit rating scale or equivalent)	Group				Company			
	2026		2025		2026		2025	
	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	1,874,964	5.94%	1,260,607	4.36%	-	-	-	-
AA+	-	-	-	-	-	-	-	-
AA	-	-	-	-	-	-	-	-
AA-	25,461,620	80.61%	24,132,695	83.53%	-	-	-	-
A+	1,605,909	5.08%	887,837	3.07%	-	-	-	-
A	2,053,461	6.50%	2,134,787	7.39%	-	-	-	-
A-	105,752	0.33%	-	-	-	-	-	-
BBB	105,507	0.33%	418,060	1.45%	-	-	-	-
BBB-	373,707	1.18%	50,888	0.18%	-	-	-	-
BB+	5,116	0.02%	-	-	-	-	-	-
BB	-	-	5,122	0.02%	-	-		
BB-	-	-	-	-	-	-	-	-
Total gross carrying amount	31,586,036	100.00%	28,889,996	99.98%	-	-	-	-
Impairment of bank deposits	-3,835	-	(238)	-	-	-	-	-
Total net carrying amount	31,582,201	-	28,889,758	100%	-	-	-	-

Bank Deposits Analysed by Credit Rating - Group

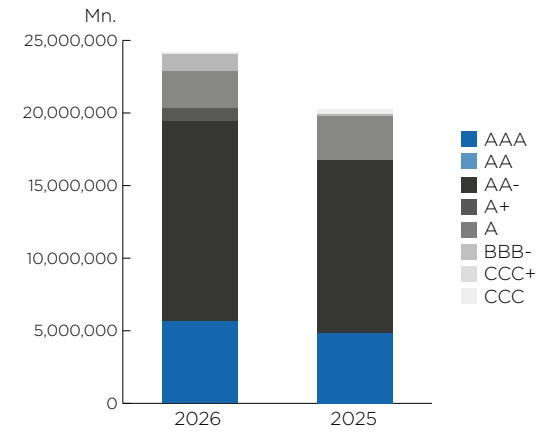


46.2.6 Cash and short-term deposits at bank

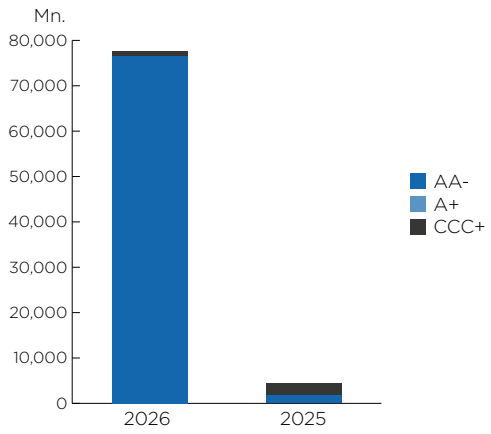
Further the cash at bank is mainly consist of Fixed deposits / Call Deposits which matures within 3 months,favourable balances in Savings, money market and current accounts of private and government commercial banks.

(Fitch national credit rating scale or equivalent)	Group				Company			
	2026		2025		2026		2025	
	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	**5,632,184**	**23.26%**	4,826,301	23.83%	**-**	**-**	-	-
AA+	**-**	**-**	-	-	**-**	**-**	-	-
AA	**6,865**	**0.03%**	2,188	0.01%	**-**	**-**	-	-
AA-	**13,794,211**	**56.98%**	11,909,111	58.80%	**76,493**	**98.52%**	1,729	40.24%
A+	**869,718**	**3.59%**	44,330	0.22%	**-**	**-**	-	-
A	**2,581,920**	**10.66%**	2,967,634	14.65%	**92**	**0.12%**	92	2.14%
A-	**-**	**-**	-	-	**-**	**-**	-	-
BBB	**-**	**-**	-	-	**-**	**-**	-	-
BBB-	**1,174,383**	**4.85%**	196,727	0.97%	**-**	**-**	-	-
B+	**-**	**-**	-	-	**-**	**-**	-	-
BB+	**-**	**-**	-	-	**-**	**-**	-	-
BB	**-**	**-**	-	-	**-**	**-**	-	-
BB-	**-**	**-**	-	-	**-**	**-**	-	-
CCC+	**14,054**	**0.06%**	11,274	0.06%	**1,057**	**1.36%**	2,476	57.62%
CCC	**136,901**	**0.57%**	295,281	1.46%	**-**	**-**	-	-
Cash and short-term deposits at bank"	**24,210,236**	**100.00%**	20,252,846	100.00%	**77,642**	**100.00%**	4,297	100.00%
Cash in hand and funds in transit"	**1,111,220**	**-**	1,095,219	-	**161**	**-**	206	-
Total Cash and shortterm deposits"	**25,321,456**	**-**	21,348,065	-	**77,803**	**-**	4,503	-

Cash and Short-term Deposits Analysed by Credit Rating Group



Cash and Short-term Deposits Analysed by Credit Rating -Company



46.3 Liquidity risk

Liquid assets of a company consist of cash and assets which can be converted to cash in a short period of time to settle liabilities as they arise. Liquidity is an important factor in the operations of a business as it is an essential requirement for the successful operation of an entity.

A shortage of liquidity would have a negative impact on stakeholder confidence in a business entity and hampers its operations. The Group has ensured that it maintains sufficient liquidity reserves to meet all its operational and investment requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

Shortening the working capital cycle is one of the main practises preferred in ensuring that there is sufficient liquidity at a given time. Adequate short-term working capital facilities provided by banks are available to all the Group companies which are utilised in the event of a requirement. These facilities are available at favourable rates and have been mostly provided without collateral. The Group maintains a constant dialogue with the banking sector institutions to ensure that there are sufficient working capital facilities available whenever required and closely monitors their utilisation.

The Group has implemented procurement and vendor evaluation policies to prevent payment of excessive prices to suppliers and to obtain favourable credit periods in order to ensure a strong working capital position. Special attention has been given to cash inflows and outflows both at a consolidated and sector levels. The maturity profile of the Group's investments is monitored and adjusted to meet expected future cash outflows in the short, medium and long terms.

Funding requirements of the sectors and the parent company are evaluated at regular intervals by analysing business expansion strategies.The Group has adopted a conservative investment strategy in order to preserve the scarce capital as well as to minimise the risk. At opportune moments funds are mobilised by accessing capital markets. The Group attempts to minimise future interest expenses on borrowings by negotiating favourable interest rates with the respective lenders and makes use of attractive interest rates offered by international banks on foreign currency denominated funding mostly to finance its overseas investments."

The table below summarises the maturity analysis of the Group's financial liabilities based on contractual undiscounted payments.

Group

As at 31st March 2026	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest bearing liabilities	44,252,364	-	9,001,697	8,708,435	25,299,288	12,591,823	55,601,243
Lease liabilities	27,583,275	-	5,560,469	4,320,650	9,228,837	26,250,970	45,360,926
Bank overdrafts and other short term borrowings	24,859,097	16,361,515	8,497,582	-	-	-	24,859,097
Trade and other payables	56,987,399	43,995,855	12,991,544	-	-	-	56,987,399
Amounts due to related companies	2,190,339	2,190,339	-	-	-	-	2,190,339
	155,872,474	62,547,709	36,051,292	13,029,085	34,528,125	38,842,793	184,999,004

Group

As at 31st March 2025	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest bearing liabilities.	47,758,569	-	15,028,757	12,323,088	19,785,552	11,479,563	58,616,960
Lease liabilities	14,345,914	-	2,382,782	1,406,945	3,286,407	20,403,073	27,479,207
Bank overdrafts and other short term borrowings.	27,322,884	13,793,317	13,529,567	-	-	-	27,322,884
Trade and other payables.	50,726,250	41,078,586	9,647,664	-	-	-	50,726,250
Amounts due to related companies.	2,300,791	2,300,791		-	-	-	2,300,791
	142,454,408	57,172,694	40,588,770	13,730,033	23,071,959	31,876,636	166,440,091

Company

As at 31st March 2026	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest bearing liabilities	-	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-	-
Bank overdrafts and other short term borrowings	1,370,842	73,328	1,297,514	-	-	-	1,370,842
Trade and other payables	407,693	407,693	-	-	-	-	407,693
Amounts due to related companies	681,693	681,693	-	-	-	-	681,693
	2,460,228	1,162,714	1,297,514	-	-	-	2,460,228

As at 31st March 2025	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest bearing liabilities.	-	-	-	-	-	-	-
Lease liabilities	8,828		9,179	-	-	-	9,179
Bank overdrafts and other short term borrowings.	5,116,202	70,655	5,045,547	-	-	-	5,116,202
Trade and other payables.	406,347	406,347	-	-	-	-	406,347
Amounts due to related companies.	618,600	618,600	-	-	-	-	618,600
	6,149,977	1,095,602	5,054,726	-	-	-	6,150,328

NOTES TO THE FINANCIAL STATEMENTS

47 FINANCIAL CAPITAL MANAGEMENT

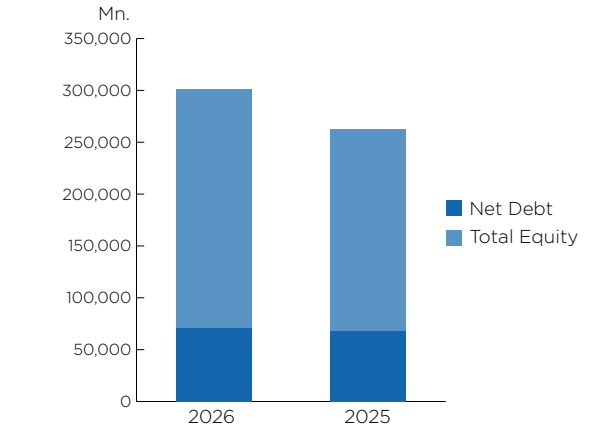
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group's may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

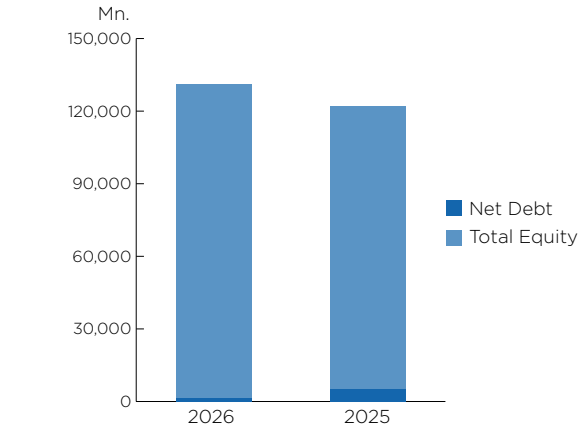
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As at 31 March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total interest bearing loans and borrowing	**44,252,364**	47,758,569	**-**	-
Lease Liabilities	**27,583,275**	14,345,914	**-**	8,828
Bank overdrafts and other short term borrowings	**24,859,097**	27,322,884	**1,370,842**	5,116,202
Less: cash & cash equivalents	**(25,911,056)**	(21,908,504)	**(77,803)**	(4,503)
Net Debt	**70,783,680**	67,518,863	**1,293,039**	5,120,527
Total Equity	**229,755,201**	195,181,286	**129,758,220**	117,013,329
Total Capital	**300,538,881**	262,700,149	**131,051,259**	122,133,856
Gearing Ratio	**24%**	26%	**1%**	4%

The capital structure - Group



The capital structure - Company



STATEMENT OF VALUE ADDED

VALUE ADDED

For the year ended 31 March,	2026		2025	
	Group Rs,000	Company Rs,000	Group Rs,000	Company Rs,000
Gross Turnover	**286,046,490**	**227,227**	261,340,894	182,428
Other Operating Income	**4,893,519**	**13,889,166**	5,329,521	12,726,223
Finance Income	**5,429,992**	**1,078,146**	3,624,783	1,113,980
Share of Profits of Equity Accounted Investees	**2,299,574**	**-**	1,418,429	-
	298,669,575	**15,194,539**	271,713,627	14,022,631

VALUE DISTRIBUTED

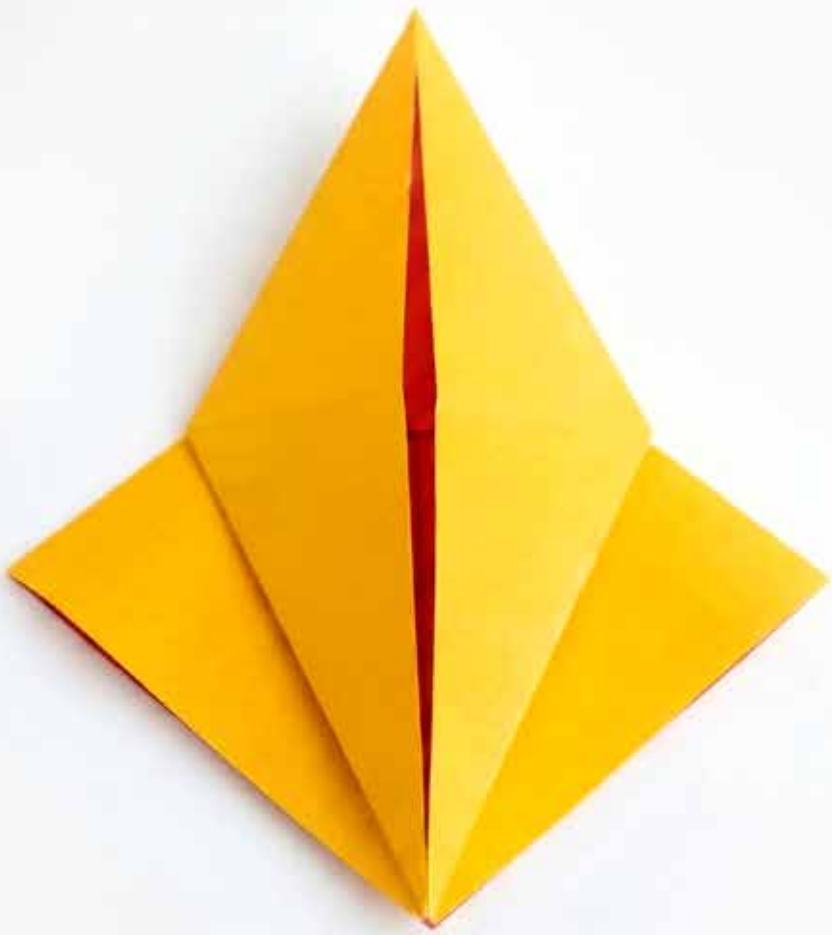
For the year ended 31 March,	2026			
	Group		Company	
	Rs,000	As a % of Total	Rs,000	As a % of Total
To the State as Taxes	**132,297,193**	**44.3%**	**282,845**	**1.9%**
Operating Expenses	**93,288,198**	**32.2%**	**848,339**	**5.6%**
To the Employees	**30,274,312**	**10.1%**	**306,988**	**2.0%**
To Providers of Debt Capital	**6,027,575**	**2.0%**	**322,623**	**2.1%**
To the Shareholders as Dividends	**4,779,684**	**1.6%**	**7,714,929**	**50.8%**
Retained with the Business				
As Depreciation	**10,520,120**	**3.5%**	**5,439**	**0.0%**
As Retained Earnings	**21,482,493**	**7.2%**	**5,713,376**	**37.6%**

For the year ended 31 March,	2025			
	Group		Company	
	Rs,000	As a % of Total	Rs,000	As a % of Total
To the State as Taxes.	108,510,171	39.9%	275,311	2.0%
Operating Expenses.	93,762,242	34.5%	1,575,433	11.2%
To the Employees.	28,775,035	10.6%	312,848	2.2%
To Providers of Debt Capital.	7,552,455	2.8%	523,880	3.7%
To the Shareholders as Dividends.	6,539,118	2.4%	6,992,382	49.9%
Retained with the Business.				
As Depreciation.	10,842,342	4.0%	3,333	0.1%
As Retained Earnings.	16,457,291	6.1%	4,339,139	30.9%

SUMMARISED FINANCIAL INFORMATION

In Rs. 000 - Company	2026	2025	2024	2023	2022	2021	2020
RESULTS							
Gross Turnover	**227,227**	182,428	259,421	259,234	263,618	257,463	212,752
Net Turnover	**227,227**	182,428	259,421	259,234	-	-	-
Dividend income							
From subsidiaries	**12,283,041**	11,601,406	15,890,725	11,333,602	263,618	6,373,594	6,029,869
From equity accounted investees	**-**	-	-	-	10,709,293	-	-
From other short term and long term Investments	**956,177**	827,589	422,014	364,680	598,046	614,543	690,371
Finance income	**1,078,146**	1,113,980	1,675,878	2,730,887	1,005,956	1,116,172	2,026,350
Finance expenses	**322,975**	524,833	1,094,590	2,363,980	673,625	720,226	(1,592,872)
Profit / (Loss) before Tax	**13,730,403**	11,684,612	14,601,593	7,001,701	8,613,539	7,147,372	5,359,804
Profit / (Loss) after Tax	**13,428,305**	11,331,521	14,063,894	5,378,346	7,141,221	6,130,825	5,095,778
FUNDS EMPLOYED							
Stated Capital	**70,000,000**	70,000,000	70,000,000	70,000,000	89,100,000	89,100,000	89,100,000
Reserves	**37,927,846**	30,904,543	23,134,294	11,679,576	12,123,483	(4,983,549)	(1,877,918)
Retained Earnings	**21,830,374**	16,108,786	13,632,962	10,034,813	9,575,828	11,930,964	8,710,425
Shareholders Funds	**129,758,220**	117,013,329	106,767,256	91,714,389	110,799,311	96,047,415	95,932,507
Total Borrowings	**1,370,842**	5,116,202	4,873,849	7,630,054	10,721,143	9,364,103	10,262,646
Non Current Liabilities net of Borrowings	**1,406,728**	1,390,923	1,315,283	1,192,608	816,427	612,186	594,221
Current Liabilities net of Borrowings	**1,213,335**	1,201,801	1,444,463	1,214,277	4,447,783	927,560	794,283
ASSETS EMPLOYED							
Non-current assets	**127,835,970**	118,850,968	108,374,755	96,098,827	95,115,846	94,941,043	97,592,040
Current assets	**5,913,154**	5,871,287	6,026,096	5,652,501	12,568,818	12,010,220	9,991,617
	133,749,124	124,722,255	114,400,851	101,751,328	107,684,664	106,951,263	107,583,657
CASHFLOW							
Net cashflow from operating activities	**13,025,621**	10,390,565	14,838,785	10,914,653	6,958,083	4,837,876	4,744,195
Net cashflow from investing activities	**(1,482,854)**	(1,780,809)	(1,774,404)	27,548	(1,753,392)	(1,045,779)	6,761,753
Net cashflow from financing activities	**(7,724,107)**	(8,865,757)	(10,460,047)	(7,893,755)	(6,359,826)	(2,945,095)	(5,278,992)
Net increase/(decrease) in cash & cash equivalents	**3,818,660**	(256,001)	2,604,334	3,048,446	(1,155,135)	847,002	6,226,956
KEY INDICATORS							
Earnings per share (Rs.)	**11.52**	9.72	12.07	4.62	6.13	5.26	4.37
Net assets per share (Rs.)	**111.34**	100.41	91.61	78.7	78.69	82.42	82.32
Market value per share (Rs) year end	**168.00**	127.00	88.00	54.8	41.1	44	23.5
Return on shareholders' funds	**10%**	10%	13%	6%	8%	6%	5%
Dividends per share (Rs.)	**8.15**	7.32	8.27	6.76	5.4	5.25	2
Dividend payout	**70.75%**	75.28%	68.53%	146.48%	88.12%	99.81%	45.80%
Dividend yield	**4.9%**	5.8%	9.4%	12.30%	13.10%	11.93%	8.50%

TRANSITIONING INTO NEW POSSIBILITIES



At Melstacorp, our evolution is shaped by the strengths we have built over time. By bringing together established capabilities, diverse businesses and emerging opportunities, we continue to unlock new dimensions of growth, extending our potential while remaining anchored in the resilience and experience of the Group.

The petal fold lifts and opens a section of paper, bringing several existing creases together to create a more defined form. Rather than introducing strength through a single fold, it draws upon the structure already established, transforming it into an emerging dimension.

SUPPLEMENTARY INFORMATION

SHAREHOLDER INFORMATION

1 STOCK EXCHANGE LISTING

The Issued Ordinary Shares of the company are listed with the Colombo Stock Exchange.
Ticker Symbol - MELS.N0000
Market Sector - Diversified

2 DISTRIBUTION OF SHAREHOLDING

As at Holding	31 March 2026			31 March 2025		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
1-1,000	**9,386**	**3,551,941**	**0.30**	7,371	3,126,503	0.27
1,001-10,000	**4,265**	**15,271,129**	**1.31**	3,997	14,614,162	1.25
10,001-100,000	**806**	**24,494,672**	**2.10**	770	23,400,593	2.01
100,001-1,000,000	**151**	**44,215,129**	**3.79**	134	36,285,959	3.11
1,000,001 & Over	**26**	**1,077,864,201**	**92.49**	28	1,087,969,855	93.36
TOTAL	**14,634**	**1,165,397,072**	**100.00**	12,300	1,165,397,072	100.00

3 ANALYSIS OF SHAREHOLDING

As at Holding	31 March 2026			31 March 2025		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Individuals	**14,237**	**373,529,232**	**32.05**	11,984	376,931,610	32.34
Institutions	**397**	**791,867,840**	**67.95**	316	788,465,462	67.66
TOTAL	**14,634**	**1,165,397,072**	**100.00**	12,300	1,165,397,072	100.00
Resident	**14,516**	**991,976,746**	**85.12**	12,195	981,527,287	84.22
Non Resident	**118**	**173,420,326**	**14.88**	105	183,869,785	15.78
TOTAL	**14,634**	**1,165,397,072**	**100.00**	12,300	1,165,397,072	100

4 MARKET PRICE

For the year ended	31 March 2026	31 March 2025
Last Traded	**168.00**	127.00
Highest	**186.50**	143.00
Lowest	**158.50**	73.60

5 TWENTY FIVE LARGEST SHAREHOLDERS

RANK	Shareholding as at 31 March NAME	2026 NO. OF SHARES	2026 %	2025 NO. OF SHARES	2025 %
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	**500,819,000**	**42.974**	498,819,000	42.802
2	LANKA MILK FOODS (CWE) LIMITED	**151,846,000**	**13.03**	151,846,000	13.03
3	MR. M.A. YASEEN	**148,794,980**	**12.768**	148,794,980	12.768
4	MRS. L.E.M. YASEEN	**80,263,000**	**6.887**	80,258,788	6.887
5	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	**39,000,000**	**3.346**	39,000,000	3.346
6	MRS. R.R. TAKAHASHI	**31,100,000**	**2.669**	31,100,000	2.669
7	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	**25,000,000**	**2.145**	25,000,000	2.145
8	MR. D.H.S. JAYAWARDENA	**20,545,532**	**1.763**	20,545,532	1.763
9	MRS. P.M.P.G.N. PRIYADARSHANI	**17,448,213**	**1.497**	17,448,213	1.497
10	MRS. S.M. CHRYSOSTOM	**11,390,000**	**0.977**	11,390,000	0.977
11	STASSEN EXPORTS (PVT) LIMITED	**8,746,800**	**0.751**	8,746,800	0.751
12	RUBICOND ENTERPRISES LIMITED	**5,943,859**	**0.51**	5,943,859	0.51
13	MCSEN RANGE PRIVATE LIMITED	**5,459,864**	**0.468**	5,459,864	0.468
14	BBH-REDWHEEL FRONTIER MARKETS EQUITY MASTER FUND LIMITED	**4,937,755**	**0.424**	4,937,755	0.424
15	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	**4,813,820**	**0.413**	7,575,221	0.65
16	HATTON NATIONAL BANK PLC-SENFIN GROWTH FUND	**4,024,872**	**0.345**	2,944,742	0.253
17	COMMERCIAL BANK OF CEYLON PLC/ G.A.B. HARISCHANDRA	**3,465,458**	**0.297**	-	-
18	EMPLOYEE'S PROVIDENT FUND	**3,080,000**	**0.264**	-	-
19	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	**2,183,372**	**0.187**	1,346,503	0.116
20	RENUKA HOTELS PLC	**1,800,000**	**0.154**	1,800,000	0.154
21	SAM INNOVATORS (PVT) LTD	**1,449,400**	**0.124**	-	-
22	HATTON NATIONAL BANK PLC A/C NO 3 -EMPLOYEES RETIREMENT & PENSION FUND	**1,200,000**	**0.103**	1,200,000	0.103
23	MR. M.V. THEAGARAJAH & MRS. L.THEAGARAJAH	**1,200,000**	**0.103**	1,200,000	0.103
24	BNYM RE ACADIAN FRONTIER MARKETS EQUITY FUND	**1,146,225**	**0.098**	1,485,392	0.127
25	MRS. S. BALENDRA	**1,106,051**	**0.095**	598,709	0.051
		1,076,764,201	**92.392**	1,067,441,358	91.594
	OTHERS	**88,632,871**	**7.608**	97,955,714	8.406
	TOTAL	**1,165,397,072**	**100.000**	1,165,397,072	100.000
	Percentage of Shares held by the public	**41.48%**		41.65%	-
	Total No. of share holders who hold the public holding	**14,627**		12,293	-

6 FLOAT ADJUSTED MARKET CAPITALISATION

The Public Holding of the Company as of 31st March 2026 was 41.48 % comprising of 14,627 shareholders and the Float adjusted Market Capitalization of Rs.81,208,576,344.00. In terms of Rule 7.13 1(a) of the listing rule of CSE , the Company Qualifies with the Minimum Public Holding Requirement under the Option One.

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COMPANY MANAGEMENT

JUDE FERNANDO
MBA (UK),CGMA (UK),FCMA, FCCA, MCIM
Group Chief Executive Officer

VIRAJITH JAYASINGHE
MBA (Colombo), B.com.Special (UOC), FCA,
Chief Operating Officer

MAJ. GEN. (RTD) DAMPATH FERNANDO
RWP. RSP. VSV. USP. psc. MBA(UK)
Group General Manager HR & Admin / Director Operations - Plantations (BPL/MPL)

PRASANNA PINTO
MBM, BBA, FCA, FCMA
Group Financial Controller

PRASANNA KARUNANAYAKE
B.Sc. (Eng), MBCS, ACMA, CGMA
Group Chief Information Officer

THILINA N FERNANDO
LL.M London (International Business and Commercial Law), Attorney-at-Law, Notary Public, Commissioner for Oaths,
Registered Company Secretary
Group Head of Legal & Company Secretary for Group Subsidiaries

MS. ANJANA WEERASINGHE
MBA (Colombo) (Merit), B.B. Mgt (Hons), ACA
Group Chief Internal Auditor

ROHAN GUNASINGHE
MBA – Banking & Finance (PIM - USJ), MCIM (UK), ACI DC (FMA-France)
Senior Manager – Group Treasury

RISHARD PREENA
MBA (Moratuwa), BSc Eng (MTU), AMIESL, ECSL (AEng)
Head of Sustainability

GROUP DIRECTORY

A	**Aitken Spence PLC** **Board of Directors** Ms. D.S.T. Jayawardena - Chairman/Chairperson (Appointed as the Interim Managing Director w.e.f. 01.04.2026) Dr. R.M. Fernando Mr. J.M.S. Brito Mr. N. de S. Deva Aditya Mr. M.R. Mihular Dr. R.A. Fernando Mr. P. Englisch Mr. C.J. Sevilla Mr. C.H. Gomez (Appointed w.e.f. 01.04.2026) Mr. R.N. Asirwatham (Deceased on 12.12.2025) Dr. M.P. Dissanayake - Deputy Chairman and Managing Director (Resigned w.e.f. 31.03.2026) Mr. C.R. Jansz (Retired on 30.06.2026)	**Secretaries**: Aitken Spence Corporate Services (Private) Limited **Registered Office**: 315, Vauxhall Street, Colombo 02 Tel: +94 11 2308308 Fax: +94 11 2445406 Web: www.aitkenspence.com Co. Reg. No. PQ 120 Auditors: Messrs KPMG (Chartered Accountants)
B	**Balangoda Plantations PLC** **Board of Directors** Mr. D. Hasitha S. Jayawardena Mr. C R Jansz Mr. K Dayaparan Mr. M R Mihular Dr. R A Fernando Mr. P A Jayatunga Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : P. A. Jayatunga **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 2522871-2 Fax: +94 11 2522913 Co. Reg. No. PQ 165 Auditors: Messrs KPMG (Chartered Accountants
	Bell Solutions (Pvt) Ltd **Board of Directors** Dr. T. K. D. A. P. Samarasinghe – Managing Director Mr.L.U.D Fernando Mr. S. K. S. D. Amaratunga (Appointed w.e.f. 17.09.2025) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary**: Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5335000 Co. Reg. No. PV 61398 Auditors: Messrs Amarasekara & Company (Chartered Accountants)

GROUP DIRECTORY

B	**Bellactive (Pvt) Ltd** **Board of Directors** Dr. T. K. D. A. P. Samarasinghe – Managing Director Mr. L.U.D Fernando Mr. S. K. S. D. Amaratunga (Appointed w.e.f. 18.09.2025) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5335000 Co. Reg. No. PV 61396 Auditors: Messrs Amarasekara & Company (Chartered Accountants)
	Bellvantage (Pvt) Ltd **Board of Directors** Dr. T. K. D. A. P. Samarasinghe Mr. L. U. D. Fernando Mr. P. Karunanayake Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Co. Reg. No. PV 65022 Auditors: Messrs Amarasekara & Company (Chartered Accountants)
	Bogo Power (Pvt) Ltd **Board of Directors** Mr. C. R. Jansz Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025) Mr. Dr. N. M. Abdul Gaffar (Resigned w.e.f. 01.09.2025) Mr. W B D Pandula (Appointed w.e.f. 02.09.2025) Mr. K Dayaparan Mr. P A Jayatunga	**Secretary** : P. A. Jayatunga **Registered Office** 833, Sirimavo Bandaranaike Mawatha, Colombo 14 Tel: +94 11 2522871-2 Fax: +94 11 2522913 Co. Reg. No. PV 64901 Auditors: Messrs Ernst & Young (Chartered Accountants)
	Browns Beach Hotels PLC **Board of Directors** Ms. D.S.T. Jayawardena - Chairperson Mr. C.R. Stanislaus Mr. N. de Silva Deva Aditya Mr. M.R. Mihular Dr. R.A. Fernando Mr. P. Englisch Mr. C.M.S. Jayawickrama Mr. J.M.S. Brito Mr. R.N. Asirwatham (Deceased on 12.12.2025) Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026)	**Secretaries** : Aitken Spence Corporate Finance (Private) Limited **Registered Office** 315, Vauxhall Street, Colombo 02 Tel: +94 11 2308308 Fax: +94 11 2308099 Co. Reg. No. PQ 202 Auditors: Messrs KPMG (Chartered Accountants)
C	**Continental Insurance Lanka Limited** **Board of Directors** Mr. G D C De Silva Mr. L H R Perera Dr. A N Balasuriya Mr. U I Sri Tillakawardana	**Secretaries** : P. W. Corporate Secretarial (Pvt) Limited **Registered Office** 79, Dr. C. W. W. Kannangara Mawatha, Colombo 07 Tel : +94 11 5200300 Co. Reg. No. PB 3784 Auditors : Messrs KPMG (Chartered Accountants)
	Continental Insurance Life Lanka Limited **Board of Directors** Mr. G D C De Silva Mr. N P Hettiarachchi Mr. U I Sri Tillakawardana Mr. L H R Perera (Appointed w.e.f. 18.06.2026)	**Secretaries** : P. W. Corporate Secretarial (Pvt) Limited **Registered Office** 79, Dr. C. W. W. Kannangara Mawatha, Colombo 07 Tel: +94 11 5200300 Co. Reg. No. PB00247558 Auditors: Messrs KPMG (Chartered Accountants)

D	**DCSL Breweries Lanka Limited** **Board of Directors** Mr. D. Hasitha S. Jayawardena Mr. C. R. Jansz Capt. K. J. Kahanda (Retd.) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025) Mr. L. U. D. Fernando Ms D.S.T. Jayawardena Mr. V.J. Senaratne	**Secretary**: Corporate Consultancy Services (Private) Limited **Registered Office** No. 201, De Saram Place, Colombo 10 Tel: +94 11 5900300 Fax: +94 11 5900333 Co. Reg. No. PB 910 Auditors: Messrs KPMG (Chartered Accountants)
	DCSL Brewery (Pvt) Ltd **Board of Directors** Mr. D. Hasitha S. Jayawardena Mr. C. R. Jansz Capt. K. J. Kahanda (Retd.) Mr. L. U. D. Fernando	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5900300 Fax: +94 11 5900333 Co. Reg. No. PV 00215865 Auditors: Messrs KPMG (Chartered Accountants)
	DCSL Group Marketing (Pvt) Ltd **Board of Directors** Mr. D. Hasitha S. Jayawardena Mr. S.K.S.D. Amaratunge Mr. N.N. Nagahawatte Mr. L. U. D. Fernando Capt. K. J. Kahanda (Retd.) Ms. D. S. T. Jayawardena	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5900300 Fax: +94 11 5900333 Co. Reg. No. PV 00297383 Auditors: - Messrs KPMG (Chartered Accountants)
	Distilleries Company of Sri Lanka PLC **Board of Directors** Mr. D. Hasitha S. Jayawardena - Chairman Mr. C. R. Jansz Capt. K. J. Kahanda (Retd.) - Managing Director Mr. N. de S. Deva Aditya Ms. D. S. T. Jayawardena Dr. R.A. Fernando Mr. A Goonesekere Mr. L. U. D. Fernando Mr. L. H. A. Lakshman Silva Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Ms. V. J. Senaratne **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5507000 / 2695295 -7 Fax: +94 11 2696360 Co. Reg. No. PQ 112 Auditors: Messrs KPMG (Chartered Accountants)
F	**Formula World (Pvt) Ltd** **Board of Directors** Mr. G. D. C. De Silva Mr. C. Abeywickremara Mr. M C P T Amarasinghe	**Secretary** : P. W. Corporate Secretarial (Pvt) Limited **Registered Office** No. 79, C.W.W. Kannangara Mawatha, Colombo 7. Tel: +94 11 5200200 Co. Reg. No. PV 00225362 Auditors: KPMG (Chartered Accountants)
H	**Hospital Management Melsta (Pvt) Ltd** **Board of Directors** Dr. K. T. Iraivan Mr. N. N. Nagahawatte	**Secretary** : Mr. K.S .T.N.Fernando" **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 130982 Auditors: Messrs KPMG (Chartered Accountants)

GROUP DIRECTORY

L	**Lanka Bell Limited** **Board of Directors** Dr. T. K. D. A. P. Samarasinghe – Managing Director Mr. K.S .T.N.Fernando (Appointed w.e.f. 01.12.2025) Mr. O. A. R. P. Obeysinghe (Appointed w.e.f. 31.03.2026) Mr. L. U. D. Fernando (Appointed w.e.f. 17.09.2025 & Resigned w.e.f. 31.03.2026) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025) Mr. C. R. Jansz (Resigned w.e.f. 01.12.2025)	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5335000 Fax: +94 11 5545988 Co. Reg. No. PB 306 Auditors: Messrs KPMG (Chartered Accountants)
M	**Madulsima Plantations PLC** **Board of Directors** Mr. D. Hasitha S. Jayawardena Mr. C R Jansz Mr. K Dayaparan Mr. M R Mihular Dr. R A Fernando Mr. P A Jayatunga Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : P. A. Jayatunga **Registered Office** 833, Sirimavo Bandaranaike Mawatha, Colombo 14 Tel: +94 11 2522871-2 Fax: +94 11 2522913 Co. Reg. No. PQ 184 Auditors: Messrs KPMG (Chartered Accountants)
	Mels Automobiles (Private) Limited Incorporated on 01.10.2025 under the name Mels Prestige Automobiles (Private) Limited. Name changed w.e.f. 17.04.2026. **Board of Directors** Mr. D. Hasitha S. Jayawardena (Appointed w.e.f. 05.12.2025) Mr. C. R. Jansz (Appointed w.e.f. 05.12.2025) Ms. D. S. T. Jayawardena (Appointed w.e.f. 05.12.2025) Mr. L. U. D. Fernando (Appointed w.e.f. 09.09.2025) Mr. P. A. Jayatunga (Appointed w.e.f. 05.12.2025) Mr. H. A. K. H. Reuter (Appointed w.e.f. 05.12.2025 & Resigned w.e.f. 30.04.2026)	**Secretary**: Mr. K. S. T. N. Fernando **Registered Office** 234-238, Pannipitiya Road, Battaramulla Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 00341574
	Melsta Brands (Private) Limited **Board of Directors** Capt. K. J. Kahanda (Retd.) Ms. Gayathri Chakrawarthy	**Secretary**: Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5335000 Fax: +94 11 5545988 Co. Reg. No. PV 78421 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta Green (Private) Limited **Board of Directors** Mr. D. J. S. Algama Mr. L. U. D. Fernando	**Secretary**: Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5335000 Fax: +94 11 5545988 Co. Reg. No. PV 78053 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta Health (Pvt) Ltd **Board of Directors** Dr. A. N. Balasuriya - Chairman Mr. D. Hasitha S. Jayawardena Dr. K. T. Iraivan Mr. C. R. Jansz (Resigned w.e.f. 30.06.2026)	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 118630 Auditors: Messrs KPMG (Chartered Accountants)

M	**Melsta Healthcare Colombo (Pvt) Ltd** **Board of Directors** Mr. L. U. D. Fernando Dr. K. T. Iraivan Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 130988 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta Hospitals Colombo North (Pvt) Ltd **Board of Directors** Mr. D. Hasitha S. Jayawardena Dr. K. T. Iraivan Dr. A. N. Balasuriya (Appointed w.e.f. 01.06.2026) Mr. L. U. D. Fernando (Appointed w.e.f. 01.06.2026) Mr. C. R. Jansz (Resigned w.e.f. 30.06.2026) Mr. M. A. N. S Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10. Tel : +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 89856 Auditors : Messrs KPMG (Chartered Accountants)
	Melsta Hospitals Ragama (Pvt) Ltd **Board of Directors** Mr. A. N. Balasuriya - Chairman (Appointed w.e.f. 01.06.2026) Dr. K. T. Iraivan Mr. L. U. D. Fernando (Appointed w.e.f. 01.06.2026) Mr. S.J Fernando (Appointed w.e.f. 22.07.2026) Mr. D. Hasitha S. Jayawardena (Resigned w.e.f. 22.07.2026) Mr. C. R. Jansz (Resigned w.e.f. 30.06.2026) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025) Mr. G. S. S. Rajapakse (Appointed w.e.f. 28.07.2025 & Resigned w.e.f. 22.09.2025	**Secretary** : Mr. K.S.T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10. Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 77421 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta House (Pvt) Ltd **Board of Directors** Mr. D. Hasitha S. Jayawardena Mr. L. U. D. Fernando Mr. D. S. C. Mallawarachchi Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)i	**Secretary** : Mr. K.S.T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10. Tel : +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 12386 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta Laboratories (Pvt) Ltd **Board of Directors** Mr. L. U. D. Fernando Dr. K. T. Iraivan Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K.S.T N Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 130983 Auditors: Messrs KPMG (Chartered Accountants)
M	**Melsta Logistics (Pvt) Ltd** **Board of Directors** Mr. L. U. D. Fernando Capt. K. J. Kahanda (Retd.) (Appointed w.e.f. 17.09.2025) Mr. S. K. S. D. Amaratunga (Appointed w.e.f. 17.09.2025) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K. S. T. N. Fernando **Registered Office** 160, Negombo Road, Seeduwa Tel: +94 11 5223300 Fax: +94 11 5223322 Co. Reg. No. PV 14051 Auditors: Messrs Amarasekara & Company (Chartered Accountants)

GROUP DIRECTORY

	Melsta Pharmaceuticals (Pvt) Ltd **Board of Directors** Mr. L. U. D. Fernando Mr. N. Nagahawatte Dr. K. T. Iraivan Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5288625 Fax: +94 11 2695794 Co. Reg. No. PV 124904 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta Properties (Pvt) Ltd **Board of Directors** Capt. K. J. Kahanda (Retd.) Mr. R. R. P. L. S. Ratnayake	**Secretary** : Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5900300 Fax : +94 11 2695794 Co. Reg. No. PV 78422 Auditors: Messrs KPMG (Chartered Accountants)
	Melsta Technologies (Pvt) Ltd **Board of Directors** Mr. B. K. J. P. Rodrigo Mr. P. Karunanayke Mr. H. P. A. R. P. Pinto (Appointed w.e.f. 28.01.2026) Mr. D. M. Welikandage (Resigned w.e.f. 28.01.2026)	**Secretary** : Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5288625 Fax : +94 11 2695794 Co. Reg. No. PV 104028 Auditors: Messrs KPMG (Chartered Accountants)
M	**Melsta Tower (Pvt) Ltd** **Board of Directors** Mr. L. U. D. Fernando Mr. H. P. A. R. P. Pinto (Appointed w.e.f. 20.11.2025) Ms. S. A. Atukorale (Resigned w.e.f. 20.11.2025) Mr. M. A. N. S. Perera (Resigned w.e.f. 18.09.2025)	**Secretary** : Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5900300 Fax : +94 11 2695794 Co. Reg. No. PV 90157 Auditors: Messrs KPMG (Chartered Accountants)
	Milford Holdings (Pvt) Ltd **Board of Directors** Mr. C. R. Jansz Capt. K. J. Kahanda (Retd.) Mr. D. Hasitha S. Jayawardena Mr. L. U. D. Fernando (Appointed w.e.f. 20.05.2026)	**Secretary** : Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 2695295-7 Fax: +94 11 2696360 Co. Reg. No. PV 5944 Auditors: Messrs KPMG (Chartered Accountants)
P	**Pelwatte Agriculture & Engineering Services (Pvt) Ltd** **Board of Directors** Mr. D. A. de S. Wickramanayake Mr. C. S. Weeraratne	**Secretaries** : Managers & Secretaries (Pvt) Limited **Registered Office** 27, Melbourne Avenue, Colombo 04 Tel: +94 11 2589390 Fax: +94 11 2500674 Co. Reg. No. PV 66850 Auditors: Messrs Ernst & Young (Chartered Accountants)

	Pelwatte Sugar Distilleries (Pvt) Ltd **Board of Directors** Capt. K. J. Kahanda (Retd.) Mr. D. A. de S. Wickramanayake	**Secretaries** : Managers & Secretaries (Pvt) Limited **Registered Office** 27, Melbourne Avenue, Colombo 04 Tel: +94 11 2589390 Fax: +94 11 2500674 Co. Reg. No. PV 10221 Auditors: Messrs Ernst & Young (Chartered Accountants)
	Pelwatte Sugar Industries PLC Company is in the process of being liquidated **Board of Directors** Capt. K. J. Kahanda (Retd.) Mr. R. Wettewa Mr. D. A. de S. Wickramanayake Mr. D. H. J. Gunawardena Mr. C. S. Weeraratne Mr. D. A. E. de S. Wickramanayake Mr. K. K. U. Wijeyesekera	
	Periceyl (Pvt) Ltd **Board of Directors** Mr. D. Hasitha S. Jayawardena – Chairman Mr. C. R. Jansz Mr. S. K. S. D. Amarathunga Mr. L.U.D. Fernando (Appointed w.e.f. 10.02.2026)	**Secretary** : Ms. V. J. Senaratne **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 2808565 Fax: +94 11 5551777 Co. Reg. No. PV 5529 Auditors: Messrs Ernst & Young (Chartered Accountants)
S	**Splendor Media (Pvt) Ltd** **Board of Directors** Ms. G. Chakravarthy Mr. N. N. Nagahawatte Mr. O. A. R. P. Obeysinghe	**Secretary :** K.S .T.N.Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5639501 Fax: +94 11 5373344 Co. Reg. No. PV 1230 Auditors: Messrs Amarasekara & Company (Chartered Accountants)

GROUP DIRECTORY

	Southern Green Agro (Private) Limited Board of Directors Mr. D. J. S. Algama Mr. L. U. D. Fernando	**Secretary**: Mr. K. S. T. N. Fernando **Registered Office** 110, Norris Canal Road, Colombo 10 Tel: +94 11 5639501 Fax: +94 11 5373344 Co. Reg. No. PV 78052 Auditors: Viganro Associates
T	**Texpro Industries Limited** **Board of Directors** Mr. D. S. C. Mallawaarachchi Mr. L.U.D Fernando	**Secretary :** K.S .T.N.Fernando **Registered Office** 1st Floor, Lakshman's Building, 321, Galle Road, Colombo 03 Tel: +94 11 2565951 Co. Reg. No. PB 748 Auditors: Messrs KPMG (Chartered Accountants)
	Timpex (Pvt) Ltd **Board of Directors** Mr. J. D. Peiris Mr. L. U. D. Fernando Mr. D. S. C. Mallawaarachchi	**Secretary:** K.S .T.N.Fernando **Registered Office** 1st Floor, Lakshman's Building, 321, Galle Road, Colombo 03 Tel: +94 11 2565951 Co. Reg. No. PV 17863 Auditors: Messrs KPMG (Chartered Accountants)

Associates

Amethyst Leisure (Private) Limited (Formerly known as Amethyst Leisure Limited - Status Changed w.e.f. 20.08.2024). Directors: Ms. D.S.T. Jayawardena - Chairperson Mr. C.M.S. Jayawickrama Ms. V.J. Senaratne Mr. B.G.D.L.P. Wijerathne	**Secretaries**: Aitken Spence Corporate Services (Private) Limited **Registered Office** 315, Vauxhall Street, Colombo 02 Tel: +94 11 2308308 Fax: +94 11 2308099 Co. Reg. No. PQ 202 Auditors: Messrs KPMG (Chartered Accountants)

NOTES

NOTES

CIRCULAR TO THE SHAREHOLDERS

MELSTACORP PLC

(the "Company") (PB 11755 PQ)
NO 110, NORRIS CANAL ROAD, COLOMBO 10, SRI LANKA

Dear Shareholder/s,

THE ANNUAL GENERAL MEETING OF MELSTACORP PLC FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026.
The Annual General Meeting (AGM) of Melstacorp PLC will be held virtually in the manner prescribed below.

A. GENERAL DETAILS

1. The AGM of Melstacorp PLC will be conducted from the "Mini Auditorium" of DCSL PLC at No.110, Norris Canal Road, Colombo 10, Sri Lanka at 11.00 a.m. on 15th September 2026.
2. The AGM will be held in accordance with the guidelines issued by the CSE for the hosting of a virtual AGM.
3. The Annual Report of the Company for the financial year ended 31st March 2026 will be available for perusal on the Company website on www.melstacorp.com and the Colombo Stock Exchange website on www.cse.lk.
4. If you wish to receive a printed copy of the Annual Report for the financial year ended 31st March 2026, please complete and forward the Form of Request attached hereto (Annexure I) by post to Central Depository Systems (Private) Limited, Corporate Solutions Unit, Central Depository Systems (Private) Limited, Mezzanine Floor, M & M Center, No. 341/5, Kotte Road, Rajagiriya, Sri Lanka or e-mail to AGM_EGM_Registrars@cds.lk or facsimile to + 94 11 2356444.

B. SHAREHOLDERS' PARTICIPATION

1. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
2. The shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio visual means via the online platform only.
3. The shareholders who wish to participate at the meeting will only be able to join the meeting through audio or audio visual means via the online platform. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxyholder, if any, by perfecting Annexure II to the circular to shareholders and forward same to thilina.corp@melsta.com to reach the Company not less than three (03) days before the date of the meeting so that the meeting login information could be forwarded to the e-mail addresses so provided. Only shareholders or their duly appointed proxy holders are requested to log in to the virtual meeting platform 30 minutes prior to the time fixed for the meeting. The company shall not be responsible or liable for misuse and / or unauthorized use of login information.
4. To facilitate the appointment of proxies specified in B.1 and B.2 above, the Form of Proxy is attached with the Notice of Meeting. The duly filled Forms of Proxy should be sent to reach the Company via e-mail to thilina.corp@melsta.com or by post to the registered address of the Company No.110, Norris Canal Road, Colombo 10, Sri Lanka, not less than thirty-six (36) hours before the time fixed for the meeting.

C. SHAREHOLDERS QUERIES

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company, via e-mail to thilina.corp@melsta.com or by post to the registered address of the Company No.110, Norris Canal Road, Colombo 10, Sri Lanka not less than three (03) days before the date of the meeting. This is in order to enable the Company to compile the queries and forward same for the attention of the Board of Directors so that they could be addressed at the meeting.

For any further queries on this matter, please contact Mr. Thilina Fernando, Melstacorp PLC during office hours. Telephone : + 94115900380, +94 115900300, Ext: 380, E-mail: thilina.corp@melsta.com

The Board wishes to thank the shareholders of the Company for their cooperation and unwavering support.

By Order of the Board of

MELSTACORP PLC
Corporate Services (Private) Limited Secretaries

Colombo, on this 20th day of August 2026

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Tuesday, 15th September 2026 at 11.00 a.m. via the zoom platform at the "Mini Auditorium" of the Distilleries Company of Sri Lanka PLC located at No. 110, Norris Canal Road, Colombo 10, to consider and if thought fit to pass the following resolutions:

1. To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company for the year ended 31st March 2026 and the report of the auditors thereon.

2. To re-appoint M/s. KPMG, Chartered Accountants, as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2027.

3. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. C. R. Jansz who is over 70 years.

IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. C. R. Jansz who has reached the age of seventy three (73) years prior to the Annual General Meeting and that he shall accordingly be re-appointed"

4. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. N. de S. Deva Aditya who is over 70 years.

IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. N. de S. Deva Aditya who has reached the age of seventy eight (78) years prior to the Annual General Meeting and that he shall accordingly be re- appointed"

5. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. M R Mihular who is over 70 years.

IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. M. R. Mihular who has reached the age of seventy (70) years prior to the Annual General Meeting and that he shall accordingly be re-appointed"

6. To re-appoint Mr. M. R. Mihular who has attained the age of 70 years as an Independent Non-Executive Director by passing the following resolution as an ordinary resolution of the Public Shareholders of the Company* under Rule 9.8.3(ix)(c) of the Listing Rules of the Colombo Stock Exchange.

"IT IS HEREBY RESOLVED that Mr. M.R. Mihular, who has attained the age of seventy (70) years on 18th June 2026 and who, in terms of Section 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, would thereby be deemed to have impaired independence, be and is hereby nevertheless re-appointed as an Independent Director of the Company, as recommended by the Nominations and Governance Committee based on the justification and rationale set out in the Annexure to the Notice of Meeting and as confirmed by the Board of Directors."

7. To re-elect as a Director Dr. Ravindra Ajith Fernando who retires from office at the end of this Annual General Meeting in terms of Article 86 of the Articles of Association of the Company and being eligible has offered himself for re-election.

8. To approve the donations and contributions made by the Directors during the year under review, and to authorize the Directors to determine contributions to charities for the ensuing year.

By Order of the Board

CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

MELSTACORP PLC

Colombo, on this 20th day of August 2026

**The term "Public Shareholder" shall refer to the meaning ascribed thereto in terms of the Listing Rules of the Colombo Stock Exchange*

NOTES:

1. The Annual General Meeting of Melstacorp PLC will be held as a virtual meeting via the online meeting platform Zoom by participants joining in person or proxy and through audio or audio visual means in the manner specified below.

I. Shareholder Participation

a. Any Shareholder entitled to attend and vote is entitled to appoint a proxy or proxies in his/her stead. A form of proxy accompanies this notice. A proxy need not be a Shareholder of the Company

b. The shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.

c. The shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio visual means only.

NOTICE OF MEETING

d. The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means, via the online meeting platform Zoom. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders uploaded to the company website and the website of the Colombo Stock Exchange and forward same to thilina.corp@melsta.com or by post to the registered address of the company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, to reach the Company not less than (3) days before the date appointed for holding the meeting so that the meeting login information could be forwarded to the e-mail address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.

e. To facilitate the appointment of proxies, the Form of Proxy uploaded to the company website and Colombo Stock Exchange website and the duly filled Form of Proxy should be sent to reach the Registrars of the Company via e mail [thilina.corp@melsta.com] or by post to the registered address of the company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, not less than thirty six (36) hours before the time fixed for the meeting.

II. Shareholder's Queries

1. The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company, via e-mail to thilina.corp@melsta.com or by post to the registered address of the Company No. 110, Norris Canal Road, Colombo10, Sri Lanka not less than three (03) days before the date of the meeting. This is in order to enable the Company to compile the queries and forward the same to the attention of the Board of Directors so that same could be addressed at the meeting.

2. Voting in respect of the resolutions sought to be passed will be registered by using the online meeting platform Zoom or another designated ancillary online application. All of such procedures will be explained to the shareholders prior to the commencement of the meeting.

3. Shareholders can use the "Q&A Forum" to communicate your questions/concerns as and when required.

4. The Annual Report of the Company for the year 2025/2026 will be available for perusal of the Company website www.melstacorp.com and the Colombo Stock Exchange website on www.cse.lk.

5. For any questions please contact
Mr. Thilina Fernando, Melstacorp PLC during office hours.
Telephone : + 94115900380, +94 115900300, , Ext: 380,
E-mail: thilina.corp@melsta.com

ANNEXURE

JUSTIFICATION AND RATIONALE FOR THE RE-APPOINTMENT OF MR. M. R. MIHULAR AS AN INDPENDENT NON-EXECUTIVE DIRECTOR OF MELSTACORP PLC

Mr. Mohamed Reyaz Mihular was appointed to the Board of Melstacorp PLC (the "Company") as an Independent Non-Executive Director with effect from 01st April 2023.

He was appointed as the Senior Independent Director of the Company with effect from 06th February 2025.

Mr. Mihular has attained the age of seventy (70) years on 18th June 2026 and in terms of Section 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, his independence would be deemed impaired upon reaching this age threshold.

However, pursuant to the proviso to Section 9.8.3(ix) of the Listing Rules, the Nominations and Governance Committee of Melstacorp PLC having followed a due and comprehensive evaluation of the justification and rationale given below, has unanimously resolved and recommended to the Board the re-appointment of Mr. Mihular as an Independent Non-Executive Director notwithstanding that he would have attained the age of seventy (70) years at the time of the forthcoming Annual General Meeting:

1. Professional Qualifications and Technical Expertise

Mr. Mihular is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK. These qualifications, together with his lifelong professional standing, provide the Board with deep expertise in financial reporting, audit, risk management, governance and regulatory compliance, areas that are critical to the effective functioning of a listed entity.

2. Extensive Leadership and Governance Experience

Mr. Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives for a period of ten years from 1st April 2012 to 31st March 2022 and as Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster from October 2018 to September 2021. He has also held senior regional and global leadership roles within KPMG, including serving as Chief Operating Officer of the MESA regional office, a member of the KPMG EMA Board, and the Global Council of KPMG International.

These roles demonstrate his exposure to complex organisations, global best practices and strategic decision-making at the highest levels.

3. Contribution to Accounting, Ethics, and International Standards

Mr. Mihular has made significant contributions to the development of international accounting and ethical standards, having served as:

- A Board Member of the International Accounting Standards Committee (IASC),
- A member of the Standing Interpretations Committee,
- A member of the IFRS Advisory Council of the IASB, and
- A member of the International Ethics Standards Board for Accountants (IESBA) from 2012 to 2018.

This background equips him with a strong understanding of transparency, integrity and ethical governance, which is particularly valuable in safeguarding shareholder interests.

4. Demonstrated Independence of Judgment

Mr. Mihular currently serves as Chairman and Independent Non-Executive Director on several listed and unlisted entities and as a member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka. His appointments across diverse sectors reflect the confidence placed in his objectivity, sound judgment and independence by both regulators and corporate boards.

The Committee is satisfied that Mr. Mihular does not have any relationships, interests, or circumstances that would impair his ability to exercise independent judgment or act in the best interests of the Company and its shareholders.

5. Role as Senior Independent Director of the Company

Mr. Mihular was appointed as the Senior Independent Director of the Company by the Board of Directors with effect from 6th February 2025, in compliance with Section 9.6.3 (a) ii of the Listing Rules. Since his appointment, he has consistently demonstrated sound judgment, independence, and a strong commitment to effective oversight across Board and committee deliberations as well as in his engagements with the senior management of the Company.

He has provided guidance to the Chairman, the Board, and key executives on matters related to the Company's governance, compliance and transparency procedures. His steady leadership and active contribution to strengthening the effectiveness of the Company's governance processes has reinforced the Board's ability to adopt prudent, well-governed decision-making practices.

ANNEXURE

6. Value to the Board and Succession Considerations

Mr. Mihular's continued presence on the Board ensures mentorship to both Board members and senior management. Given the increasing regulatory, financial and governance complexity faced by listed entities, the Committee is of the view that his experience and counsel remain highly relevant and beneficial at this time.

As recommended by the Nominations and Governance Committee above, the Board unanimously confirmed the re-appointment of Mr. M.R. Mihular as an Independent Non-Executive Director of Melstacorp PLC, notwithstanding that he would have attained the age of seventy (70) years at the forthcoming Annual General Meeting. The Board is satisfied that Mr. Mihular would continue to bring exceptional value to the Board, exercises independent judgment and upholds the highest standards of corporate governance in full alignment with the intent of the Listing Rules of the Colombo Stock Exchange.

The profile of Mr. M.R. Mihular is given in the Board of Directors section of this Report.

FORM OF PROXY

Folio No.

I/We.....
.....of.....being a Shareholder / Shareholders of Melstacorp PLC hereby appoint Don Hasitha Stassen Jayawardena* or failing him Cedric Royle Jansz* or failing him Niranjan de Silva Deva Aditya* or failing him Kolitha Jagath Kahanda** or failing her Don Therese Stasshani Jayawardena* or failing him Lintotage Udaya Damien Fernando * or failing him Reyaz Mihular* or failing him Ravindra Ajith Fernando* or failing him Lakshman Silva* or failing him Ashoka Goonesekere* .....
.....
.....of.....
. as my/our* proxy to vote for me/us on my/our behalf for/ or against the resolution and/or to speak at the Annual General Meeting of the Company to be held on the 15th day of September 2026 and at any adjournment thereof. * Please delete the inappropriate words.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company for the year ended 31st March 2026.	☐	☐
2. To re-appoint M/s KPMG, Chartered Accountants, as the auditors of the Company and authorize the Board of Directors to fix their remuneration	☐	☐
3. To re-appoint Mr. C. R. Jansz in terms of Section 210 of the Companies Act No. 7 of 2007.	☐	☐
4. To re-appoint Mr. N. de S. Deva Aditya in terms of Section 210 of the Companies Act No. 7 of 2007.	☐	☐
5. To re-appoint Mr. M. R. Mihular in terms of Section 210 of the Companies Act No. 7 of 2007.	☐	☐
6. To re-appoint Mr. M.R. Mihular who has attained the age of 70 years, as an Independent Director in terms of Section 9.8.3(ix) of the Listing Rules (The above resolution to be voted on if the relevant shareholder falls within the definition of a "Public Shareholder" in terms of the Listing Rules of the Colombo Stock Exchange)	☐	☐
7. To re-elect Dr. R. A. Fernando who retires from office at the end of this Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.	☐	☐
8. To approve the donations and contributions made by the Directors during the year under review, and to authorize the Directors to determine contributions to charities for the ensuing year.	☐	☐

* Please delete the inappropriate words.

** Please write your Folio Number which is given on the top left of the address sticker

.....
Signature of Shareholder

Dated this .....day of.....2026

FORM OF PROXY

Notes:

1. Proxy need not be a shareholder of the Company.
2. In terms of Article 72 of Articles of Association of the Company.

   The instrument appointing a proxy shall be in wring and, In the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporation shall be signed as provided by its Articles of Association by person/s authorised to do so, on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any person so signing, A proxy need not be a shareholder of the Company.
3. In terms of Article 73 of the Articles of Association of the Company.

The instrument appointing a proxy, and the power of attorney (if any) under which it is signed, or a notarially certified copy of such power, or any other document necessary to show the validity of or otherwise relating to the appointment of the Proxy shall be deposited for inspection at the Office or sent by electronic mail to an electronic mail account notified by the Company to the Shareholders in writing not less than thirty six (36) hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll before the time appointed for taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid, provided however in the case of a meeting called by shorter notice as set out in Section 135(3) of the Act a proxy and any other documents as aforesaid shall be valid if deposited at the Office or received by electronic mail to an electronic mail account notified by the Company to the Shareholders in writing not less than twenty four (24) hours before the time appointed for holding the meeting called by such shorter notice or such adjourned meeting.

4. In terms of Article 67 of the Articles of Association of the Company.

   In the case of joint-holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders, and for this purpose seniority shall be determined by the order in which the name stands in the Register of Shareholders in respect of the joint holding.
5. Instructions as to completion are noted overleaf.

Instructions as to completion

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.

2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.

3. In the case of a Company / Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association of Melstacorp PLC.

4. In the absence of any specific instructions as to voting, the proxy may use his / her discretion in exercising the vote on behalf of his appointer.

5. Duly filled forms of proxy should be sent to reach the Company via e-mail to **thilina.corp@melsta.com** or by post to the registered address of the Company No: 110, Norris Canal Road, Colombo 10, Sri Lanka, **not less than thirty six (36) hours before the time appointed for the holding of the meeting**

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FORM OF REQUEST

Annexure I

To: Central Depository Systems (Private) Limited, Mezzanine Floor, M & M Center, No. 341/5, Kotte Road, Rajagiriya, Sri Lanka.

☐ I would like to receive the printed version of the Annual Report of Melstacorp PLC

Full Name of the Shareholder (as on the CDS account / Share Certificate)	
Folio Number	
Company Registration No. / NIC No./ Passport No.	
Address	
Contact No.	

....

Signature Date

Note:

(1) Please complete the Form of Request by filling in legibly the required information in **BLOCK LETTERS** signing in the space provided and filling in the date of signature.

(2) Please post the completed Form of Request to the Registrars at the address given above or email to **AGM_EGM_Registrars@cds.lk or on +94 11 2356444**.

(3) In the event the shareholder is a company the Form of request should be signed under Common Seal or by a duly authorized officer of the company in accordance with its Articles of Association

REGISTRATION OF SHAREHOLDER

Details for Online Participation

MELSTACORP PLC ANNUAL GENERAL MEETING

Annexure II

To: Melstacorp PLC
No. 110, Norris Canal Road, Colombo 10,
Sri Lanka.

1. Full Name of the Shareholder/s

   Primary 1 : .....

   *Joint 2: .....

   *Joint 3 : .....

2. Shareholder/s Address : .....

3. NIC No. / Passport No. / Company Registration No.:

   Primary 1. : .....

   *Joint 2. : .....

   *Joint 3. : .....

4. CDS Account No. : .....

5. Shareholder/s Contact No : Fixed Line: ..... Mobile : .....

   e-mail : .....

   In the event Proxy holder is appointed by the shareholder following details of his/her proxy will also be required.

   DETAILS OF PROXY HOLDER: (only if a proxy is appointed)

6. Name of the Proxy holder: .....

7. Proxy holder's NIC No / Passport No : .....

8. Proxy holder's Contact No : Fixed Line: ..... Mobile : .....

   e-mail : .....

I/We hereby certify that the details given above are true and accurate and are furnished for the purpose of enabling my/our online participation at the Annual General Meeting. I/We acknowledge that the Company shall have the right to disable my/our participation in the event the above information furnished are found to be incorrect or inconsistent with shareholding records

Shareholder's Signature/(s)

.....	.....	.....
Shareholder's Signature /Date	*1st Joint Holder's Signature /Date	*2nd Joint Holder's Signature /Date

*Strike out if not applicable

Instructions to shareholders

1. Shareholders are advised to complete the form legibly in order to facilitate their participation through the online platform.

2. The login information including the "Web Link" and password for participation at the Annual General Meeting through the online platform will be forwarded to the shareholders above noted e-mail address.

3. In the case of a company/corporation, the Registration Form must be signed under its common seal which should be affixed and attested in the manner prescribed by its Articles of Association.

4. In the case of the registration form signed by an Attorney, the power of attorney must be deposited at the registered office of the company for registration.

5. It is mandatory for the shareholder/s to provide the e-mail address in the space provided above in order to forward the login information to facilitate the online participation at the meeting.

6. Duly filled Registration of Shareholder Details Form should be sent to reach the Company via e-mail to **thilina.corp@melsta.com** or by post to the registered address of the Company No.110, Norris Canal Road, Colombo 10, Sri Lanka, **not less than three (03) days before the date of the meeting**.

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CORPORATE INFORMATION

COMPANY NAME
Melstacorp PLC

DOMICILE AND LEGAL FORM OF THE HOLDING COMPANY
Public Limited Liability Company Incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange

REGISTRATION NO.
PB 11755 PQ

ULTIMATE PARENT COMPANY
Milford Exports (Ceylon) (Pvt) Ltd.

REGISTERED OFFICE
110, Norris Canal Road, Colombo 10, Sri Lanka.
Tel: +94 11 5900300
Fax: +94 11 5900333
Web: www.melstacorp.com

BOARD OF DIRECTORS
Mr. D. Hasitha S. Jayawardena - Executive Chairman
Mr. C. R. Jansz-Deputy Chairman
Mr. M. A. N. S. Perera- (Resigned w.e.f. 18.09.2025)
Capt. K. J. Kahanda (Retd.)
Mr. N. de S. Deva Aditya
Ms. D. S. T. Jayawardena
Mr. L. U. D. Fernando
Mr. M. R. Mihular
Dr. R. A. Fernando
Mr. A. Goonesekere
Mr. L. H. A. Lakshman Silva

AUDIT COMMITTEE
Mr. A. Goonesekere – Chairman
Mr. L. H. A. Lakshman Silva
Mr. M. R. Mihular
Dr. R. A. Fernando
Ms. D.S.T. Jayawardena

REMUNERATION COMMITTEE
Dr. R. A. Fernando - Chairman
Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
Mr. A. Goonesekere – Chairman
Mr. L. H. A. Lakshman Silva
Mr. M. R. Mihular
Dr. R. A. Fernando
Ms. D.S.T. Jayawardena

NOMINATIONS AND GOVERNANCE COMMITTEE
Dr. R. A. Fernando – Chairman
Mr. L. H. A. Lakshman Silva
Ms. D.S.T. Jayawardena

RISK COMMITTEE
Mr. L. H. A. Lakshman Silva – Chairman
Mr. M. R. Mihular
Mr. N. de S. Deva Aditya
Ms. D. S. T. Jayawardena
Mr. R. A. Fernando

SUSTAINABILITY COMMITTEE
Ms. D. S. T. Jayawardena - Chairman
Dr. R. A. Fernando
Mr. L.H.A. Lakshman Silva
Mr. A. Goonesekere

COMPANY SECRETARY
Corporate Services (Private) Limited
No.216, De Saram Road,
Colombo 10. Sri Lanka.
Tel: +94 11 4605100 Fax: +94 11 4718220

REGISTRARS
Central Depository Systems (Pvt) Ltd.
Registrar Services and Corporate Actions Unit
No.341/5, M &M Center, Kotte Road, Rajagiriya, Sri Lanka.
Tel: +94 11 2356456
Fax: +94 11 2440396

AUDITORS
Messrs KPMG (Chartered Accountants)
32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

BANKERS
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC

CREDIT RATING
The Company has been assigned 'AAA (lka)' National Long Term Rating with a Stable Outlook by Fitch Ratings Lanka Limited.

Designed & produced by
emagewise


Melstacorp
RESPONSIBLE DIVERSITY