

Ceylon Beverage Holdings PLC

Annual Report 2025/26

Built on Legacy Driven by Innovation

Crafting Moments, Defining Lifestyles



Built on Legacy
Driven by Innovation

Crafting Moments, Defining Lifestyles

Built on a legacy of trusted brands and market leadership, Ceylon Beverage Holdings PLC (CBH) continues to evolve through innovation, premiumisation, and a deep understanding of changing consumer lifestyles. Through its complementary portfolio of businesses across Lion Brewery, Luxury Brands, Retail Spaces and Pubs ‘N Places, the Group goes beyond crafting quality beverages to creating memorable experiences, meaningful connections, and occasions that bring people together. By combining iconic brands, premium offerings, and differentiated consumer experiences, CBH continues to shape how consumers celebrate and enjoy shared experiences, creating long-term value while defining lifestyles for a new generation.

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ABOUT THIS REPORT

ABOUT

This Integrated Annual Report of Ceylon Beverage Holdings PLC ("CBH" or the "Group"), summarises the Group's activities for the financial year ended 31 March 2026.

The Group includes Lion Brewery (Ceylon) PLC and its entities, which are primarily engaged in sourcing, brewing, packaging, distribution and sale of a wide range of beers under the iconic "Lion" brand, as well as internationally recognised beer brands through strategic partnerships. Lion Brewery serves both local and export markets and is Sri Lanka's largest exporter of alcoholic beverages.

CBH is also a leading importer of spirits and wines under its Luxury Brands (Private) Limited unit and operates Pubs 'N Places (Private) Limited – Machang – its franchised pub chain, and Retail Spaces (Private) Limited.

REPORTING PERIOD

The reporting period covers the financial year ended 31 March 2026. This Report provides a comprehensive overview of the Group's strategic, operational, governance and sustainability performance during the reporting period and offers insight into the factors that may influence value creation over the short, medium and long term.

Comparative information is provided, where appropriate, for the preceding financial year ended 31 March 2025, to facilitate meaningful analysis of trends and performance.

ORGANISATIONAL BOUNDARY

The reporting boundary encompasses Lion and its subsidiaries, namely Millers Brewery Limited and Lion Beer (Ceylon) Pte Ltd., (collectively referred to as "Lion"), Luxury Brands (Private) Limited, Pubs 'N Places (Private) Limited, and Retail Spaces (Private) Limited.

Unless otherwise stated, all financial and non-financial disclosures relate to the activities of CBH and its subsidiaries during the year under review. Where specific disclosures relate to particular entities within the Group, this is clearly indicated within the relevant sections.

There were no significant changes to the organisational boundary during the reporting period. Any limitations in the scope of data collection or coverage are explained within the relevant sections of the Report.



NATURE OF THE REPORT

This is the first fully Integrated Annual Report of CBH. The Report has been prepared in accordance with the principles of the International Integrated Reporting Framework and seeks to provide a cohesive and comprehensive account of how the Group creates, preserves and delivers value over time.

The Report brings together financial performance, governance practices, risk management, strategy, stakeholder engagement and sustainability performance into a single, connected narrative.

Rather than presenting financial and non-financial information separately, the Report demonstrates the interrelationships between the Group's strategy, the resources and the capitals it relies upon, the risks it manages and the outcomes it generates. In doing so, the Report aims to provide shareholders and other stakeholders with a clear understanding of the Group's business model, strategic priorities, operating environment, and long-term value creation potential.

REPORTING FRAMEWORKS AND STANDARDS

This Integrated Annual Report has been prepared in accordance with applicable statutory and regulatory requirements, together with widely recognised voluntary reporting frameworks and standards.

The Group has applied these frameworks to ensure transparency, reliability, and completeness in reporting financial, governance, and sustainability information.

Companies Act No. 07 of 2007 and amendments thereto	International Integrated Reporting Framework (<IR> Framework) – for integrated presentation of financial and non-financial information
Sri Lanka Accounting Standards (SLFRSs/LKASs) including SLFRS S1 Sustainability-related Financial Disclosures and SLFRS S2 Climate-related Disclosures	GRI Standards 2021, including GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021
Listing Rules of the Colombo Stock Exchange (CSE)	A Supplement to A Preparer's Guide to Integrated Corporate Reporting published by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) – referred to for best practice guidance in integrated reporting
SASB Alcoholic Beverages Sustainability Accounting Standard, Version 2023-12	

The organisation has applied the following transition reliefs of SLFRS S1 and SLFRS S2 in preparing SLFRS Sustainability-related Financial Disclosures for the year FY 2026.

Reporting standard	Transitional reliefs	Details
SLFRS S1	Disclosure of information on only climate-related risks and opportunities	In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with SLFRS S2) and consequently apply the requirements in this Standard only in so far as they relate to the disclosure of information on climate-related risks and opportunities.
	Disclosure of comparative information	In the first annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its climate-related risks and opportunities; and in the second annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its sustainability-related risks and opportunities, other than its climate-related risks and opportunities.
SLFRS S2	Disclosure of Scope 3 greenhouse gas emissions	Entities must initially report only Scope 1 and Scope 2 emissions. Full compliance with Scope 3 emissions becomes mandatory two years after the initial application date.
	Disclosure of qualitative information regarding the anticipated financial effects of climate-related risks and opportunities	Entities are permitted to defer the disclosure of qualitative information regarding anticipated financial effects for a period of two years following the mandatory application of the standard.
	Disclosures on climate resilience	A relief period of two years is granted to apply the requirements from the date of mandatory application to fully comply with the climate resilience disclosure requirement.

Note: Where partial information is available in applying the permitted reliefs, such information has been disclosed in the relevant sections, together with related assumptions and forward-looking considerations.

The Financial Statements included in this Report have been independently audited in accordance with Sri Lanka Accounting Standards.

CBH's sustainability-related financial disclosures have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS S1 and SLFRS S2). These standards are aligned with the global sustainability-related financial disclosures issued by the International Sustainability Standards Board (ISSB), enabling the provision of consistent, comparable, and decision-useful information to primary report users assessing the Group's enterprise value.

In preparing its broader sustainability disclosures, CBH has also referred to the Global Reporting Initiative (GRI) Standards for guidance. A GRI Content Index is provided within the relevant section of this Report to enhance transparency and facilitate stakeholder access to information.

DATA COLLECTION AND MEASUREMENT

Financial data presented in this Report is derived from the audited Financial Statements of the Group and its subsidiaries. Non-financial data, including environmental, social and governance (ESG) metrics, is collected through established internal reporting systems.

Where estimates or assumptions have been applied in the preparation of non-financial disclosures, these are based on reasonable and supportable methodologies, consistent with the GRI Standards, applicable topic-specific standards, and the Group's internal controls.

Management is responsible for maintaining appropriate systems and processes to ensure the reliability, accuracy and consistency of reported information. Internal review mechanisms are in place to validate data prior to publication.

ASSURANCE

The Financial Statements for the year ended 31 March 2026 have been independently audited in accordance with applicable statutory and regulatory requirements. The Independent Auditor's Report is presented within the Financial Statements section of this Integrated Annual Report.

This Integrated Annual Report, including both financial and non-financial disclosures, has been reviewed by the Executive Committee and the Board of Directors to ensure the integrity, consistency, and completeness of the information presented.

Where applicable, specific sustainability disclosures may be subject to independent limited assurance. Details of the scope and conclusions of any such assurance engagements, if obtained, are provided in the relevant sections of the report.

Relevant sustainability-related disclosures are presented to the best of our knowledge, recognising that certain gaps may exist. Decisions and targets have been established based on reasonable internal data and relevant external information, the latter obtained without undue cost or effort, in line with applicable standards. CBH remains committed to continuously enhancing the quality and completeness of our disclosures in future reporting cycles, including refining targets in response to evolving conditions and improvements in data availability and integrity. This approach is intended to provide information that is relevant and useful to primary users of general-purpose financial reports in assessing CBH's performance and long-term value creation.

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of the Group acknowledges its responsibility for the preparation and presentation of this Integrated Annual Report.

The Board confirms that it has collectively reviewed the content of this report and is satisfied that it provides a balanced, transparent and comprehensive account of the Group's performance, governance, strategy and sustainability matters for the year ended 31 March 2026.

The Board is of the view that this Integrated Annual Report addresses all material matters that could reasonably influence the assessments and decisions of stakeholders and that it reflects the Group's commitment to accountability, integrity and long-term value creation.

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report contains forward-looking statements relating to the plans, objectives, expectations and intentions of the Group. Such statements are based on current assumptions and assessments made by the Board and management, in light of available information.

Given the inherent uncertainties of the economic, regulatory and operating environment, actual results may differ from those expressed or implied in such statements. The Group undertakes no obligation to publicly update or revise forward-looking statements to reflect subsequent events or changed circumstances.

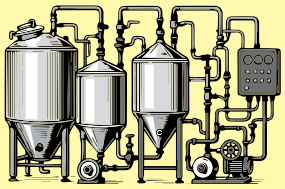
ACCESSIBILITY AND FEEDBACK

The Integrated Annual Report is made available to shareholders and other stakeholders through the Group's website, in compliance with regulatory requirements via submission to the Colombo Stock Exchange (CSE) website, and through any other appropriate channels the Group may use to facilitate stakeholder access.

The Group welcomes feedback on the content and presentation of this report as part of its ongoing commitment to continuous improvement in corporate reporting practices.

All such feedback should be directed to: carsons@carcumb.com

VALUE CHAIN

	UPSTREAM		CONVERSION
Business process	Raw materials	Packaging material	Brewing, Processing and packaging
			
Description and ESG integration	Brewing raw materials are sourced from both local farmers and global markets. While the Group does not operate its own farms, CBH remains deeply committed to the environmental and social well-being of the agricultural supply chains that support the business.	For the brewery operations, the primary packaging format consists of returnable glass bottles, complemented by cans and returnable steel kegs. For distribution, the operations utilise a combination of returnable plastic crates and pallets, alongside recyclable corrugated cartons and shrink films. While local sourcing is prioritised, a strategic global supply network is maintained to mitigate single-supplier risk. CBH is also committed to advancing circularity through the development of material-efficient and lightweight packaging for the one-way formats. By increasing recycled content and optimising design, the Group continues to meet evolving consumer expectations while managing the environmental responsibility.	Beer is brewed at the primary facility in Sri Lanka, while also leveraging contract brewing arrangements in Vietnam to mitigate single-site risk, move closer to key export markets, and enhance pricing competitiveness. The manufacturing process encompasses material handling and preparation, brewing, fermentation, and processing, all carried out with a strong focus on quality and cost efficiency, alongside key sustainability parameters. These efforts are guided by measurable targets and supported by investments in resource-efficient technologies and disciplined operational planning, as the Group continues to reduce the emissions footprint.
Relevant ESG metrics/ESG focus	**ESG focus:** Evaluated 87.3% of the beer raw material and packaging material supplier base against ESG criteria.	**ESG focus:** 93.0% of glass bottles and 99.0% of plastic crates used in the brewery operations are reused; recycled material inclusion is 35.0% for bottles and 30.0% for crates; energy-efficient processes further reduce the overall footprint.	**ESG focus (Brewery operations):** Electricity consumption per hectolitre improved 21.0% since 2017/18 Furnace fuel efficiency improved 36.0% since 2017/18 In-house biogas production reduces reliance on fossil fuels – 3.58% total renewable energy share Water consumption index improved by 39.0% against the 2017/18 baseline

VALUE CHAIN

DOWNSTREAM

Route to market



Products are distributed both locally and globally through a combination of land and sea transport. Local distribution is managed by third-party transport providers operating on planned routes to optimise cost, efficiency, and emissions. The Group is also exploring the adoption of clean energy solutions within the transport operations to further enhance environmental performance.

ESG focus: Selected finished goods storage facilities incorporate repurposed materials, including discarded shipping containers, reclaimed bottle components, and reused kegs.

The brewing operations have invested in the first Green Logistics Hub, constructed using a range of repurposed materials, and geared to integrate rainwater harvesting and solar energy systems as the operations move forward. The latter will support the powering of the first electric prime mover, which is planned for deployment in 2026 as part of the broader decarbonisation efforts.

Trade partners



The brewing sector primarily retails products through off-trade outlets, including wine and beer shops, while continuing to expand the presence in modern trade channels. The business also serves the on-trade segment, comprising pubs, bars, hotels, restaurants, and clubs. These venues utilise cooling units, including fridges and draft systems. To minimise environmental impact, a continued focus is placed on providing energy-efficient cooling solutions and collaborating with retail partners to explore clean energy initiatives, such as solar installations.

Additionally, Luxury Brands promotes responsible service and consumption practices through ongoing engagement with trade partners and the introduction of global industry best practices. Initiatives such as the Diageo World Class programme help strengthen awareness of responsible consumer engagement, elevate service standards, and encourage a culture of accountability across the hospitality sector.

ESG focus: 135kWh of renewable energy capacity installed by Lion across its retail base.

Consumer



A diverse portfolio of beer styles and packaging formats is maintained to meet evolving consumer preferences across different occasions and segments. Recognising the growing demand for low- and no-alcohol alternatives, the Company continues to explore opportunities to expand its offerings across global markets. Responsible consumption is also promoted through voluntary messaging and awareness initiatives on product packaging and at relevant points of sale, including locations across the franchised pub network.

Pubs 'N Places continues to promote responsible consumption across its network by fostering a culture of responsible service, staff awareness, and consumer education. Through established operating standards and ongoing engagement with franchise partners, the business seeks to create safe and enjoyable social environments.

ESG focus: 40.0% of the local market offerings in the beer segment (in bottles and cans) feature five (5) aspects of responsible consumption messaging, reflecting the commitment to supporting informed and safe choices for consumers.

YEAR IN REVIEW – NON-FINANCIAL HIGHLIGHTS

APRIL 2025

Lion hosted its flagship Summit Awards, recognising the achievements of its sales team and business partners across local and international markets.



MAY 2025

Carlsberg Export & License Conference Awards 2025, Copenhagen – Best in Class Execution, for Carlsberg Sri Lanka Display Drive.



JUNE 2025

Lion hosted the CEO Awards, celebrating individuals and teams who exemplify The Lion Way.



JULY 2025

Lion joined VLB Berlin, a leading global institute for brewing science and education, to help strengthen the Company's focus on innovation and research.



AUGUST 2025

Lion Stout was crowned World's Best Tropical Stout, while Lion Lager won Silver in the Lager Light category at the 2025 World Beer Awards.



Lion was ranked Sri Lanka's Most Valuable Heritage Brand and Most Valuable Alcoholic Beverage Brand, and placed 9th overall in Brand Finance Sri Lanka 100 Most Valuable Brands 2025.



SEPTEMBER 2025

Pubs 'N Places launched its first beachfront outlet Machang Marine Drive, expanding its presence into high-potential leisure locations.



Lion was recognised as runner-up in the Continuous Improvement - Extra Large Scale category at the 2025 CILT Sri Lanka Awards, hosted by the Chartered Institute of Logistics and Transport Sri Lanka (CILT Sri Lanka).



Luxury Brands launched the Colombo Cocktail Club, an experiential platform created to elevate cocktail culture in Sri Lanka through curated events, international bar collaborations, and premium social experiences.



OCTOBER 2025

Lion was named winner of the 'Waste Reduction Achievement of the Year' at the Global Drinks Intel ESG Awards 2025.



Lion won the Silver Award in the Food & Beverage Category (Type A & B) at the 2025 Presidential Environment Awards, organised by the Central Environmental Authority of Sri Lanka.



Lion added new variants to the Lion Craft portfolio, introducing seasonal and limited-edition beers inspired by Sri Lankan flavours and culture.



NOVEMBER 2025

Lion clinched two wins at the FMCG Asia Awards 2025, for Seasonal Campaign of the Year and New Brand Launch of the Year in Sri Lanka, recognising the Carlsberg Seasonal Campaign and the launch of Lion Trueborn.





Lion received the Excellence in Employer Branding award and was named Runner-up in the Food, Beverage & Distilleries sector at The Great HR Awards 2025, organised by CIPM Sri Lanka and Mercer.



YEAR IN REVIEW – NON-FINANCIAL HIGHLIGHTS

Lion's Crisis Response Team, together with A-PAD-trained colleagues, stepped up during the weather crisis triggered by Cyclone Ditwah in late November. The team supported business continuity efforts while also assisting the local Biyagama community with essential supplies during severe flooding.



Pubs 'N Places introduced its first container-based outlet concept at Machang Arcade Colombo 7, representing a scalable and capital-efficient format.



FEBRUARY 2026

Lion was certified by Great Place to Work® for the 6th consecutive year, recognising the Company's continued commitment to fostering trust, engagement, and a high-performing workplace culture.

Great Place To Work. Certified FEB 2026-FEB 2027 LKA

Lion was recognised as one of the Top 15 Best Workplaces™ in the Manufacturing & Production industry by Great Place to Work®.

Best Workplaces™ in Manufacturing & Production Great Place To Work. SRI LANKA 2026

MARCH 2026

Luxury Brands introduced World Class by DIAGEO to Sri Lanka, the world's most prestigious bartending competition.



DECEMBER 2025

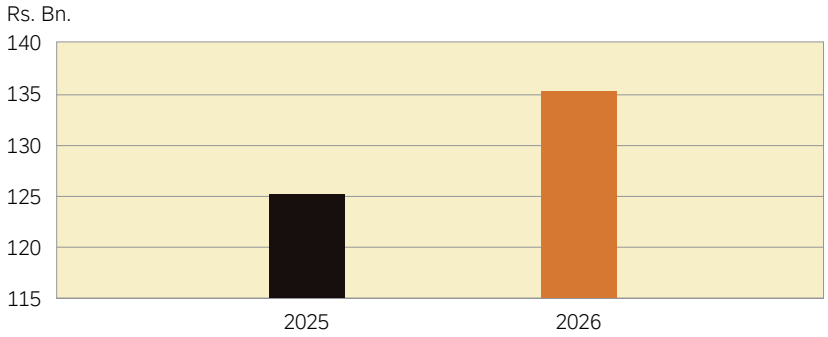
Lion was recognised as Best Exporter-Beverages at the Presidential Export Awards 2024/25, hosted by the Sri Lanka Export Development Board (EDB).



YEAR IN REVIEW – FINANCIAL HIGHLIGHTS

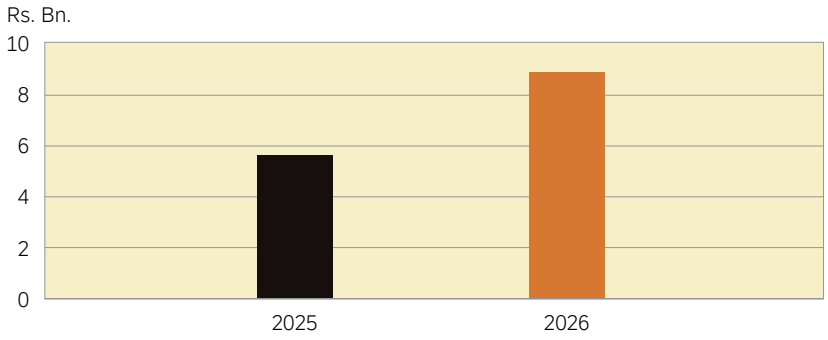
Revenue

+8% YoY



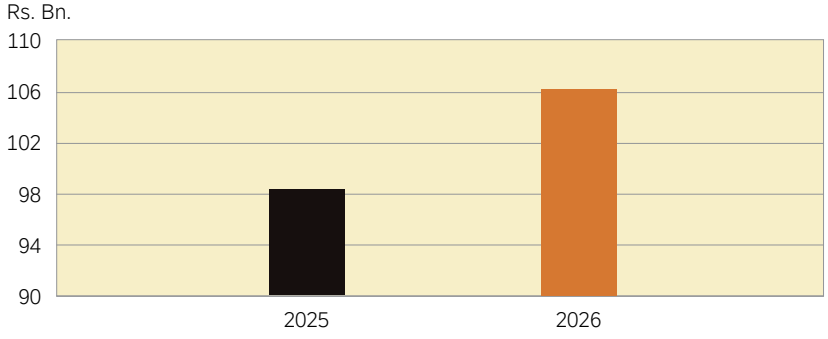
International Business Revenues

+57% YoY



Tax Contribution

+8% YoY



YEAR IN REVIEW – ESG HIGHLIGHTS

ENVIRONMENT

% of renewable energy used
3.58%

Waste to Energy (Methane)
Generated 260,513 Nm^3
Furnace fuel Replaced
160,316 L

Waste-to-value of internal waste
379 Mn.

Biogenic CO_2 sold
2,030 MT
Avoiding burning 769,000 L of Diesel

Community Level Waste Collection
22.7 MT

Waste-to-energy (label waste)
69.9 MT Generated
26,822 kWh

Renewable energy installed in retail
135 kWh

Index reduction from the baseline year
Electricity: 21%
Furnace fuel: 36%
Water: 39%

Recycled glass in bottles
35%

Bottles and crates reuse %
93% and 99%

SOCIAL

External Training
1,491 personnel
4,913 man/h

Apprenticeship opportunities
57

Days since last Lost Time Accident (LTA)
1,791 days

Waste bin sets
24

Clean drinking water
20,000 L/day
Recipients 3,600

Aluminium can bins
51

Trees and forest plants
5,392

Voluntary signage (bottles and cans local market)
40%

Volunteering
386 people
1,370.5 man/h

Vendors of RM evaluated for ESG (total spend)
87.3%

GOVERNANCE

ESG training for staff
99.5%

Anti-bribery and corruption training for staff
88.3%

ISO 22000

ISO 27001

ISO 14001

GPTW

ISO 50001

SEDEX

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the first Integrated Annual Report and Audited Financial Statements of Ceylon Beverage Holdings PLC for the financial year ended 31 March 2026.

During the financial year under review, the Group continued to advance its 2030 vision through focused execution. In its role as custodian of long-term value, the Board remained steady in its strategic oversight amidst challenging local and global macroeconomic and industry conditions. The Group delivered creditable financial results, maintained its strategic direction, and emerged from the year in a position of genuine strength – a reflection of disciplined management and the resilience of our people.

> FY 2026 was a year of disciplined execution for CBH, as the Group strengthened its portfolio of businesses, advanced its strategic priorities, and delivered resilient performance while maintaining a clear focus on long-term value creation.

ECONOMIC BACKDROP AND POLICY DEVELOPMENTS

Sri Lanka's economy continued its gradual recovery trajectory in 2025, supported by sustained momentum in reforms and improved macroeconomic stability. Growth was supported by stronger performance across key sectors, a continued recovery in tourism, steady inflows of worker remittances, and further improvements in Government revenue mobilisation. Inflation remained broadly contained, enabling a more supportive monetary environment and contributing to a gradual strengthening in business sentiment and consumer spending. Progress under the International Monetary Fund's (IMF) Extended Fund Facility continued to reinforce policy credibility and sustain international confidence in Sri Lanka's economic reform path. In July 2025, the IMF carried out its fourth review, disbursing a further USD 350.0 Mn.

Despite this momentum, volume pressure within the beer sector – our largest business -continued as consumers traded down into more affordable categories. While we acknowledge the evolving regulatory conditions of the sector and the need to implement robust excise duties to bolster Government revenue collection, we remain concerned of the excessive taxation burden on the industry. The successive tax increases since 2023 have outpaced real income growth, rendering legal products unaffordable, and compelling consumers to switch to unregulated products. We continue to support a transparent, inflation-indexed excise mechanism, free of multipliers, which would provide long-term predictability for industry investments and stable revenue generation for the Government. We equally encourage continued progress on access liberalisation, particularly in on-trade licensing, for underserved areas.

Furthermore, given the important role exports play in Sri Lanka's economic growth, we believe there is an opportunity to further enhance competitiveness and grow our international volumes through a more efficient excise tax rebate framework. This would support long-term pricing competitiveness, improve cash flow efficiency, and enable reinvestment towards export expansion.

We are committed to engaging in constructive dialogue with policymakers, advocating for a balanced approach that minimises unintended consequences while prioritising consumer safety through effective measures to limit the growth of the unregulated market.

STRATEGIC DEVELOPMENTS AND SUSTAINABILITY AGENDA

Building on the progress achieved in FY 2025, including category expansion and the commissioning of the Innovation Brewery, momentum was sustained across our strategic priorities. A continued focus on innovation and premiumisation remained central to this journey.

During the year, a series of new product launches across our Lion brand portfolio enabled us to further broaden and strengthen our offering. These initiatives not only enhanced the depth and diversity of our product range, but also reinforced our ability to respond to evolving consumer preferences and capture emerging growth opportunities within higher-value segments.

These efforts were recognised at the 2025 World Beer Awards, with Lion Stout being awarded World's Best Tropical Stout, and the Lion Lager being awarded the Silver in the Lager Light category.

We continued to strengthen our portfolio of businesses as a part of our strategy to create sustainable long-term value across the Group. Both Luxury Brands and Pubs 'N Places contributed positively to this agenda, broadening our presence in premium and lifestyle segments while complementing our core business and expanding our avenues for growth.

Sustainability remains woven into our strategic priorities, including across key areas such as food safety, environmental compliance, occupational health and safety, energy management, and information security, where Lion consistently upheld robust standards.

The impact of Cyclone Ditwah in late 2025 created significant disruption across Sri Lanka, affecting communities, infrastructure, and supply chains in several parts of the island. Despite these challenges, we demonstrated resilience through the swift mobilisation of our Lion Crisis Response Team, enabling the restoration of operations and stabilisation of supply chains within a short period.

FINANCIAL PERFORMANCE AND SHAREHOLDER RETURNS

For FY 2026, the Group generated revenue of Rs. 135.3 Bn. and a profit after tax of Rs. 11.2 Bn. CBH paid Rs. 106.1 Bn. in taxes to the Government, an increase of Rs. 7.8 Bn. compared to the previous year. Over the past decade, the Group has paid approximately half a trillion rupees in taxes, a significant contribution to national revenue that reflects the scale and responsibility of our operations.

Furthermore, the Group continued to provide shareholder returns with the Group declaring a dividend of Rs. 23.85 per share, compared to a dividend of Rs. 50.35 per share in the previous year.

BOARD TRANSITIONS AND ACKNOWLEDGEMENTS

I would like to extend my sincere gratitude to Chandima Gunawardena, who stepped down from the Board in March 2026. His expertise and guidance have been invaluable to our growth journey, and we wish him every success in his future endeavours.

I am also pleased to welcome Ranil Goonetilleke and Mahen De Saram as new Board members. Their extensive expertise, broad experience, and diverse perspectives, will play a pivotal role in shaping CBH's continued growth and strategic direction.

I extend my heartfelt gratitude to the entire CBH team for their unwavering commitment, resilience, and exceptional service to our customers throughout the year. These qualities are the cornerstone of our continued success and our ability to strengthen our brand proposition across our ventures.

I also extend my gratitude to our business partners, bankers, and suppliers, both Sri Lankan and international, for your unwavering support throughout the year.

I express my sincere gratitude to the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee, as well as my fellow Board Members, for their invaluable advice, rigorous oversight, and continued guidance. I look forward to our continued collaboration in upholding and advancing the Group's long-term success.

To our shareholders, your continued confidence and trust form the cornerstone of our commitment to sustainable, long-term value creation. We remain unwaveringly dedicated to honouring that trust.

Sincerely,

(Sgd.)
D A Cabraal
Chairman, Board of Directors

Ceylon Beverage Holdings PLC
Colombo
2 July 2026

CHIEF EXECUTIVE OFFICER'S REVIEW

> During the year, the Group continued to strengthen its strategic foundations, with businesses across the portfolio delivering growth through focused execution and disciplined expansion. By staying close to our consumers and investing in the capabilities of our people, we have reinforced our commitment to the 2030 Long-term Plan, ensuring the business remains well-positioned to deliver sustainable value.

SUSTAINED RESILIENCE: LEADING IN A COMPLEX AND CHALLENGING MARKET CONDITIONS

The Sri Lankan economy remained on a stable trajectory in 2025, expanding 5.0% year-over-year, supported by both the industrial and service sector performance, resulting in strong reserves. In the midst of this recovery, however, the beer industry continued to remain under pressure. The cumulative effect of multiple years of excise increases weighed heavily on affordability, with direct implications for consumption patterns.

Since 2023 to date, the industry faced four excise duty hikes, coupled with a further 3.0% increase in value added tax (VAT) during 2024. These price adjustments during the past few years have outpaced real income growth, directly impacting industry volumes.

As a result, the Group paid Rs. 68 Bn. to the Excise Department, and 106.1 Bn. in total taxes to the Government of Sri Lanka for the year ended 31 March 2026. While excise duties are a key revenue-generating mechanism for the Government, we continue to believe that a balanced approach is necessary to maintain consumer affordability. Moreover, the sharp increases in duties over the years have contributed to an expansion of unregulated and low-excise alternatives in the market.

We welcome the Government's move in 2024 to introduce a structured excise tax formula linked to average inflation, enhancing transparency and consistency, and support the Government to continue with an inflation-indexed regime sans multipliers.

We believe regulated accessibility is essential for countering the unregulated market and providing consumers with high-quality products. Furthermore, we believe that with the strong growth in tourism, liberalisation of trade licences should be considered, supported by a strong and transparent policy framework. This will in turn protect and guarantee future revenue streams of the Government, whilst assuring consumers legal and quality products.

During the latter part of the financial year, the cost base came under pressure due to the Middle East crisis, which drove up global fuel prices and freight costs. As a result, we implemented necessary contingency plans to address the uncertainty surrounding global supply chains. Amidst these industry conditions, CBH's performance remained resilient, generating an operating profit of Rs. 19.5 Bn., up 17.3% year-over-year.

PORTFOLIO EXPANSION: CONTINUED FOCUS ON INNOVATION

Our response to this environment was deliberate and consistent, and firmly driven by consumer expectations. We remained guided by our 2030 Long-term Plan and a clear set of priorities: stay close to the consumer, strengthen product quality, execute with discipline, and continue investing in the long-term development of our brands and ventures. These principles shaped our decisions throughout the year and ensured that short-term pressures did not compromise our long-term direction.

To this end, Lion's main production facility at Biyagama, supported by the Innovation Brewery commissioned in 2024, continued to expand its product portfolio. During the year, a number of new product launches were carried out, including Lion Trueborn, representing a key milestone in our premiumisation strategy.

Lion also expanded the Somersby portfolio with the addition of the mango-lime variant, whilst the Innovation Brewery continued to play a critical role in developing craft beer styles inspired by local ingredients.

Lion's draught beer strategy gained further momentum through expanded investments in outlets and dispensing systems, enhancing the consumer experience and increasing accessibility. At the same time, we developed new routes to market, particularly within social and event-based occasions.

INTERNATIONAL BUSINESS: GROWTH BUILT ON PARTNERSHIPS

Our international operations delivered a strong performance in FY 2026, providing an important source of growth and diversification and playing a critical role in balancing domestic volume pressures, while also strengthening our position as a competitive regional player.

International business volumes recorded double-digit growth, driven primarily by continued expansion in African markets, alongside stable contributions from the Middle East, which were affected towards the latter part of the financial year, and South Asia. Margin improvements were supported by both cost efficiencies and targeted pricing actions, reflecting a disciplined approach to managing international operations. Our strategy remains focused on a defined set of priority markets where we have established capabilities and clear growth potential. This outstanding performance enabled Lion to secure the Presidential Export Award in the Brewery category.

STRATEGIC GROWTH PLATFORMS: STRENGTHENING OUR VALUE PROPOSITION

Our extended businesses, Luxury Brands and Pubs 'N Places, also delivered strong growth during the year. Luxury Brands continued to strengthen its market leadership during the year, supported by increasing consumer demand for premium and internationally recognised brands. We further strengthened competitiveness and market penetration through strategic pricing, stronger outlet partnerships, and improved in-market execution.

Furthermore, Pubs 'N Places recorded a stronger performance during the year, driven by operational improvements, network optimisation, and targeted expansion initiatives. The expansion of the low-alcohol portfolio, supported by new product development, enabled the business to better align with evolving consumer preferences and broaden its customer base.

EFFICIENCY IN ACTION: DELIVERING SUSTAINED VALUE

Despite clear volume pressures, the business delivered results that reflect disciplined execution and strong operational control. Smart cost management is embedded in our day-to-day operations with a long-term view of building a sustainable business, including Kaizen practices which are included across the supply chain, driving continued improvement.

Focus on operational efficiency and building cash reserves continue to be a key focus for the Group. Our cost optimisation efforts were carried out through a combination of strategic sourcing, supplier diversification, and local capability development. These initiatives were implemented without compromising product quality, brand investments and our investments in people, reinforcing our approach to smart cost management as a driver of efficiency rather than a trade-off against standards.

This discipline ensured that while volumes were under pressure, the underlying strength of the business remained intact. It also created a stronger foundation for future growth, with structural improvements embedded across the supply chain.

RESILIENCE IN THE FACE OF DISRUPTION

The impact of Cyclone Ditwah in late November 2025 was a critical moment for the business. The scale of disruption across the country was significant, affecting communities, infrastructure, and supply chains simultaneously.

Our response demonstrated the strength of the systems and capabilities we have built over time. Lion's Crisis Response Team mobilised rapidly, drawing on established protocols to restore operations within a compressed timeframe. Production was reinstated efficiently, supply chains stabilised, and the business returned to full operational capacity within a matter of days.

Equally important was our response beyond the business. We supported employees impacted by the floods and contributed to recovery efforts within the surrounding communities. This approach reflects a broader philosophy that extends beyond operational continuity, recognising that resilience is not only measured by how quickly we recover, but also by how we support the ecosystems we operate within. We also supported customers who experienced damage to property and inventory.

Earlier in 2025 we conducted extensive long-run modelling of the impact of climate change and the Kelani river. We are currently executing an investment programme to further strengthen our flood defences and increase in-built redundancies to withstand extreme climate events based on 2050 scenarios.

OUR PEOPLE: THE STRENGTH OF CBH

The performance of the business during FY 2026 is closely linked to the strength and commitment of our people. In a year that required sustained focus and adaptability, the Group demonstrated a high level of alignment and execution.

As the country continues to face challenges in talent acquisition and retention across industries, CBH is committed to setting the benchmark for human resource practices. To this end, we strengthened our approach to talent development through the introduction of structured learning and leadership programmes. The Learning Framework, supported by our Learning Management System and external partnerships, provides a clear pathway for capability

development across all levels of the Group. Furthermore, we also enhanced our employee value proposition through improved benefits, greater flexibility, and expanded support systems. These initiatives are part of a broader effort to build a workplace that supports individuals across different stages of their careers and lives.

SUSTAINABILITY: BUILDING FOR GENERATIONS

Sustainability remains integrated into our operating model, with continued progress across multiple focus areas, with several initiatives advanced through Lion. Its waste-to-value initiatives were scaled further, with by-products repurposed into commercially viable outputs and circular systems strengthened across packaging.

Lion's wastewater methane recovery facility to power the boilers is now fully operational, reducing our dependency on furnace oil. Investments in infrastructure, including the development of our first Green Logistics Hub, reflects a forward-looking approach to operational efficiency and environmental responsibility. Our safety performance also remained strong, with continued adherence to high standards across operations.

These efforts are not standalone initiatives. They form part of a broader commitment to building a business that is sustainable, efficient, and aligned with long-term stakeholder expectations. Additionally, Lion's practices continued to be supported by internationally recognised ISO certifications, reinforcing a strong and disciplined approach to operational excellence and governance.

LOOKING FORWARD

As we look ahead to FY 2027, the external environment remains complex. Consumer affordability, regulatory dynamics, and broader economic conditions will continue to shape our operating landscape. Additionally, the ongoing Middle East conflict adds further complexity to supply chain stability and our operations in the region impacting the cost base.

However, we enter the new year with confidence grounded in clear fundamentals. While we continue to actively monitor and appropriately respond to external factors, our innovation pipeline continues to be strong, and we are committed to actively growing both our local and international businesses, while strengthening our operational capabilities through targeted investments. Our efforts will also be focused on developing and expanding adjacent categories and producing global brands locally at Lion, while strengthening our retail-focused businesses. Furthermore, the progress made across people, systems, and infrastructure is beginning to deliver compounding benefits.

Our focus remains consistent. Drive sustainable growth, strengthen the category, and create long-term value for all stakeholders.

ACKNOWLEDGEMENTS

My deepest gratitude to the Chairman and our Board of Directors for their consistent counsel, strategic clarity, and unwavering confidence throughout the year. Your guidance has been indispensable, and your steadiness in the face of uncertainty has been a source of genuine strength for the entire organisation.

To our partners across Sri Lanka and internationally, you are at the frontlines of what we do, and your commitment is what makes our strategy real every single day. I would also like to acknowledge our suppliers, both local and international, for their consistent support which has been instrumental in ensuring continuity of supply and the smooth operation of our business.

Most importantly, I acknowledge the contribution of the CBH team. Their efforts throughout the year have been central to the progress we have achieved.

To our shareholders, we remain committed to delivering sustainable, long-term value and navigating the future with clarity and confidence.

Sincerely,

(Sgd.)
R H Meewakkala
Director/Chief Executive Officer

2 July 2026

BOARD PROFILES

AMAL CABRAAL

Chairman
Non-Executive Director

Amal Cabraal is an accomplished business leader with over four decades of management experience in both local and international markets. He currently serves as the Chairman of Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, Sunshine Holdings PLC, Silvermill Investment Holdings (Pvt) Ltd, and CIC Feeds Group of Companies. In addition to his numerous leadership roles, he also serves as a Non-Executive Director of John Keells Holdings PLC and is a business advisor to several other companies.

Previously, he served as the Chairman and Chief Executive Officer of Unilever Sri Lanka, where he gained extensive knowledge and expertise in the consumer goods industry. He has also completed the stipulated maximum nine year tenure as a Non-Executive Director of Hatton National Bank PLC, providing him with deep insights into the banking sector.

He is a member of the Colombo Port City Economic Commission and a member of the Board of the Ceylon Chamber of Commerce and serves on the Management Committee of the Mercantile Services Provident Society. He is also a member of the Ethics Committee of the Central Bank of Sri Lanka and a member of the Corporate Governance Committee of the Institute of Chartered Accountants of Sri Lanka. As a marketer by profession and a Fellow of the Chartered Institute of Marketing- UK, he brings a wealth of marketing and branding expertise to his leadership roles. He holds an MBA from the University of Colombo and is an executive education alumnus of INSEAD-France.

HARI SELVANATHAN

Deputy Chairman
Non-Executive Director

Hari Selvanathan is the Chairman of Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman/Group Chief Executive Officer of Goodhope Asia Holdings Ltd., Singapore.

He is the President Commissioner of the palm oil related companies in Indonesia, and Director of Sri Krishna Corporation (Private) Limited.

He was the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He holds a Bachelor's Degree in Commerce.

MANO SELVANATHAN

Non-Executive Director

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited and Selinsing Limited. He is a Director of most of the Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia and Singapore and is an active Member of its Executive Management Forums.

He has served as the Chairman of the Ceylon Chamber of Commerce and The Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. At present, he is the Honorary Consul of the Republic of Chile in Sri Lanka.

Mano was conferred the National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

In January 2011, he was awarded with the prestigious "PRAVASI BHARATIYA SAMMAN AWARD" by the President of India. He also received the Presidential Honour of "ORDER OF KNIGHT COMMANDER" in October 2013 awarded by the Government of Chile.

He holds a Bachelor's Degree in Commerce.

RAJIV MEEWAKKALA

Director/CEO
Executive Director

Rajiv Meewakkala brings extensive management experience across both private and public sector organisations, with core expertise in marketing and general management.

His career commenced in the private sector, working for a multinational group for 19 years, post which, he led three large state sector businesses in retail, construction and banking. In the private sector, Rajiv was the Marketing Director of Ceylon Tobacco Company (fully owned subsidiary of British American Tobacco – BAT) where he managed a diverse brand portfolio.

His responsibilities included building both global and local brands by strengthening brand values through targeted communication, innovation in product and packaging whilst being responsible for the trade marketing and sales function. He was a member of the South Asia Marketing Leadership team of BAT, and was also Head of Brand Marketing for BAT Cambodia and Laos. Post BAT, Rajiv worked as a Brand Consultant with Interbrand, a global brand consultancy group. He also had a short work tenure in the Public Sector.

Rajiv holds a PhD (Management) from the University of Honolulu, MSc in International Marketing from the University of Strathclyde (Glasgow) and a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

BOARD PROFILES

STEFANO CLINI
Non-Executive Director

Stefano Clini is the Managing Director of Carlsberg Brewery Malaysia Berhad. He is a Director on the Board of Carlsberg Marketing Sdn. Bhd. and Carlsberg Singapore Pte. Ltd., both are wholly owned subsidiaries of Carlsberg Brewery Malaysia Berhad.

Stefano also serves on the Board of Maybev Pte. Ltd. (a 51% owned subsidiary of Carlsberg Singapore Pte. Ltd.), Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC. He is also a member of the Governing Council of the Confederation of Malaysian Brewers Berhad.

AJAY BALIGA
Independent Non-Executive Director

Ajay B Baliga has over 42 years of experience in the Alcobev space in various roles with different companies, starting from factory management and production control to end-to-end global supply solutions. A Chemical Engineer by qualification, he was an Executive Director for Allied Blenders and Distillers Private Ltd., a manufacturer & marketer of spirits brands based in Mumbai, India, till January 2020. Before this, he served as the Global Supply Director – Mainstream Spirits for Diageo, the global leader in beverage alcohol. He has in the past worked for United Spirits Limited (USL) and Shaw Wallace & Company Ltd., both in Executive and Senior Management roles.

He served on the Executive Committee of United Spirits Ltd., India's largest alcobev manufacturer, and a Diageo Group Company, and thereafter on the Global Supply Executive Committee of Diageo PLC.

His areas of expertise lie in Corporate & Business Strategy, Governance, General Management, Projects & Acquisitions, Procurement & Sourcing, Supply & Planning, Regulatory & Compliance, Innovation & Product Development, Technical & Operations Excellence within the Indian and global space. His long years of association with the Indian alcobev space lends to his extensive knowledge, interest & insights on trends, consumer behaviour, market dynamics & regulatory framework for market penetration & development.

Presently, Ajay also serves as a Director on the Board of the following publicly listed & unlisted companies and a few Committees of the Board:

- EID Parry (India) Ltd., India: Independent Non-Executive Director
- Ramco Industries Ltd., India: Independent Non-Executive Director
- The Ramco Cements Ltd., India: Independent Non-Executive Director
- Lion Brewery (Ceylon) PLC, Sri Lanka: Independent Non-Executive Director
- Parry Sugar Refinery India Pvt. Ltd., India: Independent Non-Executive Director
- Ceylon Beverage Holdings PLC, Sri Lanka: Independent Non-Executive Director

JONATHAN ALLES
Independent Non-Executive Director

Jonathan Alles was the Managing Director/ Chief Executive Officer of Hatton National Bank PLC, one of Sri Lanka's largest private sector banks. He counts over 37 years of banking experience, having served several international banks including the National Bank of Abu-Dhabi, Saudi British Bank-Riyadh, British Bank of the Middle East and HSBC, Dubai and Colombo, before taking on the reins at HNB.

He served on many Boards within the HNB Group as well as in the Banking Industry. He was a Director of the Sri Lanka Banks Association (SLBA) and was its Chairman from 2014 to 2016. In 2018, he was elected Chairman of Asian Bankers Association, a position he held for 3 years and was a member of its Board of Directors and also served as the Chairman of the Advisory Committee.

He is an Independent Non-Executive Director of Ceylon Beverage Holdings PLC, Lion Brewery (Ceylon) PLC, Hayleys PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC, Vallibel One PLC, Alumex PLC, United Motors Lanka PLC, New Wave Consultants Pvt Ltd, DHT Cement (Pvt) Ltd and LAUGFS Holdings Ltd. Jonathan is a Non-Independent Non-Executive Director at Singer Finance (Lanka) PLC.

He holds a First Class MBA in Finance from the University of Stirling, UK. He is an Associate Member of the Institute of Bankers of Sri Lanka (AIB).

SAKTHA AMARATUNGA
Independent Non-Executive Director

Saktha Amaratunga is an Independent Non-Executive Director of Bukit Darah PLC, Carson Cumberbatch PLC and in several companies of the Carson Cumberbatch Group, Chairman – Audit Committees of the Carson Cumberbatch Group and is also a Commissioner of PT Agro Indomas Indonesia, a subsidiary of the Carson Cumberbatch Group. He is also an Audit Committee Member of MAS Holdings Ltd.

Previously, Regional Audit Controller (Asia Pacific) for British American Tobacco, he has more than 20 years' experience with British American Tobacco, having performed senior finance roles for the Group in Sri Lanka and the United Kingdom, and also being the Finance Director of British American Tobacco Operations in the Czech Republic, Sri Lanka, Switzerland, Japan and Malaysia (IT Shared Services Organisation). He was also an Independent Non-Executive Director and Chair of the Audit Committee at Hemas Holdings.

Saktha has many years of experience in Strategy Development, Business Restructuring, Risk and Governance, International Finance and People Development. He is a Fellow Member of the Chartered Accountants of Sri Lanka, Associate Member of the Chartered Institute of Management Accountants, UK and also a Member of CPA Australia.

BOARD PROFILES

RANIL GOONETILLEKE

Non-Executive Director
(Appointed w.e.f. 1 April 2026)

Ranil Goonetilleke (FCMA), is a fellow member of the Chartered Institute of Management Accountants UK (CIMA). He began his career at KPMG Sri Lanka, and thereafter joined Haycarb PLC to its Finance Division and progressed to be its Divisional Manager – Finance. Subsequent to his employment at Haycarb, in 1998, he joined Ceylon Brewery PLC as its Financial Controller and in April 2004 was appointed Director Finance Lion Brewery (Ceylon) PLC which post he held until his retirement in December 2023.

Currently he is a Non-Executive Director of Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, Pegasus Hotels of Ceylon PLC and Carsons Management Services (Private) Limited, whilst he serves as a Independent Non-Executive Director of Namunukula Plantations PLC, Ceylinco Holdings PLC and National Savings Bank. He also serves in their various governance committees including audit, risk and related party.

He is a Board Member of the National Council for Child & Youth Welfare, a charity organisation providing shelter and care to destitute children through their 6 care centres located islandwide. He is the immediate past Chairman of the Exporters Association of Sri Lanka of the Ceylon Chamber of Commerce.

Ranil has undergone executive training both locally and overseas in varied general management topics including Strategic Cost Management at INSEAD France and Formulating and Actioning Strategy, at the Wharton University, Philadelphia.

MAHEN DE SARAM

Independent Non-Executive Director
(Appointed w.e.f. 1 April 2026)

Mahen De Saram is an experienced professional with over 30 years of extensive experience in the corporate sector both locally and internationally. He commenced his professional career at Messrs Ernst & Young Chartered Accountants in Sri Lanka prior to joining the multinational British American Tobacco (BAT) Group of Companies. During his extensive career with BAT, he held a range of senior finance leadership roles across numerous BAT Group entities in Sri Lanka, Vietnam, Papua New Guinea, and Australia where he played a pivotal role in developing and driving strategic objectives, delivering commercial value, ensuring fit for purpose governance and the adoption of transformative practices as the Group undertook a comprehensive change of its operating model.

He currently serves as the Group Finance Director of the CBL Group of Companies. He is also a member of the Board of Directors of Central Finance Company PLC. Prior to joining the CBL Group, He served as Group Chief Financial Officer of an Australian-based group of companies engaged in construction, property development, and property management headquartered in Sydney.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (ICASL), a member of the Chartered Institute of Management Accountants (CIMA), UK, and a member of CPA Australia. He also holds a Master of Business Administration from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura.

CHANDIMA GUNAWARDENA

Non-Executive Director
(Resigned w.e.f. 31 March 2026)

Chandima Gunawardena currently serves as a Non-Independent, Non-Executive Director of Bukit Darah PLC, having joined the Group Directorate in 1990. During his tenure at Carson's Group, he has served on the Boards of most of its subsidiaries in Sri Lanka and overseas and continues to serve on some of the subsidiary Boards as of date.

Chandima has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

EXECUTIVE MANAGEMENT TEAM



Back row Left to Right

Chathura Dissanayake – Chief Supply Chain Officer **Channa Senarathne** – Chief Corporate & Regulatory Affairs Officer
Madhushanka Ranatunga – Chief Sales and Marketing Officer **Ruwandhi Thanthrige** – Senior Vice President Legal
Jehan Goonaratne – Chief Financial Officer **Eshantha Salgado** – Chief Sustainability Officer
Niranjan Perera – Chief People Officer **Nishantha Hulangamuwa** – Chief International Business Officer

Front row Left to Right

Shaminda Samaraweera – Chief Officer Spirits & Luxury Brands Business **Rajiv Meewakkala** – Chief Executive Officer

CBH'S VALUE CREATION MODEL

OPERATING ENVIRONMENT

RISK & OPPORTUNITY

ENVIRONMENTAL



SOCIAL



THE CAPITALS WE DEPLOY

Financial Capital

- Equity capital and retained earnings
- Debt funding and access to credit facilities
- Strong cash flow generation and liquidity management
- Capital allocation towards capacity expansion, innovation, and sustainability investments
- Investment in outlet expansion and new business formats
- Financial discipline and cost optimisation frameworks

Manufactured Capital

- State-of-the-art brewing and packaging facility
- Warehousing and logistics infrastructure
- Returnable packaging systems (glass bottles, crates, kegs)
- Route-to-market and distribution systems
- Waste to value systems
- Safety culture

Human Capital

- Skilled brewmasters and technical specialists
- Leadership and management expertise
- Continuous learning, training, and capability development programmes
- Wellness and wellbeing initiatives

Intellectual Capital

- Strong portfolio of brands and trademarks
- Brewing expertise and proprietary know-how
- Innovation platforms (e.g., Innovation Brewery, NPD processes)
- Franchise model and operating know-how (Pubs 'N Places)
- Consumer insights and market intelligence
- Data analytics and digital sales systems (SKU-level tracking, route optimisation)
- Process standards
- Brand-building strategies

Social and Relationship Capital

- Product quality and responsible engagement
- Collaborative supplier relationships across local and global networks
- Relationships with franchise partners, retailers, hotels, restaurants, and venue operators
- Engagement with communities in areas of operation, including environmental and social initiatives
- Partnerships with likeminded conservation based organisations

Natural Capital

- Water resources, managed through responsible use and stewardship practices
- Energy inputs, including a growing share of renewable energy (solar, biogas)
- Operational practices and technologies focused on energy optimisation and emissions reduction
- Strategic partnerships with industry, academia, and environmental organisations to advance sustainability outcomes

VALUE CREATION

Strategic Pillars

- Building a segmented and differentiated
- Brand portfolio to drive premiumisation
- Drive international business
- Strengthening adjacent businesses for growth and brand recognition
- Build an innovative value chain
- Cost optimisation and cash release

CBH'S VALUE CREATION MODEL

SUSTAINABILITY

GOVERNANCE

Enablers

- People and talent
- Sustainability
- Digitalisation
- Corporate reputation

OUR VALUE DELIVERED

Financial Capital

- Sustainable profitability and margin growth
- Diversified revenue streams
- Strong cash flow generation and capital efficiency
- Consistent dividend returns to shareholders
- Long-term value creation and capital appreciation

Manufactured Capital

- High-quality, consistent product output
- Optimised distribution and route-to-market performance
- Reduced operational costs through efficiency and asset optimisation
- Agility and customer centricity
- Cleaner and value added outcomes
- Enhanced duty of care

Human Capital

- Growth in knowledge and expertise leading to excellence in delivery
- Strong organisational culture aligned to The Lion Way
- Career progression and an engaged work force
- Motivated work force

Intellectual Capital

- Strong brand equity and differentiated market positioning
- Continuous product innovation and portfolio expansion
- Enhanced market knowledge and consumer insights
- Data-driven decision-making and consumer insights
- Consistent delivery on customer expectations
- Development of new business models and formats

Social and Relationship Capital

- Consumer trust and enhanced brand loyalty
- Responsible consumption advocacy
- Sustainable procurement through strengthened governance
- Added value to communities we operate in

Natural Capital

- Responsible water use and strengthened water stewardship
- Improved energy indices and reduced GHG intensity
- Strengthened ecosystems

OUR APPROACH TO SUSTAINABILITY

At CBH, sustainability is embedded within the framework of Environmental, Social, and Governance (ESG) principles and is recognised as a key enabler of the value chain strategy.

GOVERNANCE AND OVERSIGHT STRUCTURE

GRI: 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-22, 2-23, 2-24

The Group's sustainability efforts are guided by a dedicated ESG Committee comprising 13 members including 11 Executive Management Team (EXCO) members. This structure ensures strong alignment with operational priorities. The Committee also includes one non-EXCO Board representative, providing strategic oversight while maintaining execution agility. This structure reflects an internal commitment to ESG, embedded within the highest levels of management.

Chaired by the CEO and operating under a formal Charter, the ESG Committee convened four times during the year under review. The Committee oversees the setting of ESG targets, ensuring alignment with strategic priorities, and monitors progress against established performance indicators. Where appropriate, ESG-related performance measures are incorporated into management performance evaluations and remuneration structures to reinforce accountability.

The Committee also oversees the integration of climate-related risks and opportunities into its evaluation of major transactions and risk management processes by assessing their financial, operational, and strategic implications. With input from the Chief Financial Officer (CFO), the Committee evaluates key trade-offs, including short-term costs versus long-term resilience and value creation. These considerations are embedded within risk management frameworks and policies to support balanced decision-making and alignment between sustainability objectives and business performance.

Execution responsibility for ESG-related initiatives is delegated to the Chief Sustainability Officer (CSO), who serves as the management-level lead for climate and broader ESG initiatives. The CSO works closely with Heads of Departments and their respective teams, while the ESG Committee retains operational level oversight through regular reporting and performance reviews.

Management applies established controls, including KPI monitoring and risk assessments, integrated into existing functions such as risk management, finance, and operations to ensure effective oversight of climate-related risks and opportunities. Board-level oversight of risks and opportunities is exercised through both the Audit Committee and the Board of Directors. During the year, the Audit Committee received bi-annual updates on key sustainability-related risks and opportunities, while the Board was updated on three occasions.

In addition, a special Board meeting was convened following Cyclone Ditwah to appraise Directors on the impact of the incident and obtain approval for the proposed response and related resource allocations. The Group's sustainability budget was reviewed and endorsed by the ESG Committee, including the Chief Financial Officer, prior to its integration into the annual budget submitted for Board approval.

Roles, responsibilities and capability

BOARD OF DIRECTORS

The Board is committed to upholding high standards of ethics and corporate conduct, ensuring that robust governance practices underpin all aspects of CBH's operations. This includes setting strategic direction and undertaking periodic reviews, as well as identifying and managing principal risks and opportunities. The Board also reviews the adequacy and integrity of its internal control systems, while ensuring appropriate financial planning and reporting frameworks are in place. In fulfilling its accountability to shareholders, governance practices are regularly evaluated and refined to remain effective and responsive to evolving requirements.

AUDIT COMMITTEE

The Committee ensures that a robust internal audit function is in place to support the effective review of internal controls, compliance, and governance processes. It also oversees the assessment of key business risks and opportunities and exercises due diligence in safeguarding the integrity of the Group's financial statements, performance-related disclosures, and compliance monitoring and reporting mechanisms.

ESG COMMITTEE

The ESG Committee is responsible for reviewing the Group's strategy in relation to ESG matters, and for considering and recommending ESG-related policies, practices, and disclosures that align with the overall business strategy while mitigating emerging ESG concerns which may impact the Group's operations, performance, or public image, and are pertinent to its stakeholders. In addition, it reviews and assesses its charter on an annual basis, recommending changes where necessary, and undertakes such other duties and responsibilities as may be assigned by the Board of Directors and the Audit Committee from time to time in relation to ESG matters.

Skills and experience: Board of Directors and the ESG Committee

Skill type	Skill and experience – Board	Skill and experience – ESG Committee	Description	Relevance to entity
Manufacturing and Supply Chain Operations	1 4 4	3 8 1	Experience in the management of FMCG manufacturing operations	Provides insight towards driving operational excellence
Consumer Sales and Marketing	3 2 4	5 6 1	Experience in FMCG Sales, marketing, brand building with emphasis on the alcobev industry	Provides local and global best practices towards brand building and driving customer centricity
Financial Expertise	3 4 2	3 6 3	Experience in corporate finance	Ensure financial acumen is deployed towards driving profitability and financial resilience
Governance and Risk Management	3 4 2	5 6 1	Experience in local company law and the functions of audit and compliance	Ensure due oversight towards compliance and due diligence in operations and investments
ESG and Sustainability	6 3	2 9 1	Experience in the role of sustainability and ESG	Supporting the use of ESG as a lever in compliance and building of the corporate brand
Human Capital Management	2 5 2	3 9	Experience in managing teams and driving corporate culture	Ensuring proper succession and resource planning towards driving the employer brand
Digitisation	4 5	7 5	Experience and/or exposure to best practice in Cyber Security and digitisation initiatives at organisational level	Support the digitisation journey towards driving efficiency, data-driven analytics and integrity of information

Knowledge and working experience as Functional Lead

Knowledge and Experience as part of an Executive Management Team

Awareness

Operationalisation of policies and standards

CBH has implemented a comprehensive suite of policies that guide the operations and reflect its commitment to strong governance, transparency, and responsible business practices (refer page 94 for further details). They are publicly accessible through the Group's website and are subject to periodic review to ensure their continued relevance, adequacy, and effectiveness.

As part of its broader ESG approach, these policies are reinforced through standard operating procedures (SOPs), robust risk management practices, and a clearly defined governance structure.

Together, these elements support compliance with applicable country laws and regulations while aligning operations with internationally recognised standards and best practices.

In addition, Lion maintains certification to a range of globally recognised management systems and sector-specific standards, including:

- ISO 22000:2018 for Food Safety Management System
- ISO 14001:2015 for Environment Management System
- ISO 45001:2018 for Occupational Health and Safety Management System
- ISO 50001:2018 for Energy Management System
- ISO 27001:2022 for Information Security Management System

ENTERPRISE RISK AND OPPORTUNITY MANAGEMENT

GRI: 2-16, 2-29, 3-1, 3-2, 3-3, 201-2, 207-1, 207-2, 207-3

This forms a fundamental component of the Group's broader governance framework, supporting operational stability, business continuity, and the delivery of sustained stakeholder value.

OUR APPROACH TO SUSTAINABILITY

The Group's approach is embedded across the organisation and is designed to identify, assess, monitor, and respond to key risks and opportunities that may influence business performance, reputation, and long-term growth. Closely aligned with strategic priorities, the framework enables continued awareness within a dynamic operating landscape, ensuring a forward-looking response to emerging business challenges while retaining the flexibility to pursue new opportunities.

Strong emphasis is placed on safeguarding brand equity, recognised as a critical asset, through the integration of risk awareness and accountability into day-to-day operations. By cultivating an environment that supports early identification of risks, CBH continues to enhance its ability to manage uncertainty, enhance decision-making, and uphold the confidence of all its stakeholders.

CBH identifies, evaluates, and manages risks through an integrated Enterprise Risk Management (ERM) framework. This is applied consistently across the organisation and is aligned to the Group's risk assessment methodology and governance structure.

Sustainability-related risks and opportunities, including climate-related matters, are embedded within the Group's broader risk governance structure rather than being managed in isolation. This ensures that climate considerations are evaluated alongside strategic, operational, financial, and compliance-related risks.

Identification and evaluation of risks

CBH's risk management framework is supported by a structured set of inputs and parameters that enable consistent risk identification and evaluation across the organisation.

Key inputs include financial and operational data, internal risk registers and asset-level assessments, industry and market developments, regulatory and compliance updates, stakeholder feedback, and sustainability-related performance indicators relating to environmental and operational metrics.

These inputs are assessed across defined risk categories that form the foundation for how risks are identified, assessed, and managed, ensuring that risks are systematically integrated into enterprise-wide risk processes.

Stakeholder group	Medium of engagement	Key concerns raised by Stakeholders	Our response
Shareholders	• Annual General Meeting • Annual Report • Quarterly results via CSE • Response to queries • Website and digital communication	• Sustaining cash flow generation across both domestic and export operations remains challenging amid rising cost pressures from excise duty increases, escalating raw material prices, and currency fluctuations. This, in turn, constrains the Group's capacity to reinvest in growth initiatives and deliver returns to shareholders	• Continue emphasis on operational efficiency, innovation, and cost optimisation, supported by disciplined risk management and robust governance practices, to drive sustainable value creation • Engaged in multiple sourcing options to mitigate material and finished product availability risks, both for the domestic market and the international business operations
Regulators	• Regulatory reporting • Participation in business forums • Annual report • Website and corporate digital communications	• Regulatory-related revenue • Effectiveness of governance structures	• Continue to adhere to regulatory compliance requirements • Request the authorities to facilitate the ease of doing business while also supporting development of export market potential, which is supportive of revenue to government
Business Partners	• Business discussions • Annual Report • Quarterly results via CSE • Website and corporate digital communications	• Growth opportunities within the prevailing macroeconomic environment	• Continue to work collaboratively with business partners to reinforce the business model, driving business continuity and sustainable value creation

OUR APPROACH TO SUSTAINABILITY

Stakeholder group	Medium of engagement	Key concerns raised by Stakeholders	Our response
Vendors and Service Providers	• Annual supplier audits • Service Provider Summit • Onboarding training (as needed) • EHS training (as needed)	• Consistency in order volumes • Opportunities for business expansion • Ongoing cost pressures across the supplier base • Timely payments to support supplier cash flow management	• Build and sustain strong vendor partnerships • Facilitate knowledge sharing to drive efficiency, cost optimisation and improved recycling and reuse initiatives • Refer "Social and Relationship Capital" on page 62.
Customers and Consumers	• Market feedback • Product labels • Consumer feedback and complaints mechanism • Website and corporate digital communications	• Pricing that supports affordability • Availability of technical and product safety information • Transparent terms and conditions of sale • Expanded product choice and value offerings	• Continue to innovate product offerings towards a wider choice while maintaining product quality and standards • Refer "Social and Relationship Capital" on page 62.
Employees	• Annual performance appraisal • Periodic internal and external surveys • People Connect • CEO Connect (for relevant subsidiaries) • Coffee with CEO (for relevant subsidiaries) • Training and development activities • Wellness, sports, recreation, cultural activities and staff recognition events • Formal internal comms groups which operate via email and WhatsApp • Website and corporate digital communication	• Equitable pay, benefits and development opportunities • Remuneration aligned with cost-of-living pressures • Safe and healthy work environment • Long-term career progression	• Continue to cultivate an empowering workplace that supports employees and their dependents, while enabling continuous personal and professional growth • Refer "Human Capital" on page 68.

The direct manufacturing-related ISO standards of Lion are managed through an integrated management system and provide a structured framework for governance. This enables operational synergies, while fostering a more cross-functional approach to problem-solving and continuous improvement. Risks and opportunities that exceed the control capability of the operational-level system, are escalated to the ESG Committee.

Each identified risk is evaluated based on its potential impact and likelihood of occurrence, enabling a clear understanding of its significance. The likelihood assessment may draw on historical incident data, current trends, and, where available, qualitative forecasting information. The magnitude of the impact is assessed across operational, environmental, and reputational dimensions, incorporating quantitative estimates where feasible, together with the potential cumulative financial implications on cash flow, access to finance, and cost of capital. Through this prioritisation process, attention and resources are directed towards the most critical areas. This structured assessment supports timely and informed responses, enhancing the organisation's ability to address risks at an early stage and reduce the likelihood of material impact on the business.

Monitoring and reporting

As part of its continuous improvement approach, CBH reviews and updates its material topics every two years, or earlier where necessary. These assessments are subsequently reviewed and validated by the ESG Committee, Audit Committee, and Board in the context of their potential impact on the Group's long-term plan. This process facilitates effective oversight while enabling the approval of resources required to support the growth strategy, financial stability and long-term business continuity. Approved actions are communicated to the relevant functional heads through meeting minutes issued by the Board Secretaries. These actions, in turn form the basis for implementation and for updating existing registers, SOPs, and Policies.

The materiality assessment for FY 2026 was conducted by a cross-functional team. The impacts of adverse weather events were being considered under the material topic of "Climate Change" while the topics of "Sustainable Packaging" and "Waste Management and Circularity" were consolidated as "Resource Utilisation and Circularity", reflecting the commonalities and synergies in their management approach.

As part of its ongoing sustainability reporting journey, CBH continues to strengthen the integration of climate-related risks into its risk management processes. The Group is progressively enhancing its assessment capabilities through improved data quality and stronger linkage to financial and operational outcomes. Going forward, CBH aims to further embed climate-related considerations into decision-making processes and provide more comprehensive disclosures, including clearer visibility of financial impacts and value chain exposures.

Mitigation strategies for identified risks

Risk responses are designed to avoid, minimise, transfer, or, where appropriate, accept identified exposures. These measures may involve enhancing operational processes, reinforcing financial controls, or implementing targeted strategic initiatives to reduce potential impact. By embedding risk considerations into routine decision-making, alignment is maintained with defined risk appetite and overarching business objectives. This proactive approach supports effective management of uncertainty while preserving the flexibility required to respond to emerging opportunities.

To support effective implementation, risk management and sustainability awareness are embedded across the organisation. Training on sustainability-related risks and processes is provided through induction programmes and targeted sessions, with 99.0% of personnel having undergone such training. The ESG Committee, Audit Committee, and the Board have also been updated on the requirements of the SLFRS S1 and SLFRS S2 standards, while personnel directly involved in disclosures have participated in external seminars and gap audit discussions to facilitate knowledge transfer.

The Group adopts a structured approach to risk management, distinguishing between principal business risks and material topics that carry a stronger ESG dimension. The sections below outline the key business risks that may impact operations and performance, while materialities from an ESG perspective and Climate-Related Risks and Opportunities (CRROs) are addressed thereafter (page 35).

KEY BUSINESS RISKS

Risk	Impact	Mitigation strategies
Global developments and supply chain instability	Global developments, including geopolitical tensions, public health crises, natural disasters, economic instability, and regulatory changes, may affect the timely availability of critical raw materials and packaging inputs. Given the Group's reliance on international suppliers, such disruptions may result in extended lead times, interruptions to production schedules, and increased input costs, including freight and material price volatility. These factors may place pressure on operational continuity and margins, with consequent implications for profitability.	The Group continues to strengthen supply chain resilience through a diversified sourcing strategy, supported by established relationships with suppliers across multiple regions. Ongoing monitoring of global developments enables early identification of potential disruptions and timely response. Strategic inventory buffers are maintained where appropriate to manage supply uncertainty, while efforts to expand the local supplier base are being pursued to reduce reliance on imports and enhance long-term cost stability and local value addition.

Risk	Impact	Mitigation strategies
Domestic market conditions and economic risks	Heightened volatility in the macroeconomic environment in Sri Lanka may result in increased input costs and shifts in consumer spending behaviour. Rising living expenses and higher indirect taxation can place pressure on disposable income, with potential implications for demand levels. These conditions may, in turn, affect profitability and market share.	Macroeconomic conditions are closely monitored to enable timely adjustments to pricing strategies in response to prevailing market dynamics. At the same time, ongoing operational efficiency initiatives, support effective cost management and help sustain margins. CBH also continues to align its product and service portfolio with evolving consumer purchasing patterns, ensuring that its offerings remain relevant and competitive in a changing environment.
Taxation framework and tariff exposure	Changes in import tariffs and cross-border taxation policies across key international markets may impact pricing competitiveness, cost structures, and demand for export products. Increases in tariffs or shifts in trade policies can raise landed costs, compress margins, and affect market access in certain jurisdictions. These dynamics may also introduce volatility in demand and impact the Group's ability to sustain growth across its international portfolio.	The Group continues to monitor global trade developments and engage with relevant stakeholders to anticipate and respond to changes in tariff regimes. The export portfolio of its brewery operations spans 18 markets across three key geographic regions, providing a diversified revenue base. This breadth of exposure is being developed to reduce reliance on any single market and also helps mitigate the impact of changes in taxation or tariff regimes within individual jurisdictions. In parallel, the Group continues to manage its production cost base through ongoing efficiency initiatives, while also exploring alternative manufacturing locations to enhance flexibility and competitiveness in different markets.
Changes to policies and regulatory frameworks	Frequent changes in policies and regulatory frameworks, together with increasing complexity in compliance requirements, may adversely affect the ease of doing business. This may impact the predictability of the operating environment, delay investment planning, and extend the payback period of capital investments. In certain instances, they may also affect business continuity and long-term value realisation from strategic investments.	CBH maintains active monitoring of policy and regulatory developments to ensure early awareness of potential changes and their implications. The Group also participates in relevant industry and technical forums to contribute constructively towards the development of balanced, practical, and predictable policy frameworks that support both industry sustainability and Government objectives.
Evolving consumer preferences and competitive market dynamics	Shifts in consumer preferences, including increasing demand for premium, low-alcohol, and non-alcoholic products, may impact the Group's ability to remain competitive across regulated markets. Failure to respond effectively could result in loss of market presence, reduced brand relevance, and slower revenue growth in both existing and new markets.	The Group continues to invest in innovation, portfolio expansion, and product diversification to meet evolving consumer needs. A focused premiumisation strategy is pursued to cater to aspirational consumption trends, while the development of low-alcohol offerings enables participation in markets where such segments are growing. These initiatives are supported by ongoing market insights and agile route-to-market strategies to enhance competitiveness.

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Risk	Impact	Mitigation strategies
	Inability to maintain consistent service quality across the retail and pub operations, whether in customer engagement, product presentation, or overall experience may also impact brand perception and customer loyalty.	At the retail and service touchpoints, CBH focuses on standardised operating procedures, continuous staff training, and regular audits to ensure service excellence is upheld across all locations.
Strategic implementation risk	Challenges in executing planned growth initiatives may arise from delays, resource constraints, or insufficient alignment across business units. Such factors can limit the effective delivery of strategic priorities, resulting in missed opportunities, reduced operational efficiency, and weaker financial outcomes. Over time, this may also affect reputation and erode stakeholder confidence.	This risk is addressed through the promotion of a culture which emphasises continuous improvement, innovation, and accountability across the organisation. Investments are directed towards product development and market expansion, alongside focused efforts to attract, develop, and retain the talent required to deliver on strategic priorities. Clarity in the articulation of strategy is reinforced through well-defined roles and responsibilities, aligned performance indicators, and structured reward and recognition frameworks. These mechanisms support a strong sense of ownership while encouraging accountability at both individual and team levels.
Financial stability and risk management	Exposure to fluctuations in foreign exchange rates, particularly in relation to imports of raw materials, packaging materials, imported spirits, and capital equipment, may have a direct impact on cost structures and margin performance. Variability in interest rates can also influence borrowing costs and affect the viability of future investment decisions. In addition, periods of constrained liquidity, especially during broader economic downturns, may limit the Group's ability to meet short-term financial obligations or pursue strategic growth initiatives in a timely manner.	CBH adopts a disciplined approach to financial management, supported by structured planning and continuous monitoring of market developments. Access to a range of funding sources is maintained to support financial flexibility, while hedging mechanisms are utilised to manage exposure to foreign exchange movements and interest rate fluctuations. In parallel, organisation-wide initiatives focused on cost efficiency and working capital management contribute to strengthening cash generation and preserving liquidity. These measures support the maintenance of adequate reserves and enhance the Group's ability to remain resilient in a volatile economic environment.

ESG MATERIALITIES

Value chain impact (Refer to the Value Chain on page 6 for further details.)	U = Upstream | C = Conversion | D = Downstream
Potential impact	• Financial (cost impact) • Operational (shortage of which can result in stoppage or inefficiencies) • Reputational (impact to corporate and brand equity)

Materiality	U	C	D	Aspects	Mitigation	Standards and Measures	Potential Impacts	Integrated reporting Capital
Environment								
Energy and greenhouse gas emission	☒	☒	☒	Fossil fuel availability, cost and the development of clean energy alternatives present both risks and opportunities. Consumer sentiment, as well as carbon-related and other cross-border taxation measures, may also emerge as factors that may impact market entry moving forward and are currently being evaluated prior to any further classification	Investment in energy-efficient equipment and clean energy solutions is being pursued, while also improving resource utilisation through planning and continuous improvement. This is driven through fuel and energy indices linked to remuneration.	ISO 14001 ISO 50001 Internally derived Energy index for Furnace fuel and Electricity	**WEF impact:** (6) Natural Resource Shortages (10) Pollution **Org impact:** Financial Operational	Natural
Water stewardship	☒	☒		Changes in water availability, as well as the costs associated with the management and treatment of water and wastewater may evolve and are currently being further evaluated prior to any further classification	Investment in water-efficient equipment and the development of efficient water and wastewater management in operations. This is linked to water indices tied to remuneration.	ISO 14001 Internally derived Water index	**WEF impact:** (6) Natural Resource Shortages (10) Pollution **Org impact:** Financial Reputational Operational	Natural
Resource utilisation and circularity	☒	☒	☒	Scarcity of materials, along with related price increases, as well as changes in regulations and tariffs associated with waste, are the main areas of concern. Optimisation of incoming materials and handling within operations is prioritised to minimise waste, with performance being KPI-driven and linked to remuneration.	Optimisation of incoming materials and handling within operations is prioritised to minimise waste, with performance being KPI-driven and linked to remuneration. Focused projects to drive waste-to-value also form part of the current agenda.	ISO 14001 Internally derived Production loss indexes	**WEF impact:** (6) Natural Resource Shortages (10) Pollution **Org impact:** Financial Reputational Operational	Natural

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Materiality	U	C	D	Aspects	Mitigation	Standards and Measures	Potential Impacts	Integrated reporting Capital
Climate change (CRRO 01)	☒	☒	☒	A significant issue arising from the multiple effects of climate change on the business, is the increase in extreme weather events, particularly flooding. This can impact the facility, distribution, as well as upstream raw material supply and downstream off-take. This is detailed further in the CRRO discussion	Investment in forecasting and modelling is undertaken to future-proof the facility, alongside a key focus on route-to-market strategies to minimise weather-related disruptions to product availability at retail.	Meeting flood defence preparedness	**WEF impact:** (1) Extreme weather events **Org impact:** Financial Operational	Natural | Manufactured
Social								
Responsible sourcing	☒	☒		Suppliers of materials and services are required to meet the organisation's ESG expectations to ensure that its reputation is not compromised.	Supplier onboarding process, KYC, and supplier audits are conducted at materials supplier locations, while the onboarding and training of on-premise service providers remain key aspects of addressing this area.	SEDEX Monitoring supplier compliance	**Org impact:** Operational Reputational	Social and Relationship
Occupational health and safety		☒	☒	Incidents which result in injury or fatality must be avoided, as well as damage to assets that may arise from events such as fire or the accidental discharge of materials.	Induction and follow-up training, the provision of a safe working environment, appropriate signage, and PPE, along with constant inspections, are implemented to create awareness so that safety and wellness become internalised in behaviour, and individuals take personal responsibility for safety.	ISO 45001, SEDEX, GPTW LTA and Accident Index	**WEF impact:** (28) Decline in health and wellbeing **Org impact:** Reputational Financial	Human | Manufactured
Human capital management		☒		Availability of a suitably skilled work force, coupled with situational attrition, contributes to organisational instability, while morale influences productivity.	Ensuring clear KPIs, a robust and transparent appraisal system linked to attractive reward and remuneration remains at the heart of this system. Significant investments are made in training and development not only for key talent but also towards upskilling the workforce, which is supportive of retention and productivity.	GPTW Score	**WEF impact:** (28) Talent and or labour shortages **Org impact:** Operational	Human

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Materiality	U	C	D	Aspects	Mitigation	Standards and Measures	Potential Impacts	Integrated reporting Capital
Product quality safety and transparency	☒	☒	☒	Variation in quality can lead to consumer rejection, while non-compliance or significant product defects may result in product recalls, litigation, loss of brand equity, and loss of consumer trust.	A stringent sampling plan based on quality and food safety control and assurance is in place, extending from incoming materials through conversion and ending with trade quality. Defects per million opportunities and quality indexes are pivotal in meeting the requirements of this area.	ISO 22000 DPMO, Internal Quality indexes Awards	**Org impact:** Reputational Operational Financial	Intellectual | Social and Relationship
Community and economic development	☒	☒	☒	Corporate social responsibility necessitates active engagement from both internal and external stakeholders. This, in turn, influences corporate and employer brand equity and may contribute to polarisation between the industry and its operational communities.	The Group seeks to create meaningful social value through community-focused initiatives. The efforts are centred on driving waste-to-value solutions, managing the environmental footprint, and actively participating in national and local clean-up and waste segregation programmes. In addition to Group-led initiatives, CBH supports these efforts through the Lion Nation Foundation (Guarantee) Limited (LNF). The Foundation's activities are structured around three core focus areas - Water, Waste, and Knowledge – reflecting a long-term commitment to environmental stewardship.		**WEF impact:** (28) Societal polarisation **Org impact:** Reputational	Social and Relationship
Responsible consumption			☒	The misuse of alcohol and negative behaviours by a minority can contribute to broader social issues.	Given the regulatory framework, which significantly limits direct consumer communication, providing responsible consumption messaging on product labelling and at the point of sale remains the primary approach.	Voluntary signage	**Org impact:** Reputational	Social and Relationship

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Materiality	U	C	D	Aspects	Mitigation	Standards and Measures	Potential Impacts	Integrated reporting Capital
					While the local market maintains a minimum threshold of 4.0% ABV, posing a barrier to offering lower- and no-alcohol alternatives, the brewery business is actively pursuing these opportunities in international markets where regulations permit such products and consumer demand continues to grow.			
Governance								
Cyber security	☒	☒	☒	With growing dependence on and migration to digital systems, incidents of data breaches and/or corruption can result in both operational and reputational issues, against the backdrop of increasingly stringent personal data protection policies.	Investments in updated systems and processes, alongside efforts to drive user awareness and accountability through training and simulations, remain at the forefront of risk mitigation. In the event of a breach, established processes to contain the incident and restore systems form an integral part of the existing framework.	ISO 27001	**WEF impact:** (9) Cyber insecurity **Org impact:** Operational, Reputational, Financial	Intellectual | Manufactured
Compliant business conduct and ethical behaviour	☒	☒	☒	Breaches of compliance can result in the loss of licences required to operate, as well as litigation, fines, and reputational damage, ultimately impacting brand equity.	Upholding strong ethical standards is a key pillar of the Group's ESG philosophy. The Board fosters a culture of integrity through a structured framework encompassing compliance policies, and standard operating procedures that guide behaviour across the Group. All employees are introduced to this framework during onboarding, with ESG and	SMETA Internal training coverage	**WEF impact:** (29) Crime and illicit economic activity **Org impact:** Reputational, Operational, Financial	Social and Relationship

Materiality	U	C	D	Aspects	Mitigation	Standards and Measures	Potential Impacts	Integrated reporting Capital
					ethics training embedded within the Group's learning agenda. To strengthen social compliance, the brewery operations continue to undergo third-party SEDEX audits in line with SMETA 4-Pillar 7.0 standards. The Group ensures compliance across all operating facilities and processes based on best practices, established policies, and applicable documentation and test reports. Compliance is further reinforced through internal and external audits, serving as a second line of control. In addition, induction-level and ongoing training on compliance are provided to staff, while adherence to compliance requirements forms part of contractual agreements with vendors.			
Economic impact and taxation	☒	☒	☒	Taxation remains the most significant cost component of the product, affecting consumer pricing and affordability, and consequently impacting organisational profitability.	Timely tax payments, along with participation in relevant regulatory and financial stakeholder forums to advocate for an equitable and affordable taxation structure and operating environment, remain core to continuity of operations		**WEF impact:** (31) Inflation **Org impact:** Financial Operational	Social and Relationship

Source: The World Economic Forum Risk Report 2025 https://www.weforum.org/publications/global-risks-report-2026/digest/

Note: "Integrated reporting Capitals" alignment as per ACCA Integrated reporting and performance management (Integrated reporting and performance management | ACCA Global)

Climate-related risks and opportunities (CRRO)

Name of risk/ opportunity	Extreme Weather Events
Type	Physical (Acute)
Time horizon	Short, Medium and Long term
Value Chain impact	Across the entire chain
Governing Policies	ESG Policy, Environmental Policy
Adopted standards/Compliance and resilience Audits	ISO 14001: 2015, Climate Change and Flood Hazard Report CDR International B.V

Characterisation of the CRROs

The effects of climate change are impacting organisations and communities across the globe, with consequences also evident in Sri Lanka, as demonstrated by the impacts of Cyclone Ditwah. Unlike many other risks, these impacts cut across the entire value chain and may have far-reaching consequences if global mitigation efforts do not accelerate.

These effects range from direct operational costs and supply chain disruptions to broader business continuity risks. The impacts are highly interlinked, making parameter-wise quantification challenging. Accordingly, the Group presents these effects qualitatively, indicating where potential effects are expected to arise.

Inputs for the characterisation of CRROs

The World Economic Forum Risk Report 2025 identifies extreme weather events (a primary manifestation of climate change) as the second-highest risk over the next two years, rising to the highest risk over a 10-year horizon. The World Meteorological Organisation's Global Annual to Decadal Climate Update (2025–2029) and its State of the Climate in Asia 2024 reports also highlight the increased probability of extreme weather events.

Inputs have also been drawn from CDR International Netherlands (a brewery-commissioned assignment focused on risk mitigation for its manufacturing location in Biyagama), which carried out a climate change assessment using IPCC AR6 (the Sixth Assessment Report covering physical science, impacts/adaptation, mitigation, and synthesis of climate change). This assessment uses five illustrative, CMIP6-based scenarios built from Shared Socioeconomic Pathways (SSPs), which combine socio-economic storylines with 2100 radiative forcing levels to explore plausible futures.

Mid-century (2041–2060 ≈ 2050) global warming levels (relative to 1850–1900) were used, with SSP2-4.5 (1.6–2.5°C) and SSP3-7.0 (1.7–2.6°C) selected to represent a realistic policy range without relying on highly optimistic or extreme assumptions. A 2050 planning horizon was adopted as it aligns with asset lifetimes and mid-century targets, while matching AR6's mid-term window, where projections and downscaling remain comparatively robust for actionable design.

The modelling incorporated site-specific data, including precipitation records, river discharge and water level data from the Department of Irrigation of Sri Lanka, LiDAR datasets from the Survey Department of Sri Lanka, topographic information from the Copernicus COP30 Digital Elevation Model (DEM), land-use data from the Copernicus 2021 Land Cover Dataset, and climate projections sourced from the World Bank Climate Knowledge Portal.

These datasets, together with operational experience and learnings from previous weather-related incidents, have been used to characterise the risk and to develop mitigation measures, where possible, to ensure business continuity.

Areas of impact

Cause	Risk	Term: Short 1-3Y	Term: Medium 3-5Y	Term: Long >5Y
Adverse rainfall (which includes excess and unpredictability)	**Flooding of manufacturing facility** Possible loss of production	Low risk	Low risk	Low risk
	Managing finished goods and distribution Potential flooding of access routes to the factory, storage locations, retail locations, resulting in supply chain disruptions and stock damage	Moderate risk	Moderate risk	High risk
	Agri-based upstream product shortage Resulting in cost escalation and disruption to the supply chain	Low risk	Moderate risk	Moderate risk
	Increasing cost and insurability of the plant due to flooding	Low risk	Low risk	Low risk
	Disruption to consumer income and purchase patterns resulting in reduced offtake	Moderate risk	Moderate risk	High risk

Low risk Moderate risk High risk

Actions taken to manage risk and optimise opportunity

Risk	Actions	Frequency	Expected outcome
Flooding of manufacturing facility	• The recommendations of the 2017 flood resilience study have been carried out and were revalidated by a follow up study in 2025 which proposes further improvements. • Assumptions and models are periodically revalidated to support the enhancement of defence measures.	10 years	• Resilience of the manufacturing plant and overall business continuity. • In line with the report of 2026, the implementation of improvement measures to further strengthen defences is expected to reduce the likelihood of overtopping under climate change 2050 scenarios.
Managing finished goods distribution	• Based on seasonal rainfall patterns or adverse weather warnings, higher stock levels are maintained at external warehouses.	Bi-annual or as per intervention	• Ensure retail stock width and depth are maintained.
	• Ensure distribution channels maintain access to markets. • Assess both new and existing distribution points for preparedness against adverse weather conditions.	Continuous	• Ensure all distribution points have multiple access routes and are situated in safe zones.
Agri based upstream product shortage	• Assessment of suppliers and diversification of sourcing across geographies. • Exploration of alternative material options.	Continuous	• Minimise dependence on single-source geographies to minimise supply disruption risk. • Identify resilient crop alternatives and build technical capability to transition without impacting product taste and flavour.
Increasing cost and insurability	• Strengthen flood resilience controls to maintain insurance coverage at sustainable premium levels, alongside the regular updating of Business Continuity Plans.	Continuous	• Appropriate processes to be established to ensure continuity of coverage and effective cost management.
Disruption to consumer income and purchase patterns	• Consumer income and purchase patterns following an extreme weather event are influenced by macro-economic factors outside the Company's direct operational control. This risk is therefore managed indirectly through the supply chain continuity, route-to-market preparedness, and finished goods distribution actions described above, which preserve the Company's capacity to serve available demand during and after an adverse event and to thereafter support demand recovery. The financial impact attributable specifically to this risk cannot be meaningfully segregated from broader climate-related demand effects, as noted in the Limits and Assumptions section of this Report.	Continuous during adverse weather	• Maintained route-to-market readiness and product availability to capture demand recovery as normalcy is restored

ALLOCATION OF RESOURCES AND KEY ACHIEVEMENTS

Climate-related risks are managed as an overarching enterprise risk under the stewardship of Corporate Affairs, and governed through the ESG Committee. Monitoring and response to flooding at the brewing facility level are coordinated by a cross-functional crisis management team operating under a predefined Emergency Response SOP. The team utilises inputs from the online Agis system, which provides data on river levels and precipitation within the catchment areas affecting the Kelani River.

Following the flooding incident of 2016, CDR International was commissioned to conduct a flood mitigation study, which was subsequently implemented. This was followed by a second assessment conducted by Enrobe and Singhe in 2024, which validated that the mitigation measures put in place, based on projected adverse weather conditions, were adequate. This was further validated under real conditions during Cyclone Ditwah, where flooding levels exceeded those of 2016 but did not breach the main brewery defences.

Given the frequency and severity of extreme weather incidents since 2024, a second CDR audit was commissioned in September 2025. Its findings incorporated the extreme weather events of November/ December 2025, and recommendations have been made to further strengthen the plant's resilience for the 2050 horizon. Investment in the current period amounts to Rs. 20 Mn. for the resilience study, with an additional Rs. 500 Mn. anticipated in FY 2027 to further fortify infrastructure.

CBH adopts a structured and integrated approach to achieving its climate-related targets, embedding them within its overall strategy, risk management, and operational planning processes. Progress is driven through continuous improvement initiatives, aligned investments, and regular performance monitoring.

The Group continues to advance its climate transition through scenario-based planning, targeted investments, and evolving operations, informed by key assumptions and dependent on external factors such as regulatory, technological, and supply chain developments.

FINANCIAL IMPACT IN CURRENT PERIOD

During the financial year, the Group was affected by Cyclone Ditwah, which had an impact on certain aspects of its operations. However, the primary brewing facility remained secure throughout the event, with no damage to critical machinery. The Group attributes this outcome to the effectiveness of the mitigatory measures implemented following the flood incident experienced in 2016.

Losses were however incurred in respect of finished goods and packaging materials held across warehouses and retail locations, as well as damage to certain fixed assets. The total financial impact recognised in the financial statements comprises inventory losses of Rs. 617.8 Mn. and fixed asset impairments of Rs. 25.2 Mn.

The Group maintains appropriate insurance coverage in respect of such events, and recovery proceedings are actively in progress with the relevant insurers. Amounts received and receivable under these arrangements have been recognised in the financial statements to the extent that recovery has been assessed as virtually certain in accordance with applicable accounting standards.

Changes to existing business model / operational strategy

The Group is also reviewing its finished goods and material storage options to mitigate flood-related impacts, incorporating learnings from the flooding of 2025.

These measures are intended to reduce potential impacts on financial capital through improved insurability and management of insurance costs, on manufactured capital through reduced exposure of raw materials, packaging materials, and finished goods to flood damage, and on social and relationship capital through enhanced continuity of supply and strengthened customer and consumer confidence.

Limits and/or assumptions

The projections are based on current and available data, which may be influenced by the global response to managing climate risk. Accordingly, frequency-based assessments will continue.

Given the inability to predict upstream and downstream disruptions with any level of certainty, particularly in terms of timing, magnitude and duration, meaningful quantification is not possible for certain aspects of climate-related risk. Furthermore, as consumer demand is influenced by factors such as affordability, availability of disposable income, and overall consumer sentiment, a meaningful segregation of costs attributable to each aspect of this risk is also not feasible.

CROSS INDUSTRY MATRIX: GREENHOUSE GAS EMISSIONS

GRI: 305-1, 305-2

CBH discloses climate-related metrics and performance indicators to enable stakeholders to assess how the Group monitors greenhouse gas (GHG) emissions, which would contribute towards decarbonisation opportunities, mitigation of climate related risks and overall environmental performance in alignment with national and global climate objectives. These metrics reflect the Group's operational carbon footprint and climate action initiatives, and are aligned with ISO 14064-1:2018 and the GHG Protocol Corporate GHG accounting and reporting Standards.

The emissions management strategy is anchored in reducing energy intensity, improving operational efficiency, and embedding sustainability into core production processes. The Group prioritises integrated planning, lean manufacturing principles, and the deployment of energy-efficient technologies to systematically reduce emissions intensity.

1.1 Cross-industry metrics

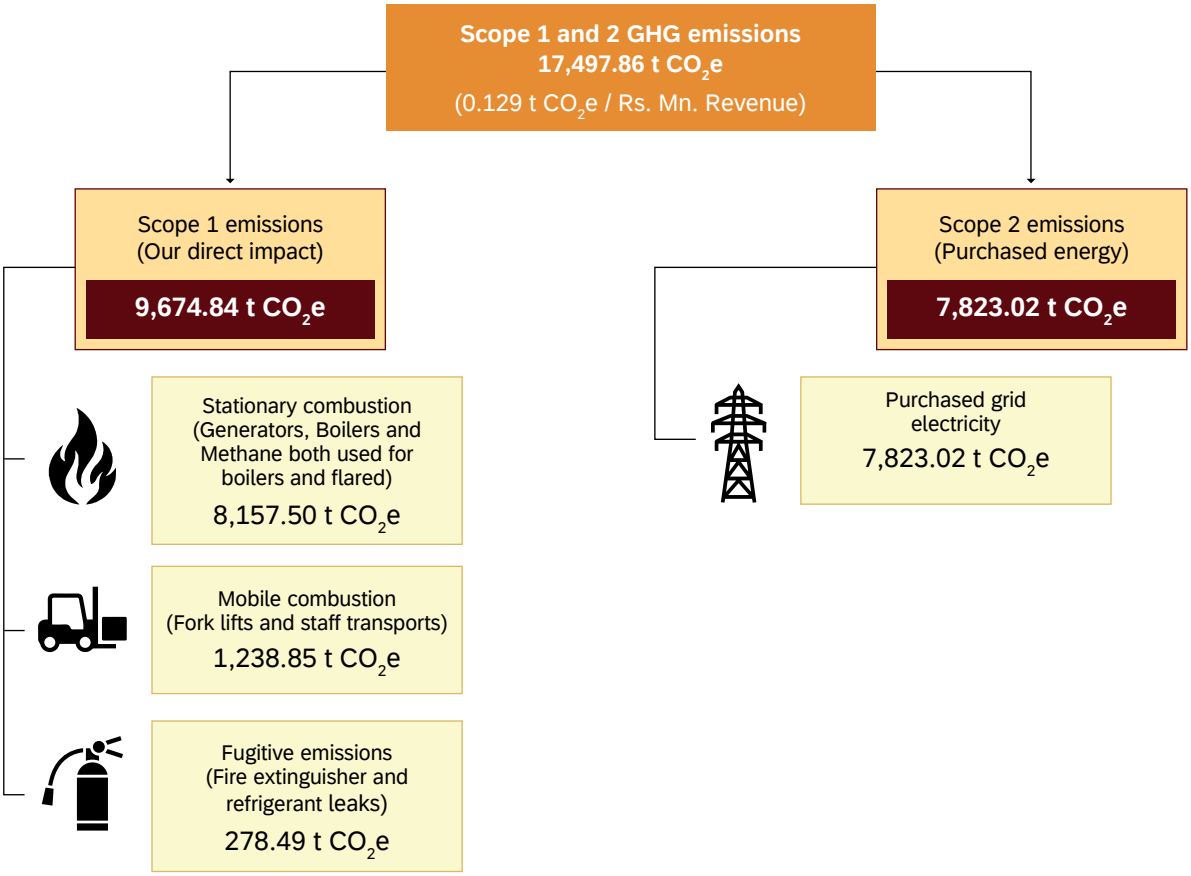
Greenhouse Gas (GHG) Emissions

CBH calculates and reports its GHG emissions using the emission-factor method. The disclosures apply to all operations within the operational control boundary at the Biyagama facility, covering Scope 1 and Scope 2 (location-based) emissions. All activity data are extracted from recorded primary data with the verifiable source documents at the facility. Thus, the GHG inventory includes:

- Direct emissions from stationary and mobile fuel combustion (Scope 1)
- Fugitive emissions from refrigerant leakages and CO_2 fire extinguishers (Scope 1)
- Indirect emissions associated with purchased electricity (Scope 2)

Emission factors and secondary data methodologies are aligned with Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories for Scope 1 emission calculations, and the national electricity grid emission factor, accounted and reported in the Sri Lanka Energy Balance published by Sri Lanka Sustainable Energy Authority (SLSEA) for Scope 2 emission calculations.

GHG Emissions (Absolute Gross Basis, metric tons CO_2e)



1.2 Scope-level performance

Scope 1 – Direct emissions

Scope 1 emissions are driven by onsite fuel combustion (furnace oil and biogas for boilers and diesel for generators), directly-pumped staff-transport fuel, refrigerant leakages, and releases from CO2 fire extinguishers. Furnace-oil boilers remain the dominant Scope 1 contributor.

Scope 2 – Purchased electricity

Scope 2 emissions are due to the variations in annual electricity consumption driven by the manufacturing facility at Biyagama. Continued improvement is expected through renewable-energy integration and energy efficiency improvements in the upcoming years.

Scope	Source Category	Activity Data Source	EF Source*
Scope 1	Stationary combustion by Boilers, Generators	Fuel invoices, logbooks	2006 IPCC AR6 V2_2_Ch2_ Stationary Combustion; Ceypetco fuel properties
Scope 1	Mobile combustion from directly pumped fuel	Fuel invoices, logbooks, Distance records	2006 IPCC AR6 V2_3_Ch3_Mobile_ Combustion Ceypetco fuel properties
Scope 1	Fugitive emissions	A/C & cooler service logs CO2 Fire Extinguisher records	IPCC (AR6) 2021
Scope 2	Purchased electricity	CEB bills	SLSEA Sri Lanka Energy Balance Report 2022; location-based only

To reduce GHG intensity and optimise energy use, the Group continues to implement operational best practices through its brewery operations, including process heat recovery through condensate return and heat exchanger optimisation for thermal energy and regular monitoring and maintenance of electrical machineries and equipment. CBH also invests in energy-efficient equipment during asset replacement cycles and expansion phases.

In addition, CBH is exploring greater integration of renewable energy as a key opportunity for improvement. Enhancing biogas recovery and shifting from flaring to controlled boiler co-firing are expected to reduce furnace oil consumption, thereby lowering Scope 1 emissions. At the same time, the adoption of solar photovoltaic systems at brewery and warehouse facilities is being explored to offset grid electricity use and reduce reliance on diesel generators during outages, supporting Scope 2 emission reductions.

WAY FORWARD

Looking ahead, CBH will continue to strengthen its ESG approach. The Group will maintain a robust framework to identify and manage sustainability-related risks and opportunities, as well as overarching business risks. These efforts align with its 2030 ambitions. CBH will also focus on enhancing the quantification and classification of ESG metrics to support more informed planning and decision-making.

In parallel, efforts will focus on strengthening mitigation actions across key areas. This will strengthen proactive management of physical and transition risks through relevant capital allocation. CBH will also continue to focus on improving operational efficiencies to reduce GHG emissions, while exploring internal carbon pricing mechanisms (which have currently not been established) to support strategic decision-making.

The Group will continue to integrate climate-related performance indicators into remuneration frameworks, with plans to further formalise and expand these linkages in line with its sustainability objectives. Through these initiatives, CBH aims to further embed sustainability into its core operations and drive measurable progress over the medium to long term.

OPERATING ENVIRONMENT

GLOBAL ECONOMY

The global economy demonstrated notable resilience during the year, with growth reaching 3.4% year-over-year in 2025, despite a complex and dynamic macroeconomic environment. While trade policy uncertainty and geopolitical tensions persisted, these headwinds were partially offset by a strong investment momentum in technology sectors, particularly artificial intelligence (AI). Investment activity was especially pronounced in North America and parts of Asia, where high-tech capital expenditure and semiconductor-related exports supported broader economic activity.

Trade tensions moderated relative to previous years, including a temporary easing of tariff disputes between the United States and China. Although overall effective tariff rates remained elevated, selective removals of sector-specific tariffs helped stabilise global trade flows. Nonetheless, policy uncertainty remained significantly above historical norms, contributing to cautious business sentiment across most regions.

Financial conditions remained broadly accommodative throughout the year, despite volatility in sovereign bond markets and currency fluctuations. Equity market performance became increasingly divergent with major technology firms substantially outperforming broader market indices. AI-related investment continued to support business expansion, although the concentration of growth within a limited number of sectors raised concerns regarding the narrow base of global economic momentum.

Global inflation trends showed signs of stabilisation during the year. Headline inflation declined gradually, supported by easing energy prices and moderating demand pressures. However, regional variations remained evident. Inflation in the United States continued to remain elevated due to strong consumer demand and tariff-related impacts, while Europe and several emerging markets recorded inflation levels that moved closer towards policy targets.

Economic growth momentum also varied across regions. The U.S. economy expanded at a stronger-than-expected pace, supported by government spending and continued investment in technology sectors. China maintained steady growth through policy support measures and strong export performance. Europe on the other hand, experienced slower growth due to structural challenges and elevated energy costs, while many emerging markets outperformed advanced economies, supported by economic reforms and stabilisation measures.

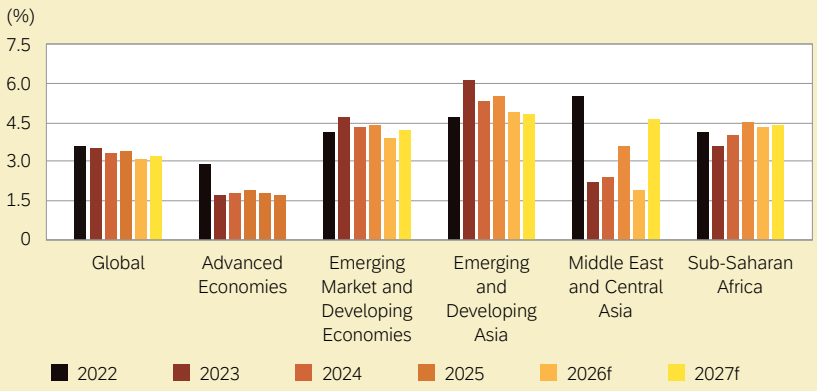
However, recent developments in the Middle East have introduced renewed uncertainty into global markets, potentially reversing some of the gains achieved during 2025. According to the IMF, assuming the conflict remains short-lived, global growth is expected to slow down to 3.1% in 2026, while global headline inflation is projected to increase to 4.5%, compared to 4.1% in 2025.

Developed economies are expected to demonstrate relative resilience, supported by stronger institutional frameworks and policy buffers, although growth may moderate amid tighter financial conditions and persistent inflationary pressures. Maintaining policy credibility, managing fiscal balances, and navigating evolving trade dynamics are expected to remain critical to sustaining economic stability.

For emerging and developing economies, the IMF highlights a more uneven outlook, with commodity-importing countries particularly exposed to rising energy and food prices, currency depreciation, and tighter financial conditions. These economies are expected to face increased pressure on external balances and fiscal positions, underscoring the importance of prudent macroeconomic management, targeted policy interventions, and strengthened resilience to external shocks.

Despite the challenging global backdrop, the IMF notes that coordinated policy action can continue to support economic growth. Key priorities include maintaining price and financial system stability, safeguarding fiscal discipline, and accelerating structural reforms. Strengthening trade integration, ensuring predictable policy frameworks, and leveraging productivity gains from technology and innovation, will remain critical to sustaining growth momentum amid ongoing geopolitical uncertainty.

Global GDP growth



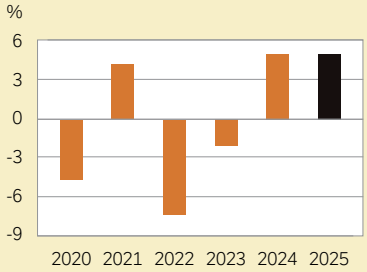
Source: IMF – World Economic Outlook April 2026

SRI LANKAN ECONOMY

Sri Lanka recorded real GDP growth of 5.0% in 2025, sustaining the recovery momentum observed in the previous year. This expansion was primarily driven by a strong rebound in the services sector, supported by the continued recovery in tourism, increased trade activity and improved mobility.

The industrial sector also contributed positively to growth, reflecting a gradual normalisation of production activities supported by easing supply constraints and improved access to inputs. Meanwhile, agricultural performance remained uneven due to weather-related challenges, although improved input availability relative to prior periods provided some support to output levels.

Sri Lanka GDP growth

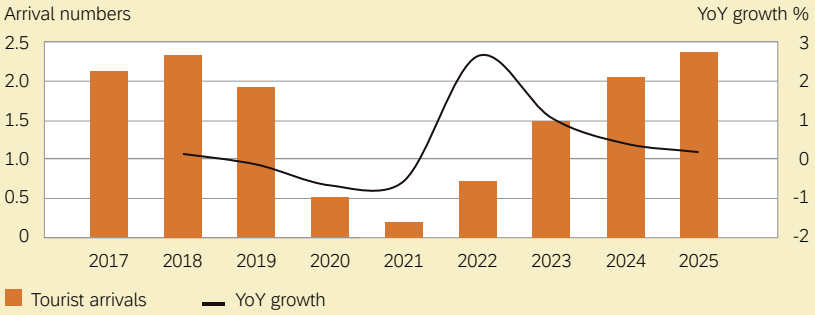


Source: Central Bank of Sri Lanka – Annual Economic Review 2025

The external sector recorded notable improvement during the year, supported by strong recoveries in tourism and worker remittances, both of which contributed to improved foreign currency inflows. Tourist arrivals increased by 15.1% year-over-year to 2.36 Mn. in 2025, generating approximately USD 3.2 Bn. in earnings and reflecting a continued recovery in the sector.

Worker remittances also recorded significant growth, exceeding USD 8.1 Bn. during the year, marking one of the highest inflow levels in recent years. As a result of these inflows, Sri Lanka's gross official foreign reserves strengthened to approximately USD 6.8 Bn. by end-2025.

Sri Lanka Tourist Arrivals

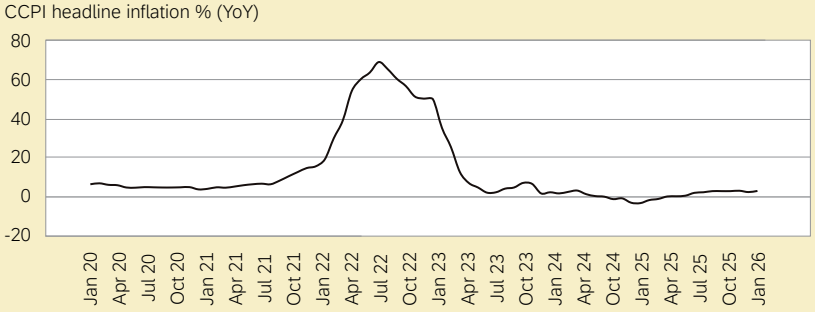


Source: Sri Lanka Tourism Development Authority

Despite these improvements, the Sri Lankan Rupee depreciated 5.9% during the year, driven by increased foreign debt repayments, active reserve accumulation efforts and relaxation of vehicle import restrictions during the year.

Inflation trends during 2025 shifted from a deflationary phase in the first half of the year to low but positive inflation towards year-end, remaining largely below the Central Bank's 5.0% target. However, the impact of Cyclone Ditwah in November 2025 affected several regions across the country, disrupting livelihoods, particularly within vulnerable communities and creating short-term economic strain through infrastructure damage and disruptions to local economic activity. These impacts contributed to temporary supply chain disruptions and crop damage, resulting in an increase in inflationary pressures towards the latter part of the year.

Sri Lanka inflation movement



Source: Central Bank of Sri Lanka

The ongoing programme with the International Monetary Fund remained a key anchor for economic stability, with additional funding tranches disbursed during the year. Continued progress in fiscal consolidation, revenue mobilisation, debt restructuring and structural reforms remains critical to sustaining the recovery momentum and ensuring long-term economic resilience.

While Sri Lanka's economic recovery remained relatively stable throughout 2025, the escalating conflict in the Middle East has introduced additional external risks to the 2026 outlook. As a net importer of fuel, Sri Lanka remains vulnerable to energy price volatility and potential supply chain disruptions, which can inflate freight costs for global sourcing. Furthermore, given that a significant share of worker remittances originate from the Gulf region, any prolonged regional instability could place pressure on foreign exchange inflows.

Although these developments have not materially disrupted the broader recovery trajectory to date, they reinforce the importance of disciplined cost management, prudent macroeconomic policy, and strategic planning in navigating an increasingly uncertain global operating environment.

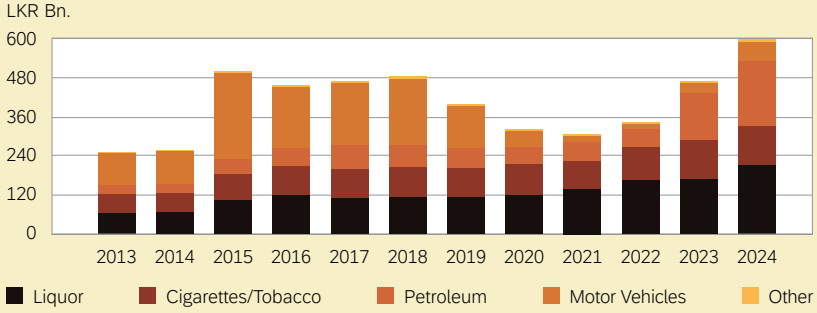
SRI LANKAN ALCOHOLIC BEVERAGE INDUSTRY

The alcoholic beverage sector remains a significant contributor to government excise revenue and is among the most highly regulated and taxed industries in the country. Market dynamics remain inherently seasonal, with demand closely aligned to key festive periods and peaks in tourism activity. Encouragingly, the continued recovery in tourism supported growth in both tourist arrivals and tourism-related earnings during the year, providing a partial uplift to sector performance.

However, consumer affordability has been significantly impacted by successive excise duty increases implemented since 2023, with cumulative tax levels rising by approximately 88.0% to date. In the absence of motor vehicle imports between 2020 to mid-2025, the alcoholic beverage sector emerged as the single largest contributor to government tax revenues.

Although no further excise duty increases have been introduced in 2026 thus far, the elevated tax base continues to exert pressure on consumer purchasing power. As a result, volume growth within the formal, regulated alcoholic beverage sector remained constrained, reflecting a shift in consumption patterns driven by price sensitivity and affordability challenges. These conditions have also contributed to a noticeable shift in consumer preference towards lower-taxed alcoholic beverages such as toddy, as well as the unregulated sector.

Excise duty contribution by industry



Source: Ministry of Finance – Annual Report 2024

Despite prevailing industry challenges, regulated operators have continued to drive the evolution of the industry through innovation and the premiumisation of offerings, effectively responding to evolving and diverse consumer preferences.

BUSINESS REVIEW

CBH brings together a portfolio of complementary businesses that span brewing, hospitality, premium beverages, and international markets. Anchored by the strength of Lion Brewery, and complemented by Luxury Brands and Pubs 'N Places, the Group continues to create value through innovation, premium consumer experiences, and disciplined expansion across local and global markets.

LION BREWERY (CEYLON) PLC

The key business comprises the local operations of Lion Brewery. The flagship production facility in Biyagama continues to serve as the backbone of the Group's operations, supporting both domestic and international markets through high-quality brewing, operational efficiency, and responsible manufacturing practices.

Over the years, the brewery has evolved through continuous investments in automation, digital integration, and process optimisation, enabling greater agility and consistency across operations. These efforts continue to strengthen production reliability while supporting the Group's long-term growth ambitions within an increasingly dynamic operating environment.

Innovation and consumer-centric growth

During the year under review, Lion further strengthened its focus on portfolio innovation and expanding consumer choice in response to evolving consumption trends and changing affordability dynamics within the market. Amid continued excise-related pressures on the alcoholic beverage sector, innovation remains critical in maintaining category relevance, creating differentiated consumption occasions, and broadening accessibility across consumer segments.

Accordingly, during the year, Lion further expanded its portfolio through several new product launches across the Carlsberg and Lion brands, including Somersby Mango & Lime and Lion Trueborn, alongside a range of craft beer variants introduced for Oktoberfest. The focus remained on strengthening the product innovation pipeline and accelerating market-led development initiatives.



This approach enabled effective validation of new offerings and supported successful market scaling, as demonstrated by Lion Trueborn, while Tambapanni Red is expected to expand into packaged formats in the coming year.

Building on the momentum established in the previous year, Lion also continued to strengthen its speciality and craft-inspired portfolio across selected channels, supporting premiumisation and experiential consumption trends. The expansion of lower-alcohol and flavoured variants further reflects Lion's broader objective of providing consumers with greater variety while encouraging moderation and responsible consumption.

In addition, recently introduced brands and variants, including Carlsberg Smooth Draught, Guinness, Lion Ice, and Somersby Apple and Blackberry variants, continued to demonstrate encouraging market acceptance during the year under review, contributing positively to portfolio diversification and consumer engagement.

For further details, please refer to the discussions in Intellectual Capital (pages 59 to 61).

Value accessibility and market relevance

Against the backdrop of continued taxation pressures and constrained consumer purchasing power, Lion remained focused on balancing affordability with product quality.

These initiatives form part of the Lion's broader strategy to balance value and volume, while mitigating migration towards unregulated alternatives. Through a combination of pricing innovation, portfolio diversification, and strengthened route-to-market execution, Lion continues to reinforce its competitive positioning across both on-trade and off-trade channels.

Strengthening the Lion master brand

The Lion Master Brand Strategy continues to guide portfolio development and brand communication across the business. The strategy ensures greater consistency across product categories while allowing new launches to benefit from the heritage, trust, and recognition associated with the Lion brand.

During the year, this unified brand architecture continued to strengthen overall brand equity and consumer relevance, while supporting Lion's efforts to build stronger emotional connections with consumers across multiple demographics and consumption occasions.

INTERNATIONAL BUSINESS

The International Business segment continued its strong growth trajectory during the year, supported by a focused strategy centred on operational efficiency, disciplined market expansion and strengthened global partnerships. Following the restructuring of the business in FY 2025, the Group enhanced end-to-end visibility across the value chain from customer engagement through to procurement driving improved coordination, cost optimisation and execution efficiency.

These initiatives, together with targeted cost management programmes, contributed to both volume growth and margin expansion during the year under review. The business recorded strong double-digit volume growth supported by long-standing relationships with strategic partners across multiple continents, while operating across 18 international markets.

These efforts were further recognised through several international accolades, reaffirming the strength of the brands and export capabilities. At the World Beer Awards, the portfolio achieved global distinction, including the title of World's Best Stout (Tropical Stout of the Year), alongside Gold and Silver awards in the "Taste" category for Stout and Lager products.

The Group will continue to prioritise Africa and the Middle East as core growth regions while operating within an increasingly dynamic global environment. Ensuring cost effective, consistent and reliable supply will remain critical, supported by enhanced demand planning, inventory management and supply chain coordination playing a pivotal role in achieving this target. Furthermore, despite ongoing geopolitical uncertainties in the Middle East, CBH will continue to adopt a measured and responsive approach while remaining confident in the region's long-term growth potential.

In addition, policy consistency and regulatory frameworks remain important considerations in maintaining efficient international market operations. The Group remains mindful of structural challenges arising from inefficiencies within Sri Lanka's current excise rebate mechanism applicable to export products. The financial cost of these inefficiencies is ultimately reflected in international retail pricing, impacting competitiveness within global markets.

Notwithstanding these challenges, CBH will continue to strengthen its route-to-market capabilities, including exploring offshore manufacturing opportunities to further de-risk the business. Continued focus on enhancing distribution efficiency, investing in high-performing sales channels, improving gross profit margins through targeted cost optimisation initiatives, and driving operational efficiencies across the value chain and leveraging strong partner networks will further facilitate the organisation to capture growth opportunities in the coming years.

LUXURY BRANDS (PRIVATE) LIMITED

Luxury Brands continued to strengthen its leadership in imported spirits and wines in Sri Lanka. During FY 2026, improving market conditions, a recovery in tourism, and growing demand for elevated social experiences supported strong business momentum. Consumers increasingly sought premium, authentic, and globally recognised brands, enabling the business to deliver a strong performance across both revenue and profitability.

The team remained focused on disciplined execution, sharpening route-to-market capabilities, expanding numeric distribution, and enhancing visibility across key retail and on-trade channels. Strategic pricing, stronger outlet partnerships, and improved in-market execution further strengthened competitiveness and market penetration. Alongside this, the business maintained a sharp focus on cost discipline and investment effectiveness, ensuring sustainable and profitable growth.

Looking ahead, Luxury Brands remains well-positioned to drive continued growth through portfolio curation, capability building, and world-class consumer engagement.



PUBS 'N PLACES (PRIVATE) LIMITED

Pubs 'N Places (Private) Limited (PNPL), which operates the franchised Machang pub network, reported a year of improved financial and operational performance. Profitability increased during the period, supported by disciplined cost management initiatives and the implementation of a restructured franchise model aimed at enhancing operational consistency, governance, and partner performance.

During the year under review, PNPL undertook targeted expansion and portfolio optimisation initiatives. PNPL introduced its first container-based outlet concept at Arcade Colombo 7, representing a scalable and capital-efficient format. The concept provides greater flexibility in site selection and deployment, while creating opportunities to expand the network through innovative formats tailored to evolving consumer preferences and urban environments.

PNPL also expanded into high-potential leisure destinations with the launch of Machang's first beachfront outlet on the sought-after Marine Drive. Combining its signature brand experience with a vibrant coastal setting, the outlet creates a unique social destination that captures the spirit of seaside living.

Selective outlet relocations and franchisee transitions were also executed to strengthen network stability and improve overall outlet performance.



RETAIL SPACES (PRIVATE) LIMITED

The Retail Spaces entity holds limited alcobev retail points of sale, which serve to evaluate customer interactions with the product portfolio through the traditional off-trade channel.

STRATEGY AND RESOURCE ALLOCATION | OUTLOOK

The Group's strategy continues to be guided by its 2030 Long-term Plan, which is centred on investing in innovation to future-proof the business. Five strategic pillars have been identified to drive growth over the next five years, supported by four critical enablers designed to strengthen execution and sustain long-term progress.

STRATEGIC PILLARS

Building a segmented and differentiated brand portfolio to drive premiumisation in beer	The Group aims to infuse its product portfolio with excitement and energy, through a strong focus on meeting both identified and evolving consumer needs. This is achieved through the development of a differentiated and segmented portfolio designed to appeal to diverse consumer groups and consumption occasions. In this context, the launch of the Innovation Brewery during the year marked a significant milestone, enabling the introduction of eight new beer variants. This dedicated facility provides the flexibility to explore new flavours, brewing techniques, and value addition to local raw materials. The Innovation Brewery will continue to play a key role in supporting product diversification, responding to emerging market trends and delivering distinctive drinking experiences. Pubs 'N Places remains an important platform for consumer engagement. During the year, investments were directed at outlet openings in strategic locations, selective outlet relocations and franchisee transitions, introduced a refreshed food menu and a fully digital ordering platform. Going forward, PNPL will continue to serve as a strategic platform for enhancing brand equity, piloting innovative concepts, and expanding the Group's presence within the on-premise channel. Luxury Brands complements the Group's premiumisation strategy by providing access to leading international brands and strengthening its presence in the premium spirits and wines segment. The year saw the team enhance visibility across key retail and on-trade channels, establish strong outlet partnerships, and maintain a sharp focus on cost discipline. The long-term aim will remain on deepening market penetration, and enhancing retail presence, and building consumer affinity through a strong product portfolio and world-class engagements.
Drive international business	As part of its strategic direction, the Group has streamlined its international operations to focus on a select group of high-potential markets. This has enabled more effective allocation of resources across three priority regions: Africa, the Middle East, and South Asia. This focused approach enhances the Group's agility in capturing consumer insights and developing tailored products that reflect a deep understanding of local market dynamics and diverse consumer segments. Looking ahead, the Group will pursue growth in a disciplined manner by leveraging its strong network of trusted partnerships and on-ground capabilities, ensuring sustainable expansion across these regions.

Explore adjacent categories for growth	Alongside its core portfolio, CBH will continue to explore opportunities to manufacture adjacent beer categories and related products, leveraging its partnerships with global brands and strategic partners.
Build a product innovation value chain	The Group will prioritise the development of end-to-end processes that enable a continuous innovation culture in a structured, efficient and sustainable manner. In parallel, efforts will remain focused on building a flexible and agile supply chain capable of responding swiftly to evolving market demands, effectively managing risks and supporting the seamless introduction of new products. To support this, the Group remains committed to fostering a workforce with an innovation mindset, enabling new product development while driving manufacturing excellence.
Cost optimisation and cash release	The Group's profitability must be carefully balanced against rising costs, particularly the continued increase in excise duties, as fully passing on price increases to consumers could adversely impact affordability and market demand. Accordingly, the Group remains focused on managing cost of sales and related overheads through leaner operational processes, improved category procurement practices and the implementation of sustainability initiatives aimed at reducing long-term energy costs. In addition, the adoption of ISO 50001:2018 for Energy Management by Lion will provide a structured framework to support reductions in energy consumption and facilitate the transition towards alternative energy solutions, reinforcing the Group's commitment to sustainable operations. The resulting efficiencies and savings will be reinvested into the business to support future growth.

ENABLERS

People and talent	Our people remain central to the delivery of the Group's 2030 Long-term Plan. The people strategy is anchored on three pillars: building capacity, strengthening capabilities and fostering a culture of excitement, winning, inclusion, and well-being under a shared value system. Amid ongoing challenges such as talent migration and elevated attrition, the Group remains committed to a long-term talent management approach. This is supported by the robust implementation of a comprehensive HR policy framework, alongside efforts to cultivate a great place to work, build new capabilities, enable career mobility, strengthen rewards and recognition, promote employee well-being and enhance training and development.
Sustainability	The Group's commitment to sustainability is embedded across every aspect of its business model, from the sourcing of raw materials and management of production processes to how CBH innovates, distributes and engages with its consumers and communities. The ESG Steering Committee, endorsed and supported by the Board, provides the necessary direction and oversight to ensure that sustainability priorities are fully integrated into strategic decision-making and operational execution across the organisation.

Digital	The Group has embraced digital transformation as a core enabler of its growth strategy. Under our long-term plan, key focus areas include process automation, smart factory initiatives, data analytics, cybersecurity, and a cloud-first strategy. Having automated its main production facility in Biyagama nearly three decades ago, the Group is now progressing towards full integration of the brewery with its ERP platform, reflecting its continued commitment to digital transformation and operational integration. Further reinforcing this focus on digital excellence, Lion has obtained ISO 27001:2022 certification, ensuring robust data security and information integrity across both cloud-based and on-premises operations.
Corporate reputation	The Group recognises that a strong corporate reputation extends beyond product excellence to the depth and integrity of our stakeholder and community relationships. The Group remains committed to fostering meaningful engagement, advancing environmental stewardship, sharing best practices across industries and collaborating with like-minded partners to drive sustainable impact.

STRATEGIC FOCUS FOR FY 27

- **Strengthen consumer-centric portfolio innovation**

  Accelerate product diversification through the Innovation Brewery, strengthen the wines and spirits portfolio, and evolve the Pubs 'N Places offering to meet changing consumer preferences, while supporting premiumisation and creating differentiated experiences across consumer segments.

- **Cost optimisation and cash release**

  The Group will continue to focus on cost optimisation and cash release initiatives to enhance efficiency across operations and the broader value chain. Ongoing reviews across procurement, inventory, logistics, and operational processes will support productivity improvements and working capital optimisation.

- **Advance digital integration and operational excellence**

  Deepen end-to-end digital transformation by fully integrating smart factory systems with ERP, enhancing data-driven decision-making, efficiency, cybersecurity, and scalability.

- **Embed sustainability across the value chain**

  Drive measurable progress across energy, water, waste and packaging while strengthening circularity initiatives and advancing Scope 1–3 emissions reduction strategies.

- **Enhance stakeholder and community engagement**

  Build deeper, trust-based relationships through transparent communication, community partnerships, and collaborative initiatives that generate shared environmental and social value.

- **Strengthen governance, talent and capability building**

  Further embed governance, develop future-ready talent and foster a high-performance culture aligned with long-term value creation and responsible business practices.

FINANCIAL CAPITAL

STRATEGIC FOCUS

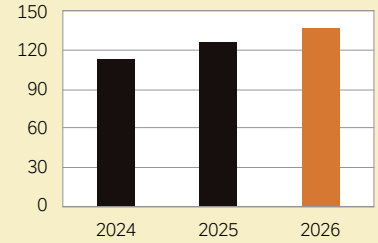
Financial capital enables the Group to sustain operations, invest in strategic priorities, and create long-term value for stakeholders. Through disciplined financial management, strong cash flow generation, and prudent capital allocation, CBH continues to strengthen its financial resilience while supporting growth, operational efficiency, and future investments.

ANALYSIS OF PROFITABILITY

Revenue

CBH reported a total group revenue of Rs. 135.3 Bn., representing an 8.2% year-on-year increase. Local revenues – which include Lion operations, Luxury Brands, Pubs 'N Places, and Retail Spaces – were up 5.9% for the year. The export business continued its strong performance, supported by the restructuring of the business in the previous year and focused market development activities.

Revenue



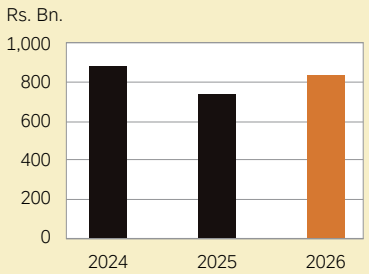
COST OPTIMISATION

With continued increases in taxation, the Group recognises the importance of balancing profitability with effective cost management, as the full impact of tax escalations cannot always be passed on to consumers. Accordingly, the Group focused on managing its cost of sales and other operational expenses, following a rigorous cost optimisation exercise over the past few years.

These efforts are primarily led by the Group supply chain team with a focus on improving operational planning, exploring strategic sourcing opportunities, process efficiencies, automation, and leveraging data-driven decision making. During the year under review, the Group continued to improve working capital efficiencies, whilst supporting suppliers and ensuring continuous raw material and packaging material supply.

Collectively, these initiatives have enabled the Group to realise approximately Rs. 2.4 Bn. in savings over the past three years, bolstering the Group's cash reserves. As such, cost optimisation and strengthening cash reserves will continue to be key focus areas in the Group's long-term strategy, while continuing to maintain the quality of the end product.

Cost savings

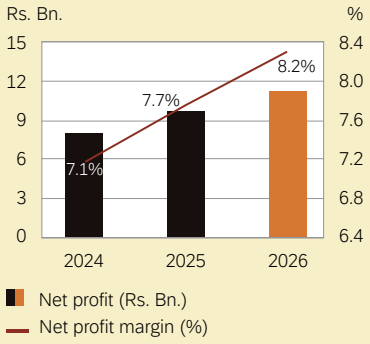


Furthermore, the Group's increased foreign currency earnings aided the natural hedge position, enabling it to cover more than 90.0% of the input material import bill through export proceeds. This not only reduced exposure to foreign exchange volatility but also contributed positively to the country's external sector by reducing reliance on foreign currency funding.

PROFITABILITY

As a result of the Group's cost optimisation efforts, operating profits for the year increased to Rs. 19.5 Bn., representing a 17.3% year-on-year growth, with operating margins improving by 1.1 percentage points. Despite higher taxation for the year, profitability was supported by strong finance income, resulting in a net profit of Rs. 11.2 Bn., an increase of 16.0% compared to the previous year. Accordingly, earnings per share (EPS) increased to Rs. 279.19 for the year, compared to Rs. 243.82 in FY 2025.

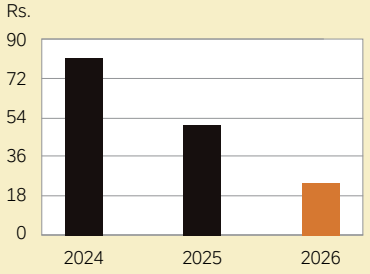
Net profit



Dividends

The Group paid a dividend of Rs. 23.85 per share for the year ended FY 2026, after taking into consideration the Group's future investment and growth plans. This compares to Rs. 50.35 per share in FY 2025.

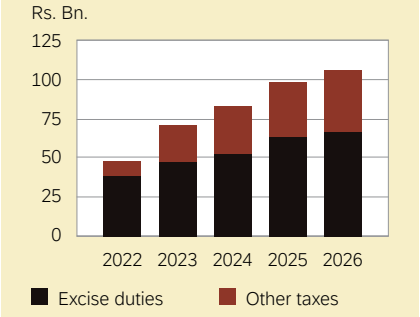
Dividends



Taxation

CBH continues to be one of the largest taxpayers to the Sri Lankan Government, with taxes paid in FY 2026 amounting to Rs. 106.1 Bn., compared to Rs. 98.3 Bn. in the previous year. Over the past five-year period, CBH has paid nearly Rs. 406 Bn. in taxes, growing at a 21% CAGR during the period.

Taxation



ANALYSIS OF FINANCIAL POSITION

Cash generation

The Group generated a year-end cash balance of Rs. 18.6 Bn., representing an increase of 61.3% year-on-year. This balance was driven by strong operating cashflow generation, which benefited from Lion's working capital optimisation strategies and disciplined cost management initiatives across the other businesses during the year. With major investments in manufacturing facilities completed, capital expenditure declined by ~22.0% over the previous year due to deferments in selected major capex projects.

The strong cash position enhances CBH's financial flexibility, supports future growth investments, strengthens resilience against external uncertainties, and enables the Group to continue delivering sustainable returns to shareholders.

With strong cash flow generation, this has also led to the improvement of CBH's liquidity position during the year under review.

Equity and debt

CBH's capital structure is primarily driven by equity capital, minimising exposure to interest rate fluctuations and refinancing risk. This conservative funding approach strengthens financial resilience, supports balance sheet stability, and provides the Group with the flexibility to pursue strategic investments and growth opportunities while maintaining a strong liquidity position.

MANUFACTURED CAPITAL

STRATEGIC FOCUS

CBH's manufacturing operations are anchored in a mature and strategically developed production footprint at Lion Brewery (Ceylon) PLC that has evolved over decades into a high-capacity, fully integrated system. At the centre of this footprint is the Biyagama brewery, which serves as the core production hub catering to both domestic and international demand. The main brewery operates on an operational excellence model designed for scale and efficiency. Complementing this is the innovation brewery facility, established to support the flexibility and smaller batch sizes required for new product development (NPD), enabling the combined operation to deliver scale, agility, and responsiveness.

In addition to ongoing investments in plant and machinery, focused efforts have been made to strengthen systems and processes that support responsible manufacturing, particularly in the areas of safety and circularity.

The facility has also benefited from successive investments and technological upgrades in recent years with digitisation now fully embedded across into daily operations. This has enabled the brewery to remain at the forefront of efficiency, quality, reliability and responsible manufacturing.

BREWERY OPERATIONS

GRI 2-28

The Biyagama facility continues to operate as a fully automated and digitally integrated production hub, forming the backbone of CBH's manufacturing operations. Automation is deeply embedded across all brewing and packaging stages, ensuring precise process control, consistent product quality, and efficient throughput. Real-time monitoring capabilities further minimise downtime and support seamless production, enabling effective response to both domestic and international market demand.



In line with evolving industrial practices, CBH continues to advance its digital transformation journey through the Digital Lion programme which serves as a key enabler of operational excellence and long-term growth. SAP-enabled tools are leveraged to automate processes, optimise workflows, and strengthen data-driven decision-making. Key initiatives under this programme include:

- **Integrated production monitoring:** Automation across brewing stages supports consistent output while maximising operational efficiency.
- **Smart factory integration:** Full integration of the Biyagama facility with the ERP platform enables operational synergies across production, inventory, and logistics.
- **Digital quality assurance:** Laboratory and sensory testing processes are integrated into digital workflows, enhancing accuracy, traceability, and record-keeping.
- **Information security:** ISO 27001:2022 certification safeguards data integrity across both cloud and on-premise systems, supporting compliance and operational resilience.

These initiatives along with a continuous improvement culture and disciplined operational planning, collectively enhance productivity, reduce operational risks, unlock capacity and optimise costs. During the year, these continuous improvement initiatives collectively delivered Rs. 829 Mn. in savings, supporting the management of costs amid a subdued economic environment and rising production and taxation-related expenses.

The factory maintains a valid Environmental Protection License (EPL) issued by the Central Environmental Authority (CEA), reflecting compliance with national environment standards.

Innovation Brewery

Lion's Innovation Brewery continues to operate as a fully functional research and development and pilot production facility embedded within a broader manufacturing ecosystem. Commissioned in 2024, it serves as a platform for portfolio expansion, enabling the Group to broaden its category presence and introduce a wider range of global beer experiences to both local and international markets. By exploring new styles, flavours, and formats, it supports the development of products that enhance consumer choice responding to evolving market preferences.

Beyond product development, the Innovation Brewery functions as a hub for integrating local ingredients and exploring new brewing techniques. Its operations are closely aligned with consumer trends, enabling Lion to trial flavours inspired by local tastes and preferences while assessing supply chain feasibility and ingredient sustainability considerations. These activities contribute to the Group's long-term innovation pipeline and strengthen its capacity for brewing creativity both locally and internationally.

Strategically, the Innovation Brewery also supports overall production efficiency. By decentralising small-batch and experimental production, the facility enables the main Biyagama brewery to focus on large-scale, high-volume operations. This separation optimises resource utilisation, minimises operational disruptions, and improves production scheduling flexibility, supporting consistent operational performance and product quality across the broader manufacturing system.



RESOURCE OPTIMISATION AND CIRCULARITY

GRI 301-2, 301-3, 306-1, 306-2, 306-4

Sustainability at CBH is integrated into the day-to-day manufacturing operations, reflecting the Group's commitment to resource efficiency, cost management, and operational continuity. Throughout FY 2026, CBH continued its efforts in embedding environmentally responsible practices within its production processes rather than positioning them as standalone initiatives.

The cost of input materials, waste management and emissions continues to rise for both businesses and the broader environment. While the direct financial impact of material inputs on operations can be clearly quantified, the cost to the environment and the evolving expectations of increasingly sustainability-conscious consumers present both a challenge and an opportunity.

Against a backdrop of growing consumer awareness, sustainability considerations are increasingly influencing purchasing decisions. PwC's 2024 Voice of the Consumer Survey indicates that consumers are willing to pay an average premium of 9.7% for sustainably produced or sourced goods, with over 80.0% expressing a willingness to do so. In response, CBH continues to embed sustainability into its operational and strategic priorities by advancing waste reduction initiatives while creating value through reuse, recycling, and upcycling programmes.

Through strengthened stakeholder engagement and participation in industry forums, the Group continues to enhance its understanding of emerging risks and opportunities, supporting improved measurement and management. Internally, continuous improvement is driven through ISO-aligned frameworks, Kaizen-led material optimisation initiatives, and collaboration with OEMs and research institutions to adopt best-in-class technologies.

In parallel, CBH is developing waste-to-value pathways and engaging directly with business partners to convert waste streams into inputs for related industries.

These support the creation of new revenue opportunities while contributing to emissions reduction.

During FY 2026, the waste-to-value generation at Lion was Rs. 379 Mn.

Through a collaborative research initiative with the Western Province Waste Management Authority (WPWMA) and academic institutions including the University of Colombo, Wayamba University, and the University of Sri Jayewardenepura, wastewater sludge generated from brewery operations has been successfully repurposed as a composting accelerator. This solution has since progressed to commercial-scale application at the Karadiyana Mihisaru composting facility, demonstrating a practical pathway for transforming operational by-products into value-added inputs.

MANUFACTURED CAPITAL

Biogenic CO_2 generated during the fermentation process is captured and utilised to meet the Brewery's internal CO_2 requirements, with surplus volumes supplied to the industrial gas market through partner organisations. During the year, 2,030 MT of CO_2 was supplied in this manner, equivalent to approximately 769,000L of diesel that would otherwise have been required to generate a comparable level of energy. This initiative not only reduces the cost of CO_2 within the local market but also contributes to lowering the overall carbon footprint of end users.



Purchased packaging material for brewery operations amounted to approximately 10,862 MT with primary packaging containers in the form of glass bottles, cans and kegs all made from recyclable material. Glass bottles and plastic crates, continue to play a central role in Lion's reuse model through an established return logistics network. Used bottles and crates are collected from the market, inspected, and subjected to automated washing and quality assurance processes before being once more reintroduced into the filling cycle.

Data disclosures: Waste and packaging (Brewery operations)

Waste management	FY 2026 %	FY 2025 %	FY 2024 %
Share of reused waste material	**90.9**	91.4	89.4
Share of recycled waste material	**7.4**	8.6	10.6
Share of upcycled waste material	**1.8**	0.05	0.10

Packaging materials	FY 2026 %	FY 2025 %	FY 2024 %
Share of reused glass bottles	**93.0**	92.0	> 90.0
Share of reused plastic crates	**99.0**	98.0	> 96.0
Recycled material inclusion – bottles	**35.0**	35.0	32.0
Recycled material inclusion – crates	**30.0***	52.0	56.0

Note: Waste material split represents solid-waste items which result in value creation.

* No new crates were purchased during the year, leading to a reduction in the weighted average recycled material content, as new crates generally contain higher recycled material.

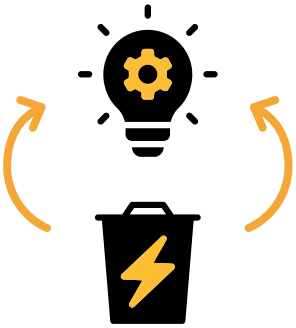
During the year, the brewery sector advanced a project in collaboration with local SMEs to repurpose used filter material as an input in concrete paving stones. This solution has now reached commercial application and was recognised globally with the Waste Reduction Achievement of the Year award at the Global Drinks Intel ESG Awards 2025 which was held in the UK. Lion is currently working with a private sector partner to further enhance the value potential and scalability of this material.

CBH also continued to support the segregation and collection of aluminium cans through the placement of dedicated collection bins across retail locations, with an additional 51 bins introduced during the current financial year. During the year under review, the Group also partnered with a commercial waste collection entity aimed at improving collection efficiency and expanding operational reach.



CBH also contributes to waste-to-energy solutions through its partnership with a private sector organisation, where used label waste is converted into energy through controlled incineration processes. The energy generated through this process is supplied to the national grid, supporting both landfill diversion and broader energy recovery objectives.

26,822 kWh
of energy generated



69.9 MT
of label waste

Collectively, these initiatives contribute to operational benefits beyond sustainability. By reducing resource consumption, lowering waste disposal costs, and supporting energy security, CBH enhances factory efficiency and operational continuity. Environmental infrastructure therefore forms an integral component of the Group's manufacturing capital, supporting its ability to maintain consistent production levels and deliver value to both domestic and export markets.

LOGISTICS CAPABILITIES

CBH operates a highly efficient route-to-market model in Sri Lanka, supported by a well-structured logistics network which accounted for 4,673,908 Km during the past year. Products are transported over long distances to logistics partner locations, from where a fleet of trucks services retail outlets along carefully planned routes. These outlets are geo-fenced, enabling the optimisation of delivery schedules, vehicle utilisation, and turnaround times. Trucks are equipped with side-loading capabilities to efficiently serve outlets on both sides of the road, while route-based loading minimises handling time and operational effort.

Sales execution is enabled through handheld digital devices, with stock movements across the value chain updated daily to provide end-of-day visibility at SKU level by outlet and market. This data-driven approach strengthens operational efficiency while supporting advanced analytics and future forecasting capabilities.

Green logistics

Lion Brewery Tangalle warehouse represents more than a conventional storage facility, serving as a significant step forward in sustainable logistics infrastructure. Designed as an eco-conscious facility, it redefines cost optimisation, operational efficiency, flexibility, and environmental harmony. The result is a next-generation logistics hub built for businesses that think beyond conventional infrastructure and are focused on long-term value creation and sustainability.

The project, valued at Rs. 183 Mn., was financed under an OPEX-based model through monthly rentals over a 10-year period, after which ownership will transfer to Lion. This structure enables the Group to expand its asset base while maintaining financial flexibility.



The standard warehouse deployment typically relies on conventional brick, mortar, and steel construction, with a best-case completion timeline of around 5–6 months from the point of groundbreaking, along with the associated costs.

Concept

- Adopted a forward-looking approach centred on modern, scalable, and disruptive operational processes.
- Transitioned from a build-and-own model to a fast-launch rental structure (including maintenance), with ownership transferring to Lion Brewery after 10 years, creating a zero-capex, low-risk model leveraging LION-owned land to support regulatory compliance.
- Embedded sustainability across all stages of project execution.
- Designed for flexibility, future readiness, and scalable cost efficiency.

Operations

- Direct construction costs were significantly reduced through the use of recyclable containers, delivering ~25% savings, with integrated solar and rainwater harvesting systems (currently being retrofitted despite operational status).
- Designed in an expandable configuration to accommodate projected 2030 Long-term Plan.
- Delivered from groundbreaking to handover in four (04) months, including periods of rain.
- Structured as a 10-year staggered monthly operational fee model, enabling full benefit from day one of handover with no upfront cash flow commitments.
- Highly scalable, with the model deployable across any agent operation and location within months.

ESG aspects

- Reduced construction footprint through the use of containers and recycled materials across key elements of the build.
- Passive design features integrated to minimise cooling energy requirements.
- Provision for rooftop solar installation, enabling potential energy self-sufficiency through net metering or off-grid configurations.
- Future-ready for EV Prime and RD truck integration, supporting cleaner energy use and reduced fossil fuel dependency (first EV Prime expected Mid 2026).
- Rainwater harvesting systems designed to reduce reliance on mains water and support dry-season demand.
- Mature trees within the construction footprint were root-balled and relocated, with significant greening integrated into the landscape design.
- Use of beer filter-aid infused paving stones in the yard, reinforcing circularity by repurposing brewery by-products, an innovation previously recognised through a global waste management award.

WORKPLACE SAFETY AND CULTURE

GRI 2-28, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

At CBH, safety is embedded as a core operational pillar across all manufacturing activities. The Group recognises that a strong safety culture is essential not only for employee wellbeing but also for operational reliability, efficiency, and continuity in high-capacity production environments. During the year, continued emphasis was placed on strengthening and evolving the safety culture established over the previous years, ensuring that safety remains an integral part of day-to-day operations at both the Biyagama production hub and the Innovation Brewery.

The safety practices are aligned with both international best practices and local regulatory requirements, supported by regular risk assessments, compliance audits, and structured incident reporting to ensure early identification and effective management of potential hazards. A comprehensive Environment, Health, and Safety (EHS) framework guides the brewery sector's approach, ensuring consistency in managing environmental, health, and safety considerations across the organisation. This framework extends to employees, contractors, service providers, and all third parties operating onsite, reinforcing a shared responsibility for maintaining a safe and responsible working environment.

The brewery at Biyagama remains compliant with all applicable regulatory requirements, including the Factories Ordinance of 1942, and maintains workmen's compensation insurance to support employees in the event of workplace injuries. The brewery is also a member of The Royal Society for the Prevention of Accidents (RoSPA). Its Occupational Health and Safety (OH&S) Management System is certified to ISO 45001:2018, reflecting an ongoing commitment to maintaining high standards of workplace health and safety. The most recent audit recorded zero non-conformities for the third consecutive year, demonstrating consistent adherence to high safety standards.

The Group promotes a culture in which every employee is encouraged to uphold a duty of care towards colleagues and actively contribute to the identification and reporting of safety improvements across the organisation.

Safety improvements

Financial Year	Safety Improvements (Individual reporting)		Safety Improvements (Operational EHS team reporting)		Total	
	Reported	Rectified	Reported	Rectified	Reported	Rectified
FY 2026	927	927	107	88	1,034	1,015

Demonstrating a strong commitment to workplace safety, 50% of our employees actively contributed by suggesting at least one safety improvement during the period.

CBH injury/ill health record

	FY 2026	FY 2025	FY 2024
Number of minor injuries (Medical cases)	1	1	3
Number of major injuries (LTI)	–	–	–
Number of fatalities	–	–	–
Number of lost workdays due to injury	1	1	3
Number of cases of ill health	–	–	–
Number of fatalities due to ill health	–	–	–
Number of lost workdays due to ill health	–	–	–

As of 31 March 2026, it has been 1,791 days since the last Lost Time Incident (LTI) at the brewing facility at Biyagama.

CBH continues to prioritise the development and sustainment of a strong safety culture, recognising it as fundamental to both employee wellbeing and manufacturing performance. Efforts during FY 2026 focused on reinforcing safety as an integral component of day-to-day operations, ensuring that accountability and awareness are embedded across all organisational levels.

This culture is driven through ongoing engagement, training, and active leadership involvement, encouraging employees to take shared responsibility for maintaining a safe work environment.

The Environment, Health, and Safety (EHS) function at the brewery is led by a dedicated team and supported by a cross-functional, cross-hierarchical Safety committee that includes representation from two EXCO members. The active involvement of supervisory and management teams plays an important role in translating safety standards into daily operational practices, fostering consistency and reinforcing expected behaviours across production environments.

Employees undergo regular induction and refresher training programmes covering equipment handling, operational hazards, emergency response procedures, and regulatory compliance requirements. In parallel, targeted workshops for supervisory and line management teams equip leaders to embed safe practices within daily production routines. Specialised training modules are also conducted for higher-risk operational areas including chemical handling, machinery operation, and maintenance activities.

Safety training hours

	FY 2026	FY 2025	FY 2024
CBH staff	**1,438**	2,015	1,861
Service provider	**2,111**	2,175	1,458
Total hours	**3,549**	4,190	3,319

Additionally, the provision of appropriate equipment and safety safeguards further strengthens the overall system. Personal protective equipment, safety signage, automated monitoring systems, and fail-safe mechanisms across machinery collectively support risk mitigation on the production floor, contributing to both accident prevention and operational consistency.

By integrating safety into operational decision-making and day-to-day execution, CBH continues to foster an environment where employees can perform with confidence. In this way, safety extends beyond compliance, and functions as a strategic enabler of efficiency, capacity utilisation, and the Group's ability to consistently meet both domestic and export market commitments.

WAY FORWARD

Manufacturing capital will continue to be deployed to meet evolving consumer demand and support growth in both domestic and international markets. Investments in digitalisation, predictive analytics, and process innovation will drive further efficiency, operational resilience, and sustainability, while also strengthening safety standards and embedding circularity principles across operations to optimise resource utilisation and minimise waste.

Through the continued development of these capabilities, CBH aims to strengthen its competitive position, optimise operational effectiveness, and create long-term value across the business and wider communities, in alignment with its strategic roadmap.

INTELLECTUAL CAPITAL

STRATEGIC FOCUS

CBH's intellectual capital represents a strategic cornerstone that supports its market leadership in Sri Lanka while strengthening its presence across international markets. It encompasses the Group's brand portfolio, product innovation capabilities, proprietary knowledge, franchise model and operational know-how, ISO and other relevant industry certifications, operational expertise, and the accumulated insights derived from decades of operational experience.

By strategically leveraging these intangible assets, the Group continues to enhance operational efficiency, strengthen consumer satisfaction, and foster long-term value creation, ensuring that CBH remains adaptive, resilient, and forward-looking in an evolving industry landscape.

BRAND PORTFOLIO AND CONSUMER-CENTRIC INNOVATION

GRI 2-6

At the core of CBH's intellectual capital is Lion's strong brand portfolio. Products and packaging formats including Lion Lager, Lion Strong, Lion Stout, and Lion Ice continue to maintain strong market presence through consistent quality, deep consumer trust, and high levels of brand recognition.

These core brands are continuously maintained to remain aligned with evolving consumer expectations, delivering premium taste experiences while reflecting the authenticity and heritage associated with Sri Lankan brewing traditions.

The strength of the portfolio is further reinforced through responsible sales and marketing initiatives, which operate within the prevailing regulatory framework while providing consumers with the information they need to make informed choices.

Building on this foundation, the Innovation Brewery, commissioned in 2024, serves as a dynamic hub for experimental brewing and product innovation, enabling the Group to respond directly to evolving consumer preferences in the beer segment.

Over the past year, the portfolio was further expanded through the introduction of new brewing styles and flavour variants inspired by native fruits and spice blends. Each new variant undergoes a structured New Product Development (NPD) stage-gate process, ensuring alignment with local tastes while meeting international standards of product quality and delivery.

During the year under review, several new products were launched under both the Carlsberg and Lion brands. Under Carlsberg – which is manufactured under licence, the Somersby Mango & Lime Premium Beer was introduced in both bottle and can form.

The Innovation Brewery continued to add to the Lion portfolio. Under the Lion brand, "Lion Trueborn", a premium scotch malt based beer, was launched during the year, which then expanded to the mainstream market.

In addition, a range of craft beer variants were introduced in conjunction with Oktoberfest, including King Coconut, Mango Passion, Narang, Strawberry Lime and a Pilsner variant, which are currently available on tap at selected outlets.

New launches in FY 2026







Furthermore, Tambapanni Red, which was first introduced in 2024 through the Innovation Brewery, is expected to scale up to on-shelf packaging formats (cans and bottles) in the coming year. This highlights the role of the Innovation Brewery as a strategic platform to experiment, refine, and respond to evolving consumer preferences, allowing the Group to develop, validate, and scale products that resonate strongly with the market, as evidenced with the success of Lion Trueborn during the year.

FOCUS ON QUALITY

GRI: 416-1, 416-2

Quality remains central to CBH's intellectual capital. The main production facility in Biyagama reflects the Group's commitment to quality, innovation and sustainable brewing practices across both local and international operations. From the sourcing of raw materials to the final pour, rigorous quality standards are embedded at every stage of the production process to ensure consistent and exceptional consumer experiences.

The Group's quality assurance systems are supported by globally recognised best practices gained through international partnerships and reinforced through ISO 22000:2018 Food Safety Management certification at Lion. This ensures alignment with the highest global food safety standards, while more than 97.0% of raw and packaging materials utilised by Lion are sourced from suppliers certified under ISO or comparable internationally recognised food safety and quality standards.

Across Lion's operations, structured testing and verification processes form a critical component of quality control systems. The reliability of laboratory testing is validated through participation in the internationally recognised Brewing Analytes Proficiency Scheme (BAPS), which benchmarks analytical capabilities against global brewing standards. Product evaluations, including organoleptic testing, are conducted by trained tasters qualified under recognised industry benchmark programmes.

This disciplined and integrated approach to quality management has resulted in exceptionally low defect levels in the local operations, with customer complaints recorded at approximately 0.35 defects per million units sold, demonstrating the effectiveness of Lion's systems in safeguarding product integrity and consumer satisfaction.

The brewery sector's continued focus on brewing quality and operational excellence has also translated into strong international recognition. As a testament to this commitment, Lion Stout and Lion Lager received multiple accolades at the 2025 World Beer Awards, including World's Best Tropical Stout, Gold Winner-Taste Category, Country Winner awards for Lion Stout, and a Silver award for Lion Lager – Lager Taste Category. These achievements further reinforce Lion's reputation for world class brewing and product quality.

The Group's commitment to quality extends beyond product quality and packaging standards to the manner in which products are presented to both trade partners and consumers. Reflecting this commitment, Lion received recognition at the FMCG Asia Awards 2025 under the "Seasonal Campaign of the Year – Sri Lanka" category for the Carlsberg Seasonal Campaign executed across 270 modern trade outlets, and under the "New Brand Launch of the Year – Sri Lanka" category for Lion Trueborn.



Furthermore, Lion received the award for 'Best in Class Execution' for the Carlsberg Sri Lanka display drive at the Carlsberg Export & License Conference Awards 2025 held in Copenhagen.



KNOWLEDGE AND EXPERTISE

GRI: 2-28

The Group's brewery sector's long-standing history and decades of brewing expertise continue to represent a significant strategic asset for the Group. From recipe formulation and production management to logistics and distribution, teams across the organisation possess deep institutional and sector knowledge that is continuously transferred through mentorship, structured training programmes, and cross-functional collaboration.

Knowledge management systems, digital monitoring tools, and data analytics platforms support informed decision-making across operations, while real-time production dashboards allow operational teams to track KPIs, identify quality deviations, and implement corrective actions promptly. This integration of human expertise with digital insights strengthens both operational efficiency and innovation capacity, enabling high standards and agile response to evolving market dynamics.

Beyond brewing innovation, the Group will continue to leverage the expertise and global partnerships within its Luxury Brands business to strengthen its understanding of evolving consumer trends, premiumisation opportunities, and international best practices across the alcoholic beverage sector. This will support the continued enhancement of the Group's portfolio, consumer experiences, and route-to-market capabilities.

Through Pubs 'N Places, the Group has developed specialised expertise in franchise management, hospitality operations, and consumer experience delivery. Over the years, the business has been able to refine its operating model, strengthening capabilities in outlet management, partner engagement, operational governance, and service excellence. This accumulated knowledge enables the business to maintain consistency across its network while adapting to evolving consumer preferences and market trends.

WAY FORWARD

Looking ahead, the Group aims to further strengthen its intellectual capital by expanding the output of its Innovation Brewery and developing additional consumer-driven flavours and brewing styles. In line with the Group's focus on premiumisation, the Brewery also intends to introduce new premium and super premium variants in the upcoming year, thereby further expanding and strengthening the portfolio.

Through its Luxury Brands business, the Group will continue to broaden its exposure to leading global brands and category innovations, strengthening its understanding of emerging consumer preferences and premium beverage trends.

CBH will also focus on integrating advanced digital monitoring and analytics across production lines to enhance operational efficiency, responsiveness, and quality control.

In the longer term, the Group aspires to position itself as a global leader in consumer-focused brewing innovation by combining local authenticity, sustainability, and premium product experiences to further strengthen its brand influence across international markets.

Through ongoing investment in people, processes, strategic partnerships, certifications, and technology, the Group will continue to leverage its intellectual capital to deliver a strong product portfolio, enhance brand equity, and maintain a competitive edge in an evolving marketplace.



SOCIAL AND RELATIONSHIP CAPITAL

STRATEGIC FOCUS

CBH's strategic focus remains centred on delivering sustainable, long-term value through a balanced integration of consumer relevance, responsible supplier and service provider practices, and meaningful community impact. The Group continues to adopt a consumer-first approach, strengthening the portfolio through innovation, while reinforcing responsible consumption practices to build long-term brand trust and engagement.

At the same time, the Group remains focused on strengthening supplier resilience through structured governance frameworks, ESG-driven evaluations, and deeper collaboration to ensure ethical, reliable, and high-quality sourcing across the value chain.

Complementing these efforts, CBH remains committed to empowering communities through targeted initiatives focused on access to clean drinking water, waste management, disaster resilience, and skills development, implemented in partnership with credible stakeholders. Collectively, these priorities position the Group to drive resilient growth, strengthen stakeholder relationships, and create shared value across the broader ecosystems in which it operates.

CONSUMER

GRI: 301-3, 417-1

Expanding choice

Strong customer relationships are built on consistent product quality and availability, reliable route-to-market execution, and responsible engagement practices. Maintaining dependable supply chains, even during periods of disruption, continues to reinforce customer trust while providing a strong platform to deliver broader and more responsive product offerings aligned with evolving consumer needs.

During the year, the Group further strengthened its consumer value proposition by expanding portfolio diversity and responding proactively to evolving consumption preferences. A key focus area was the development and introduction of lower ABV and alternative flavour offerings, providing consumers with greater choice for moderate and occasion-based consumption. At the same time, existing variants such as Lion Ice, Carlsberg Smooth Draught, and Somersby flavours, continued to strengthen the Group's presence within the lower-alcohol and flavoured beverage segments, responding to evolving consumer demand patterns.



The introduction of Lion Trueborn further supported the mainstream premiumisation agenda alongside a diverse range of craft brews introduced as draft beer offerings to meet the preferences of on-premise consumers seeking beverages that complement their culinary experiences.



In parallel, the Group remained attentive to changing economic conditions and evolving consumer expectations around affordability and value.

These initiatives reflect a deliberate, consumer-first approach, supporting portfolio premiumisation, expanding choice across price points and consumption occasions, and reinforcing the Group's relevance in an increasingly dynamic marketplace with significant restrictions on brand communication and advertising.

PNPL continued to leverage product innovation through its association with the Innovation Brewery, with a focus on the growing mild beer and low-alcohol beverage segments. The expansion of the low-alcohol portfolio, supported by new product development, enabled the business to better align with evolving consumer preferences and broaden its customer base.

In line with its customer-centric strategy, PNPL introduced a refreshed food menu in early FY 2026, designed to enhance relevance and drive higher engagement. PNPL also transitioned from physical menus to a fully digital ordering platform, improving operational efficiency and the overall customer convenience.

Crafting conscious consumption

In a landscape where social responsibility is inseparable from customer trust, CBH's customer engagement efforts focus on promoting responsible consumption through clear consumer information and initiatives that support informed decision-making.

Across the beer segment's local bottle and can packaging portfolio, CBH continued voluntary 'responsible consumption' messaging including:

- Don't drink and drive
- Legal age for purchasing alcohol
- Don't litter
- Recycle
- Avoid alcohol during pregnancy

Approximately 40.0% of the Group's beer packaged in bottles and cans for the local market currently carries all these messages, with ongoing efforts underway to further expand coverage across the portfolio. "Responsible Drinking" messaging is also displayed on point-of-sale materials featuring pack visuals, reinforcing consumer responsibility at the point of purchase as well as at beverage-related events where the Group's products are served.



Way forward

Looking ahead, CBH will continue to deepen its consumer-first approach by leveraging data-driven insights to anticipate evolving preferences and shape a more agile, responsive portfolio. Focus will remain on expanding lower ABV and alternative flavour offerings, enhancing affordability across key formats, and strengthening innovation through the capabilities of the Innovation Brewery.

At the same time, the Group will further embed responsible consumption practices across consumer touchpoints, ensuring that trust, transparency and informed choice remain central to the brand experience. By continuously aligning product development, route-to-market execution and consumer engagement strategies with evolving market expectations, CBH is well-positioned to sustain portfolio premiumisation, broaden participation across consumption occasions and deliver long-term, resilient growth.



COMMUNITIES

GRI: 203-1, 203-2, 413-1

CBH's community relationship model is built on the belief that environmental performance and social outcomes are closely interconnected. Therefore, CBH strives to play a meaningful role in enhancing community well-being, supporting their development, and collaborating to address shared challenges.

To support these objectives, the Group continues to work with credible external partners to extend its reach, optimise resource utilisation, and improve the effectiveness of its interventions. Community engagement efforts remain focused on key priority areas including water, knowledge sharing, waste management and recycling, and other high-impact initiatives where meaningful and measurable value can be created for both communities and the environment.

Waste Management

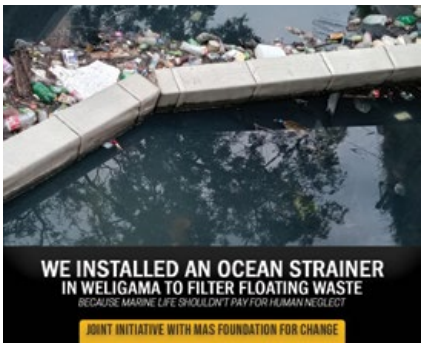
At the community level, CBH continues to strengthen local waste management systems through collaborative initiatives that promote shared responsibility and improved living conditions.

In partnership with organisations such as 'Janamanasa', the Group has supported the installation of waste segregation infrastructure in regions including Hatton and Maskeliya, with similar initiatives extended across other parts of the country. These efforts support more efficient waste collection practices at the community level, while encouraging behavioural change towards responsible waste disposal and recycling.



Waste segregation bins at Ella Railway Station

In collaboration with the MAS Foundation for Change, the Group has supported the installation of an Ocean Strainer in Weligama to intercept plastic waste before it enters marine ecosystems, with further expansion initiatives currently under consideration.



Through conservation partnerships with Biodiversity Sri Lanka (BSL), CBH supported aspects of the "Life to Our Beaches" programme by financing a beach caretaker programme for Kayankerni. In parallel, the Group continued its beach caretaker programme with "Clean Ocean Force" for a designated beach stretch in Negombo.



Joint beach cleanup with Angle Beach, Unawatuna

Complementing these interventions, CBH also supported clean-up programmes across several locations, including Kalladi, Galle, Trincomalee Dutch Bay, Negombo and Sigiriya. These initiatives brought together employees and community members, fostering civic participation and collective ownership in maintaining shared public spaces.

Through these collaborative efforts, the Group continues to contribute towards improving the cleanliness, safety, and usability of community environments, while reinforcing environmental awareness and long-term behavioural change among the communities it serves.



Community resilience and disaster support

CBH remains committed to supporting the communities in which it operates, particularly during times of crisis, through timely, coordinated and impactful interventions.

In response to the recent flooding and extreme weather events that followed Cyclone Ditwah, the Group mobilised resources through its brewery operations to provide immediate relief and recovery support. Working alongside the Asia Pacific Alliance for Disaster Management A-PAD and local stakeholders, trained search and rescue teams from Lion, facilitated the safe evacuation of affected individuals, while also distributing essential supplies including food and drinking water to impacted communities.



Post-disaster, the brewery operations contributed Rs. 50 Mn. towards the Government's 'Rebuild Sri Lanka' initiative. In parallel, support was extended to local authorities in Biyagama through the provision of heavy vehicles to assist with clean-up operations, together with contributions towards the distribution of ration packs to affected households. These efforts were aimed at accelerating recovery initiatives and restoring normalcy within impacted communities as swiftly as possible.



Community cleanup post Cyclone Ditwah

Recognising the importance of continuity in education during times of disruption, essential school supplies were provided to families of employees, service provider personnel, and families within surrounding communities affected by the flooding in the vicinity if the brewery. This initiative aimed to minimise disruptions to education while reinforcing the Group's ongoing commitment to community wellbeing and resilience during times of adversity.

Through these initiatives, CBH remains actively engaged and prepared to respond swiftly to future emergencies, supporting community resilience and recovery where it is needed most.

Water access and community health

Through the Lion Nation Foundation (LNF), the Group continued to support access to clean drinking water by enabling community-owned reverse osmosis (RO) plant operations in collaboration with the Sri Lanka Navy and the Ministry of Health.

During the year, the RO plant installed in Mannar completed its full year of operation, while a second plant was commissioned in the Kurunegala District. Collectively, the two plants have a treatment capacity of 20,000 litres per day and are aimed at providing drinking water requirements of approximately 3,600 individuals as indicated in the site evaluation conducted by the Sri Lanka Navy. Once commissioned, the plants are owned and operated by the respective communities, while technical maintenance support continues to be provided by the Sri Lanka Navy, supporting long-term operational sustainability and community ownership.



Newly commissioned RO plant in Bayawa, Kurunegala

Melting Point: Upcycling for livelihoods and community enterprise

The Group continued to advance the Melting Point initiative, which transforms used aluminium cans into value-added products such as trophies, gift items, and design pieces. This initiative gained further recognition during the year through its production of awards for the Presidential Environmental Awards and the Biodiversity Sri Lanka 10-year anniversary, demonstrating the potential of circular design applications across high-visibility platforms.

Building on this momentum, the Lion Nation Foundation (LNF), in collaboration with the Academy of Design (AOD), is further expanding this initiative into handcrafted jewelry and lifestyle products.

This next phase is designed to create sustainable livelihood opportunities by enabling individuals, particularly within coastal and community-based settings, to engage in small-scale production using accessible tools and locally available materials. The initiative is expected to lower barriers to participation while enabling broader community involvement in value creation.

As part of efforts to strengthen visibility and market access, a product crafted from recycled aluminium was featured as a key design feature at the Sri Lanka Design Festival 2025. Plans are currently underway to further scale these initiatives and position the creations for broader international exposure during 2026.



Through this initiative, the Group aims to strengthen community-based value creation, support sustainable income generation, and promote cultural expression, while encouraging responsible waste collection practices and circular economy thinking at the grassroots level.

Melting Point initiative: from waste to worth



Knowledge sharing and training

The Group continued to strengthen knowledge sharing and skills development through structured industrial training and apprenticeship opportunities across its brewery facilities, with 57 placements facilitated during the year.

These programmes are designed not only to provide practical hands-on industry exposure, but also to serve as a pipeline for future talent, supporting participants in transitioning from academic learning into industry-relevant employment opportunities.

In addition, CBH supports academic and professional learning through field visits aligned with university, tertiary education and corporate exposure requirements.

These visits to its brewery facility provide practical insights across key operational areas including fermentation, engineering and automation, health, safety and environment, flood resilience, logistics, and supply chain management.

Through these initiatives, CBH continues to bridge the link between academia and industry, enhance employability, and contribute towards building a skilled and future-ready workforce.



University of Sri Jayewardenepura for Industrial Microbiology site visit

FY 2026 CBH knowledge sharing scorecard

Training	Unit	FY 2026	FY 2025	FY 2024
Site visits	#	**43**	23	32
People trained	#	**1,491**	795	1,161
Training provided	Man hours	**4,913**	3,141	3,951
Internships	#	**40**	32	22
Industrial training opportunities	#	**17**	25	24

WAY FORWARD

Building on the progress achieved across community-focused initiatives, the Group will continue to deepen its impact through a more integrated and partnership-driven approach.

Focus will remain on scaling programmes that deliver tangible community benefits, including strengthening local waste management systems, enhancing disaster preparedness and response capabilities, and expanding livelihood opportunities through circular economy initiatives.

The Group will also continue to strengthen collaborations with external partners, academic institutions, and community organisations to extend the reach and improve the effectiveness of its interventions.

At the same time, efforts will remain focused on broadening access to skills development and training opportunities, reinforcing clear pathways from education to employment while maintaining high standards of programme quality and participant experience.

As CBH moves forward, the Group remains committed to creating sustainable, long-term value by empowering communities, supporting resilience during times of need, and enabling inclusive growth across the regions in which it operates.

SUPPLIERS

GRI: 2-6, 204-1, 407-1, 408-1, 409-1

CBH's supply network spans both local and international partners who provide the necessary materials and services essential to the Group's operations. These partnerships play a critical role in enabling the consistent delivery of high-quality products across its markets.

The Group remains focused on building long-term relationships with suppliers who meet its standards of quality, reliability, and operational performance, while also aligning with its values on ethics, environmental responsibility, and social impact. Through this collaborative approach, CBH continues to strengthen a resilient and responsible supply chain that supports long-term business growth.

Responsible sourcing and supplier governance

CBH maintains a structured and risk-informed supplier onboarding process, supported by comprehensive due diligence protocols to assess supplier eligibility, operational integrity, and alignment with Group standards. This approach supports the development of a resilient and responsible supplier base while safeguarding product quality and brand reputation.

During FY 2026, ESG-focused evaluations were conducted across 87.3% of the brewery sector's material suppliers based on spend, compared to 78.0% in the previous period with no significant lapses noted. This targeted approach ensures that CBH's material supplier relationships are prioritised for sustainability and ethical performance assessments alongside traditional cost and quality considerations.

Its brewery sector's operations are subject to independent ethical and sustainability assessments through the SEDEX Members Ethical Trade Audit (SMETA 7) framework. This four-pillar audit evaluates Labour Standards, Health and Safety, Environmental Practices, and Business Ethics, covering all on-site operations, including third-party service personnel.

In managing overseas supplier relationships, the Group also leverages the Carlsberg Group network to support verification processes where applicable, enhancing oversight across global sourcing channels.

Strengthening supplier partnerships
Building enduring supplier relationships remains central to the Group's operational resilience and long-term value creation. CBH actively integrates key suppliers into day-to-day operations, fostering a culture of continuous engagement, collaboration, and shared accountability to drive mutual growth.

To strengthen these partnerships, the Group has implemented a structured supplier engagement framework, including comprehensive annual audits of supplier facilities, and targeted on-the-job training programmes for service personnel. These initiatives provide a platform for open dialogue, and facilitate the exchange of insights, feedback and best practices across the value chain.



Toolbox training at Lion

These efforts have translated into tangible outcomes, including improved service quality, stronger alignment with the Group's sustainability priorities, and a shared commitment to continuous improvement, reinforcing the resilience and integrity of the supply network.

Way forward

In the long term, CBH will continue to strengthen and diversify its supply base to drive operational efficiency and enhance resilience against potential supply disruptions. This remains particularly important given that 26.4% of the Company's ingredient spend was sourced from countries classified as High or Extremely High water-stressed regions (AQUEDUCT Country rankings), which may face increasing resource-related challenges in the future.

To support the Group's product innovation agenda through the Innovation Brewery and broader innovation pipeline, CBH will continue to engage with local suppliers based in different geographies to develop and incorporate value-added ingredients into the product portfolio and thereby support the local economy.

The Group also aims to expand ESG evaluations across a broader proportion of its supplier base, while deepening engagement through capability-building initiatives, structured collaboration, and continuous knowledge sharing.

In parallel, CBH will continue to promote alignment with internationally recognised standards while leveraging strategic partnerships, to reinforce oversight across global sourcing channels. Through these efforts, the Group seeks to build a more resilient, responsible, and future-ready supply ecosystem that supports sustainable long-term value creation.

HUMAN CAPITAL

STRATEGIC FOCUS

People remain central to the creation of sustainable value and are managed as a strategic enabler of long-term performance. Operating within a dynamic and increasingly competitive environment, the Group's ability to deliver consistent results, drive innovation, and respond to evolving market demands is supported by the strength, capability, and engagement of its workforce.

The people strategy is closely aligned with the broader business objectives, ensuring organisational capability evolves in step with strategic priorities. The strategy is anchored on three key pillars: capacity development to support transformation, capability development to build a continuous talent pipeline through learning, and culture development to foster a sustained sense of pride.

Through a structured and forward-looking approach, CBH continues to build a workforce that is agile, skilled, and equipped to deliver operational excellence while supporting growth across both domestic and international markets. This is supported through ongoing investments in organisational design, capability development, and talent pipeline strengthening.

During the year, the Group further strengthened its human capital framework through targeted initiatives in employer branding, digitalisation, diversity, equity and inclusion, enhancing its position as an employer of choice while improving organisational agility.

This approach is supported by a comprehensive employee lifecycle framework spanning talent attraction, development, engagement, and retention, underpinned by transparent processes and data-driven decision-making. Continued investment in digital HR platforms has further enhanced efficiency, responsiveness, and workforce insights across the organisation.

Recognising the evolving talent landscape, particularly in specialised and technical roles, CBH continues to prioritise internal capability development while strengthening external talent pipelines to mitigate talent-related risks and ensure continuity in critical roles.

A high-performance culture grounded in shared values, accountability, and continuous improvement remains central, supported by structured performance management, leadership engagement, and employee feedback mechanisms. At the same time, the Group remains committed to employee well-being through initiatives that promote work-life balance, mental health, and overall wellness.

The brewery sector's continued recognition as a Great Place to Work for the sixth consecutive year, alongside its ranking among the Top 15 Best workplaces in the Manufacturing and Production sector in Sri Lanka, reflects the strength of its employee value proposition and workplace culture.

ENABLING PEOPLE EXCELLENCE

- Talent management and development process
- Succession planning
- Performance management process
- Rewards management process
- Learning management process
- Employee engagement process
- Employee wellness process

REGULATORY COMPLIANCE AND BEST PRACTICES

GRI: 2-27

Labour Regulations

Shop and Office Employees Act of 1954
EPF Act
ETF Act
Payment of Gratuity Act of Sri Lanka

Best Practices

UNGC Principle 3: Freedom of association and the effective recognition of the right to collective bargaining.

UNGC Principle 4: Elimination of all forms of forced and compulsory labour.

UNGC Principle 5: Effective abolition of child labour.

UNGC Principle 6: Elimination of discrimination in respect of employment and occupation.

FY 2026 Scorecard

ZERO – Incidents of non-compliance of labour laws

ZERO – Incidents of discrimination

GRI: 406-1

ZERO – Incidents of violation of employee right to freedom of association and collective bargaining

GRI: 407-1

ZERO – Incidents of child labour

GRI: 408-1

ZERO – Incidents of forced or compulsory labour

GRI: 409-1

New policies introduced in FY 2026

During the year, CBH implemented its diversity, equity and inclusion strategy, branded as "Abhimana", under which several new policies were introduced. These included the introduction of a hybrid working policy, enhanced maternity benefits, the introduction of paternity leave for the first time, and the provision of childcare support for employees.

In addition, the Group introduced "Voluntary Days", encouraging employees to take up to two days of leave annually to engage in activities that contribute positively to society and the environment.



Employee statistics

GRI: 2-7, 2-8

Breakdown of permanent employees by gender and region

Financial year	M				F				M	F	Total	% F
	Senior Manager	Middle Manager	Executive	Non-Executive	Senior Manager	Middle Manager	Executive	Non-Executive				
CBH – Location Sri Lanka												
FY 2025	47	73	102	105	9	14	23	1	327	46	373	12
FY 2026	48	74	111	106	10	22	32	–	339	64	403	16
CBH – Location: Overseas												
FY 2026	–	1	–	–	–	–	–	–	1	–	1	–

Breakdown of permanent employees by age group

Financial year	FY 2026				FY 2025			
	Senior Manager	Middle Manager	Executive	Non-Executive	Senior Manager	Middle Manager	Executive	Non-Executive
CBH – Location Sri Lanka								
18-30 years	1	19	74	30	1	21	70	37
31-50 years	46	74	61	59	43	60	48	56
>50 years	11	4	8	17	12	5	7	13
Total	58	97	143	106	56	86	125	106

Breakdown of contract employees by gender and region

Financial year	M				F				M	F	Total	% F
	Senior Manager	Middle Manager	Executive	Non-Executive	Senior Manager	Middle Manager	Executive	Non-Executive				
CBH – Location Sri Lanka												
FY 2025	–	1	–	1	–	1	1	–	2	2	4	50
FY 2026	–	1	–	1	–	1	–	1	2	2	3	50

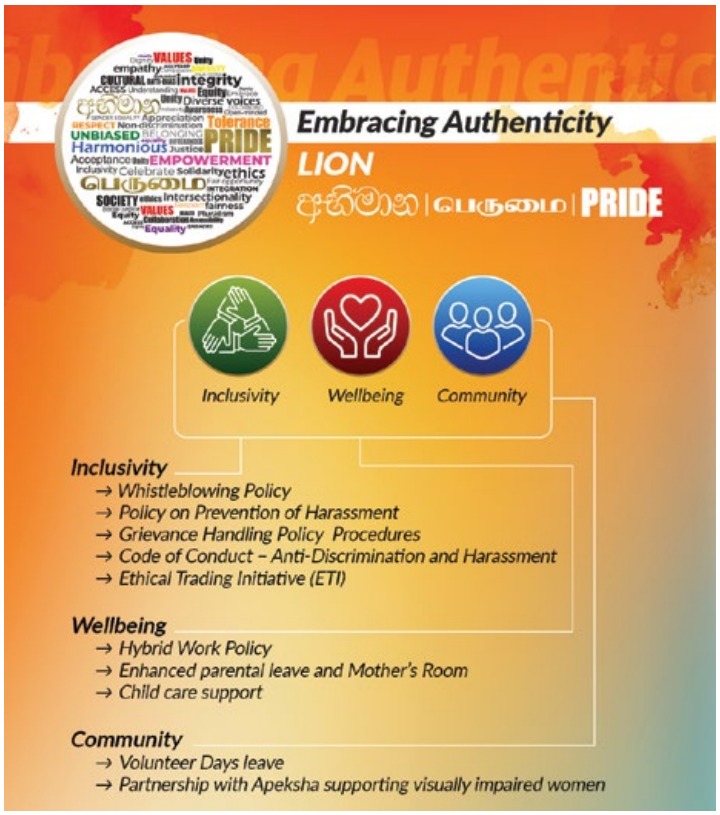
Trainees / Interns / Apprentices by gender

Financial year	Trainees/ interns/ apprentices, non-supply chain		Trainees/ interns/apprentices supply chain		Total	% F
	M	F	M	F		
CBH – Location Sri Lanka						
FY 2025	4	8	30	15	57	40
FY 2026	4	13	29	11	57	42

Note: During FY 2026, CBH provided a total of 57 opportunities across three categories: 17 Trainees, 28 Interns, and 12 Apprentices. Furthermore, CBH continues to provide internship opportunities with a focus on enhancing diversity, with female representation among interns exceeding the Group's current internal gender ratio.

DIVERSITY, EQUITY AND INCLUSION INITIATIVES (DEI)

CBH is committed to fostering a workplace that is fair, inclusive, and respectful, where all employees are provided with equal opportunities to contribute and succeed.



Diversity, equity, and inclusion principles are embedded within the Group's people practices, guiding the manner in which employees are recruited, developed, and supported throughout their careers.

To reinforce this commitment, CBH maintains a robust policy framework, including its Policy on Prevention of Harassment and Discrimination, which ensures that all employment-related decisions are made without bias, while promoting a workplace culture in which employees are consistently treated with dignity, respect, and professionalism.

No employee will be discriminated against on the basis of:

- Race, colour, ethnic or national origin
- Religion or religious beliefs
- Gender, including pregnancy, childbirth, or breastfeeding
- Sexual orientation
- Gender identity and gender expression
- Nationality, immigration status, citizenship, or ancestry
- Physical or mental disability or medical condition, where such condition does not pose a risk to fellow employees

EMPOWERING WOMEN IN THE WORKFORCE

As part of its broader focus on diversity, equity and inclusion, CBH places strong emphasis on enhancing opportunities for women in a sector that has traditionally experienced lower female representation in Sri Lanka.

The female cadre within the workforce currently stands at 16.0%, and CBH remains committed to driving meaningful and sustained progress in this area. The Group also recognises the important role women play in balancing professional and personal responsibilities, and continues to foster an environment that supports their growth, wellbeing, and career advancement.

Workplace safety and harassment prevention initiatives



CBH is committed to fostering a safe, respectful, and inclusive workplace, with a strong focus on preventing sexual harassment. During the year, a series of awareness programmes and workshops were conducted to educate employees on appropriate workplace behaviour, prevention mechanisms, and reporting channels. These initiatives are aimed at building a more supportive environment for all employees, particularly women, while reinforcing a culture of accountability and zero tolerance towards harassment.



ATTRACTING AND ENGAGING TALENT

GRI: 2-7, 401-1

During the year, CBH strengthened its employer branding initiatives, through enhanced digital engagement and targeted talent outreach activities, contributing to improved organisational visibility and stronger candidate engagement. In addition, proactive talent pooling strategies were implemented across critical technical areas, enabling faster recruitment and ensuring continuity in key operational roles.

Attracting and retaining the right talent remains a strategic priority for CBH, particularly within an increasingly competitive labour market characterised by the migration of skilled professionals and a limited pool of specialised technical expertise. In response, CBH has adopted a proactive and structured approach to talent management, focused on strengthening both external talent pipelines and internal capability development to ensure long-term organisational resilience.

Recruitment activities are guided by a disciplined workforce planning process anchored on an annually approved cadre plan, ensuring that hiring decisions are aligned with business strategy and operational requirements. Departmental workforce needs are consolidated into a group-wide recruitment plan, while any additional requirements are subject to structured review and approval processes.

All recruitment processes are conducted on a merit-based and non-discriminatory basis, supported by competency assessments and objective evaluation criteria to ensure the selection of candidates with the right skills, potential, and cultural alignment.

During the year, CBH further strengthened its recruitment approach by developing pre-qualified talent pools in critical technical areas, enabling faster replacement of key roles and reducing overall time-to-hire.

Recognising the importance of building a sustainable long-term talent pipeline, the Group continues to strengthen its engagement with universities, professional institutions, and industry networks.

Programmes such as the Lion Cubs structured internship programme, together with trainee and apprenticeship initiatives, continue to serve as key entry points for early-career talent, enabling Lion to develop future employees while addressing long-term capability requirements.



Lion Cubs in training

These initiatives contributed to a steady inflow of new talent during the year, particularly within younger workforce segments.

Digitisation of recruitment and onboarding

CBH has digitised key elements of its recruitment and onboarding process to improve efficiency and reduce paper usage. Offer letters, appointment letters, and onboarding documentation (including NDAs and declarations) are now processed and signed electronically, enabling a fully paperless joining experience. Recruitment approvals have also been automated through workflow systems, improving speed and control. All employee records are centrally stored in the HR Information System (SuccessFactors), ensuring seamless integration and accessibility.

KEY WORKFORCE CHALLENGES

While attrition levels driven by skilled migration has stabilised over the past year, the limited availability of suitably qualified talent, particularly individuals with relevant industry exposure and specialised capabilities, continues to remain a key workforce challenge.

Measures implemented to address challenges

- Targeted recruitment efforts are prioritised within technically specialised functions, where attrition linked to skilled migration is more pronounced, ensuring operational continuity.
- Pre-screening and maintaining a pool of suitable candidates allows for immediate deployment upon vacancies arising, significantly reducing time-to-fill and improving workforce agility.
- Broadened talent sourcing initiatives through active collaboration with universities, academic institutions, and professional bodies via career development platforms.
- Implemented competitive remuneration enhancements, including salary realignments, special allowances, and performance-linked reward mechanisms to support retention and recognise employee contributions.
- Strengthened managerial capability through targeted networking opportunities and structured knowledge-sharing initiatives.
- Promoted internal career movement through formalised transfer processes, cross-functional exposure, and leadership development programmes.
- Enhanced employee wellbeing initiatives by encouraging work-life balance, raising awareness of mental health, and improving access to support services. The introduction of the Employee Assistance Programme (EAP) was a key initiative that contributed positively towards engagement and retention outcomes.

CBH's employer value proposition is anchored in its commitment to fostering a fair, inclusive, and development-oriented workplace.

All new employees participate in a structured onboarding process, which includes formal induction sessions, policy orientation, and introductions to key stakeholders prior to assuming their roles. This is followed by a six-month probationary period, during which performance is closely evaluated before confirmation of employment.

In addition to permanent employees, the Group engages contract personnel for project-based requirements and maintains an active internship programme to support the development of future talent pipelines.

New recruits by age, gender, and region

Financial year	Total new recruits	Age			Gender	
		18-30 years	31-50 years	> 50 years	M	F
CBH – Location Sri Lanka						
FY 2025	71	44	26	1	59	12
FY 2026	**97**	**54**	**42**	**1**	**67**	**30**

Resignations by age, gender, and region

Financial year	Total new recruits	Age			Gender	
		18-30 years	31-50 years	> 50 years	M	F
CBH – Location Sri Lanka						
FY 2025	49	14	31	4	36	13
FY 2026	**63**	**29**	**28**	**6**	**51**	**12**

WORKFORCE DEVELOPMENT AND TRAINING

GRI: 205-2, 404-1, 404-2

Learning priorities during the year were guided by key themes identified through internal assessments, including strengthening of commercial and financial acumen, together with enhanced stakeholder and customer-centric capabilities.

CBH continues to place strong emphasis on building organisational capability, recognising that a skilled and capable workforce is essential to both individual development and long-term organisational performance.

As part of this approach, CBH continues to invest in training and development initiatives aimed at addressing identified knowledge and skills gaps across environmental, financial, social, and governance areas, enabling employees to perform their roles with confidence and effectiveness.

Technical training programmes are designed to build specialised expertise required across different job functions, while soft skills training focuses on strengthening competencies in areas such as communication, leadership, and teamwork.

These capabilities play an important role in shaping organisational culture and supporting sustained business performance.

Overall training hours analysis

Breakdown by employee grade	FY 2026	FY 2025
Senior Manager	**3,917**	2,805
Middle Manager	**3,679**	4,407
Executive	**6,853**	6,359
Non-Executive	**4,824**	5,358
Total	**19,273**	18,929
Training hours per permanent employee	**47.82**	50.74

Breakdown by training type	FY 2026	FY 2025
Awareness	**3,095**	4,400
Behavioural	**5,114**	2,519
Compliance	**718**	394
Familiarisation	**3,144**	3,544
Health and safety	**1,796**	2,014
Technical	**5,406**	6,058
Total	**19,273**	18,929

LEARNING MANAGEMENT SYSTEM

As part of the human capital management, CBH launched a Learning Management System (LMS) implemented through SAP SuccessFactors, integrated with LinkedIn Learning during the year. The platform provides employees with access to a wide range of learning resources and supports a more structured and accessible approach to capability development.

The Group is also in the process of digitising induction content for new hires by converting traditional presentation-based onboarding materials into interactive video and audio-visual formats. These digital modules will be hosted on the LMS, enabling a more engaging, consistent, and easily accessible onboarding experience across the organisation.

This initiative is aimed at strengthening a learning organisation culture by making learning more accessible, consistent, and engaging across the workforce. By leveraging digital learning formats, the Group continues to improve access to learning resources, encourage continuous learning, and embed capability development as an integral part of the overall employee experience.

THE LEARNING FRAMEWORK

CBH introduced a structured Learning Framework during the year to strengthen capability building and embed a more consistent, organisation-wide approach to learning and development. The framework replaces ad-hoc training practices with a clearly defined progression pathway aligned with each employee's career journey.

The framework is structured around key career stages, beginning with individual contributors, progressing to people management roles to functional and senior leadership positions. At each stage, employees are required to complete a defined set of modular learning programmes tailored to their development needs before progressing to the next level.

It also includes structured programmes for different employee cohorts, including executive development initiatives and senior leadership programmes delivered in partnership with external institutions.

Across the system, approximately 8–10 core learning modules are mapped to each career pathway to ensure capability readiness, consistency, and disciplined progression across the organisation.

Overall, the framework institutionalises learning as a structured and continuous journey rather than a standalone activity, reinforcing a stronger culture of learning and development across the Group.



CBH directs its training and development efforts towards strengthening a culture of innovation and high performance across the organisation. Within the Supply Chain function, the Manufacturing Excellence Unit at Lion plays a key role in developing employees' ability to challenge existing practices and adopt more effective ways of working.

This approach encourages employees at all levels to contribute towards continuous improvement efforts in their day-to-day activities, embedding innovation into routine operations rather than limiting it to large-scale initiatives.

A key component of this approach is the application of Kaizen methodologies, which promote continuous refinement of processes and incremental improvements in operational efficiency. These efforts have translated into measurable outcomes, with employee-driven Kaizen initiatives generating cost savings in excess of Rs. 22.0 Mn. during the year under review.

Kaizens delivered

	FY 2026	FY 2025
Total number of Kaizen programmes	230	184
Productivity	32	1
Quality	49	16
Cost	44	68
Delivery	28	36
Safety	55	59
Morale	22	4
Total number of personnel recognised for Kaizens	144	101





CBH strengthened organisational capability in environmental, social, and governance and corporate governance practices through the continuation of targeted training initiatives delivered across all employee levels. These programmes are designed to enhance awareness, reinforce accountability, and ensure consistent application of established policies and governance frameworks.

By integrating governance principles into routine business activities, CBH promotes responsible decision-making and ethical conduct, supporting sustainable operations and long-term value creation.

ESG and governance training

	FY 2026	FY 2025
No. of personnel trained on ESG as a % of total employees	98.5	94.0
No. of personnel trained on Anti-Bribery and Corruption as a % of total employees	88.3	86.0

Executive Development Programme

CBH continues to strengthen its leadership pipeline through a series of structured development initiatives designed to build capability across different career stages in collaboration with the Post Graduate Institute of Management (PIM).

During the year, the Executive Development Programme, conducted in partnership with the PIM, was successfully concluded. The programme focused on developing executive-level talent through a structured curriculum which included modules tailored to the alcoholic beverage industry, alongside live business projects that required participants to apply their learning to real organisational challenges.

Building on this foundation, CBH also introduced the "Leadership Brew", an initiative in collaboration with Luminary Learning. This targeted programme was designed to further strengthen leadership capability by addressing key development areas aligned with organisational priorities.

Future Leaders Programme

In addition, the Future Leaders Programme was launched to develop the next generation of leadership talent in collaboration with PIM. The first phase of the programme commenced during the year, with a structured curriculum aimed at strengthening strategic thinking and leadership effectiveness. A second phase of the programme, in collaboration with an international learning partner, is scheduled for implementation in the following financial year.

Collectively, these initiatives reflect CBH's continued focus on developing leadership capability and building a strong and sustainable talent pipeline aligned with its long-term strategic objectives.

The programmes will focus on mindset transformation, psychological resilience, and practical behavioural shifts;

- Leadership Excellence
- Operational Excellence
- Customer/Client-centric Business Analysis
- Decision Making, Scientific Problem Solving and Stakeholder Management
- Effective Communication Skill

Soft skills training

CBH continued to implement a range of initiatives aimed at strengthening both technical and behavioural competencies across the workforce. These efforts focused on enhancing core capabilities such as communication, analytical thinking, financial acumen, and effective stakeholder engagement.

To support these objectives, structured programmes were introduced to develop presentation and public speaking skills, alongside employee-led learning initiatives that encourage reading, knowledge sharing, and critical reflection.

In parallel, accredited training programmes were rolled out to build internal capability in facilitation and coaching, enabling employees to contribute more effectively towards learning and development within the organisation.

CAREER PROGRESSION

CBH has established a structured and forward-looking framework for career progression, supported by the Learning Framework, which defines clear development pathways across key career stages from individual contributor roles to people management and functional leadership positions.



Participants of Executive Development Programme held in October 2025 at PIM

Career progression within the Group is closely aligned with the completion of targeted development programmes at each stage, ensuring a consistent and merit-based approach to advancement.

This structured approach is reinforced through a comprehensive learning architecture, where employees are required to complete defined development interventions prior to progressing to the next career level. This ensures that career advancement decisions are based on demonstrated capability, readiness, and performance rather than ad-hoc progression.

In parallel, CBH adopts a systematic approach to talent identification and leadership development through a formal succession planning process applicable to managerial roles and above. Employees demonstrating strong performance and future potential are identified and assessed for progression into more complex and strategic roles.

Employees identified as ready for advancement are provided with opportunities including cross-functional assignments, job rotations, and participation in strategic projects, enabling the organisation to assess readiness for increased responsibility.

Based on assessed performance and potential, tailored development plans are implemented over a defined time horizon to support their transition into future leadership roles and ensure continuity within the organisation's leadership pipeline.

To support this model, CBH has developed targeted programmes in collaboration with external learning partners, including the Executive Development Programme for executive-level employees and structured leadership development initiatives for senior managers. These modular programmes are designed to build capability across key leadership dimensions and strengthen the organisation's leadership bench.

Going forward, the Learning Framework will play a key role in identifying the necessary capability requirements across career stages and ensuring structured development pathways that align learning interventions with organisational needs and progression criteria.

During the year, a total of 59 employees progressed through career advancement initiatives, including 7 promotions, 17 role progressions, 34 lateral movements across functions, and one international assignment. These movements reflect the organisation's continued focus on internal mobility, capability development, and talent retention.

Overall, the Group maintained a strong organisational emphasis on learning and development during the year, reinforcing the role of capability building as a key enabler of career progression and long-term organisational growth.

Number of promotions and progressions

	FY 2026		FY 2025	
	M	F	M	F
Senior Manager	1	3	3	1
Middle Manager	5	2	14	2
Executive	7	4	15	1
Non-Executive	2	–	4	–

MANAGING AND EVALUATING PERFORMANCE

GRI: 404-3

CBH adopts a disciplined and structured approach to managing employee performance management, with a strong focus on driving accountability, consistency, and continuous improvement across the organisation.

Performance expectations are established at the beginning of each cycle through a systematic planning process, where organisational priorities are translated into functional objectives and subsequently cascaded into individual performance measures.

Performance is monitored throughout the year through formal review discussions between employees and their supervisors. These sessions provide an opportunity to evaluate progress, address any challenges, and realign objectives in response to evolving business requirements and operational priorities.

At the conclusion of the financial year, a comprehensive performance evaluation is conducted to determine overall performance outcomes.

To maintain objectivity and consistency, performance assessments undergo a multi-level review process. Departmental evaluations are reviewed collaboratively by Heads of Department and functional leaders, while final outcomes for Executive-level employees and above are assessed at Group level and endorsed by the Talent Council.

This structured approach ensures consistency and fairness in performance outcomes across the organisation. In support of this framework, several targeted initiatives were implemented during the year. These included preparatory sessions for managers prior to performance reviews, as well as post-cycle evaluations to assess the robustness of the system and identify opportunities for further refinement.

Final performance outcomes, together with any related remuneration adjustments, are formally communicated to employees in accordance with established Group practices.

Number of employees receiving the annual performance review

	FY 2026		FY 2025	
	M	F	M	F
Senior Manager	39	10	40	8
Middle Manager	65	17	68	13
Executive	94	21	90	22
Non-Executive	98	–	105	1
Total	296	48	303	44

Note: Performance appraisals are carried out only for personnel who have completed 6 months

As part of its broader digitalisation agenda, CBH continued to embed the integration of SAP SuccessFactors Human Resources Information System, implemented in June 2024, within its performance evaluation processes. The system's mobile-enabled functionality enhances accessibility and supports greater automation across performance management activities.

During the year, focus remained on driving adoption and improving utilisation, particularly through the mobile platform, contributing to increased efficiency and user engagement.

The system enables continuous tracking of employee performance by incorporating clearly defined checkpoints, allowing progress against key deliverables to be monitored throughout the review cycle. This provides both employees and supervisors with greater visibility into performance outcomes, facilitating early identification of gaps and timely corrective action.

In parallel, development priorities can be formally assigned and reviewed on an ongoing basis, supporting continuous skill enhancement and alignment with evolving role requirements.

The transition towards a more automated platform has also streamlined administrative processes, improving the reliability and consistency, and transparency of performance evaluations. By minimising manual intervention, the system enhances data accuracy and strengthens transparency, contributing to greater trust in the process and reinforcing a culture focused on performance and continuous improvement.

PERFORMANCE RECOGNITION AND REWARDS

GRI: 2-19, 2-20, 403-6

CBH's reward philosophy is centred on attracting, retaining, and motivating talent through fair and competitive remuneration structures that reflect individual skills, experience, and contribution.



Winners at the CEO Awards 2025 – The highest platform for recognition within the Group

Employees are recognised as a key driver of organisational success, and compensation practices are regularly benchmarked against industry standards to ensure alignment with market conditions. The Group also maintains pay equity by ensuring that there are no gender-based disparities among employees performing comparable roles across all levels.

All recruitment and employment practices are conducted in compliance with applicable labour laws, and remuneration for non-executive employees is maintained at levels significantly above the national minimum wage. Statutory obligations, including contributions to the Employees' Provident Fund (EPF), Employees' Trust Fund (ETF), and gratuity payments, are fulfilled in full compliance with regulatory requirements.

Beyond financial rewards, the benefits framework extends to supporting employees' physical, mental, and emotional well-being through employee wellness programmes, reflecting the Group's commitment to a holistic approach to employee empowerment and wellbeing.

Employee benefits and support

Complementing financial rewards, CBH offers a comprehensive benefits portfolio that supports employee wellbeing across financial, physical, and social dimensions.

Financial benefits	Non-financial benefits
• Annual performance-based bonus benefits • Vehicle/travelling allowance based on job grades • Budgetary relief allowance (for applicable staff) • Fuel allowances based on job grades • Spectacle allowance to employee and family • OPD Allowance • Professional subscription on annual basis • Childcare facility cost reimbursement facility for employees' children • British Council English programme fee reimbursement	• Staff meal (Lunch/dinner for all staff as per working shift) • Hospitalisation cover • Critical Illness, life and personal accident cover • Staff transport • School books and stationery packs for children of staff members – Annually • Welfare benefits (Death benefits for staff family members) • "Athwela" - scholarship supporting children's education • Annual medical checkup and wellness initiatives • Free medical check-ups (Every year) • Programmes for employee's physical and mental wellbeing • Gala Dinner for employees and their families

SUPPORTING EMPLOYEES THROUGH PARENTHOOD

GRI: 401-3

CBH supports employees through key life stages by providing a range of benefits, including maternity and paternity leave, childcare support, and dedicated facilities for working mothers.

During the year, the Group further strengthened this approach through the implementation of its diversity, equity and inclusion strategy, branded as "*Abhimana*", under which several new employee-focused policies were introduced. These included the introduction of a hybrid working policy, enhanced maternity benefits, the introduction of paternity leave for the first time, and expanded childcare support for employees.

As per the provisions of the Shop and Office Employees Act of 1954, female employees are entitled to 84 days of paid maternity leave following childbirth. CBH has extended this entitlement to 100 days of paid maternity leave.

In addition, nursing mothers are provided with one hour of paid nursing time each working day until the child reaches one year of age.

These measures form part of CBH's broader commitment to fostering a supportive, inclusive, and employee-centric work environment.

Parental leave at CBH

	FY 2026		FY 2025	
	M	F	M	F
Total number of employees who were entitled to parental leave	15	5	–	–
Total number of employees who took parental leave	12	5	–	–
Total number of employees who returned to work in the reporting period after parental leave ended	12	5	–	–
Total number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work	10	4	–	1*
Return to work and retention rates of employees who took parental leave (%)	83	80	–	100

* At the end of FY 2025, 1 employee who returned from maternity leave completed 12 months of service.

EMPLOYEE RELATIONS

GRI: 402-1

CBH fosters an open and transparent culture supported by structured mechanisms that facilitate continuous dialogue between employees and management. Employees are provided with multiple avenues to share feedback, raise concerns, and contribute ideas, promoting a strong sense of ownership and participation, and engagement across the Group.

This approach is reinforced through a combination of formal and informal communication channels that support timely and effective information flow. Key engagement platforms enable regular interaction with leadership, strengthen alignment across functions, and provide valuable insights into employee sentiment.

Platform	Purpose
People Connect	Quarterly forum led by the CEO and Executive Committee to share business updates and address employee queries
CEO Connect	Direct engagement platform between employees, the CEO, and Chief People Officer to gather feedback and understand workforce sentiment
Coffee with CEO	Informal platform encouraging open dialogue, idea sharing, and inclusive discussion with senior leadership
Chief Supply Chain Officer Connect	Engagement forum for supply chain employees, particularly blue-collar staff, to strengthen communication and alignment with leadership
A Trail with the CMO	Purpose driven, sharing of experience and knowledge by the CMO with young talent in Sales and Marketing
Staff Wellbeing Committee	Cross-functional forum to plan and implement employee wellbeing initiatives
GPTW Survey and Focus Group Discussions	Annual survey supported by discussions to assess employee sentiment and inform engagement strategies
Mid-year and Annual Appraisals	Structured one-to-one discussions to review performance, address challenges, and align on future goals

In addition to these structured platforms, CBH leverages digital communication channels to enhance accessibility and real-time connectivity across the workforce, contributing to a culture of openness, trust, and collaboration.

Employee engagement is further strengthened through the annual Great Place to Work survey, which serves as a key mechanism for assessing employee perceptions and identifying areas for improvement.

During the year, CBH achieved recertification for the sixth consecutive year and improved its Trust Index score, while also being recognised among the top workplaces in the manufacturing and production sector in Sri Lanka.

Insights generated through the survey are supplemented by focused group discussions, enabling a deeper understanding of employee expectations and develop targeted action plans to strengthen engagement and workplace culture.

CBH also places strong emphasis on fostering a sense of belonging through a structured employee engagement calendar, with initiatives organised throughout the year to strengthen relationships and reinforce organisational values.

A structured approach to managing organisational change ensures that employees are adequately informed and supported during periods of transition. As a responsible employer, the Group provides timely and adequate communication before any operational changes and supports transitions through structured change management initiatives designed to facilitate effective adaptation.

During the year, CBH extended support to employees affected by severe flooding that impacted several regions. Despite accessibility challenges, immediate relief was provided, followed by structured assistance based on the severity of the impact experienced by employees. This included support for cleaning and restoration, as well as assistance to replace essential household and electrical items, ensuring that affected employees were able to recover and resume normalcy as quickly as possible.

In parallel, CBH continues to foster a supportive work environment that recognises the importance of employee wellbeing, enabling employees to perform effectively while maintaining overall personal wellbeing and resilience.



EMPLOYEE ENGAGEMENT ACTIVITIES

CBH places strong emphasis on creating a connected and inclusive workplace by promoting employee engagement throughout the year. A structured calendar of engagement initiatives is implemented to strengthen relationships, encourage interaction beyond day-to-day responsibilities, and foster a sense of belonging across the organisation.

These activities play an important role in sustaining employee motivation, enhancing morale, and reinforcing pride in being part of CBH.

Key initiatives conducted during the year included:

- Family Day
- Annual Cricket Tournament
- Activities celebrating national and religious events
- Activities celebrating international events such as Women's Day, Mother's Day and Men's Day, amongst others



Sinhala and Tamil New Year celebrations 2025

EMPLOYEE WELLNESS

GRI: 403-6

CBH continues to prioritise employee wellbeing through structured initiatives aimed at promoting a healthier, safer, and more resilient workforce.

Building on the foundation established in the previous year, the Lion "We Care" programme remained a key platform for driving employee participation in wellness-related activities across the organisation.

During the year, wellness initiatives were further refined to ensure relevance and participation, including initiatives such as medical camps and programmes addressing both physical and mental health.

Annual medical screening programmes were conducted during the year, with participation reaching 96.0% of the permanent workforce, reflecting strong employee engagement with health-related initiatives. In addition, mental health awareness sessions continued to support employee wellbeing across the organisation.

A key development during the year was the introduction of the Employee Assistance Programme, which provides access to professional external counselling services to support employees in managing personal and work-related challenges.

Looking ahead, CBH will continue to expand its wellness initiatives through additional programmes aimed at further strengthening employee participation, wellbeing, and overall workforce resilience.

HANDLING GRIEVANCES

GRI: 2-15, 2-25, 2-26

CBH maintains a structured and clearly defined framework for addressing employee concerns, ensuring that all matters are handled in a timely, consistent, and impartial manner. The approach incorporates both informal and formal channels, enabling issues to be addressed at the appropriate level based on their nature and complexity.

The grievance handling process remained unchanged during the year, reflecting the continued relevance and effectiveness of the existing framework.

For routine concerns, employees are encouraged to engage directly with their immediate supervisors to seek resolution. Where required, matters are escalated to the relevant Head of Department to facilitate prompt and appropriate action, ensuring employees receive timely feedback and closure.

More complex or sensitive issues are managed through a formal grievance handling process. Employees may submit concerns in writing, following which the matter is initially reviewed at the supervisory level. Where resolution is not achieved, the issue is escalated with supporting information to the relevant Head of Department, who undertakes a more detailed review and provides recommendations for further action.

Final oversight of formal grievances rests with the Chief People Officer, who ensures that all matters are managed thoroughly, fairly, and in accordance with the Group's Grievance Handling Policy and Procedure. Where necessary, external legal advice may be sought to ensure compliance with applicable regulatory requirements and CBH's internal policies, procedures, and standards.

Grievances reported and resolved at CBH

Whistleblower cases reported and addressed:	05
Grievances reported and addressed:	10

Furthermore, all personnel completed the Annual Declaration – Conflict of Interest Disclosure for 2026, reinforcing the Group's commitment to transparency, accountability, and ethical conduct across the organisation.

In addition to the grievance handling framework, CBH continues to strengthen employee awareness of related policies that support a fair, ethical, and respectful workplace. During the year, initiatives were conducted to enhance employee awareness of the whistleblowing framework, as well as programmes focused on the prevention of sexual harassment.

These areas are governed through distinct policies and processes, complementing the grievance handling framework while reinforcing a safe, inclusive, and transparent working environment for all employees.

WAY FORWARD

Human capital at CBH will continue to serve as a critical enabler of sustainable growth and long-term value creation. As the business evolves in response to increasing competition and operational complexity, CBH remains focused on strengthening workforce resilience, agility, and performance.

A key priority will be aligning workforce capability with the Group's expansion into adjacent categories, including spirits and non-alcoholic beverages. This will require enhanced technical capability, organisational agility, and continued investment in talent acquisition and capability development.

CBH will further strengthen organisational capability through a structured learning ecosystem, building technical expertise, leadership capacity, and future-ready skills such as digital proficiency and data-driven decision-making.

In parallel, succession planning and targeted development initiatives will continue to support the development of a strong leadership pipeline and ensure continuity in critical roles.

Talent attraction and retention will remain a priority amid ongoing challenges associated with skilled migration and the limited availability of specialised talent. CBH will continue to enhance its employer value proposition through competitive reward structures, employee engagement initiatives, and a sustained focus on employee wellbeing, supported by partnerships with educational and professional institutions to strengthen long-term talent pipeline.

At the same time, CBH will continue to foster a high-performance and inclusive workplace culture, supported by enhanced communication platforms, regular feedback mechanisms, and targeted initiatives aligned with evolving employee expectations. Focus will also remain on advancing diversity, equity and inclusion, improving representation over time.

Health, safety, and employee wellbeing will remain integral components of CBH's people strategy, supported through continued investment in workplace safety practices, wellness initiatives, and mental health support programmes.

Through these priorities, CBH aims to build a resilient and future-ready workforce aligned with its long-term strategic ambitions and evolving business needs.

NATURAL CAPITAL

STRATEGIC FOCUS

The Group's Natural Capital strategy is anchored on improving resource efficiency within its operations, thereby reducing environmental impact while supporting the strengthening of the ecosystem beyond its operational boundaries.

The primary focus areas include safeguarding water resources through responsible usage practices and optimising energy consumption, which in turn supports the reduction of its Greenhouse gas (GHG) emission intensity and its associated climate-related impacts. These areas are considered Material to the Group from an ESG perspective.

These strategic priorities are supported through data-driven systems, operational discipline, and strategic partnerships with industry bodies, academia, and environmental organisations. Collectively, these efforts enable the integration of environmental stewardship into core business processes while delivering measurable improvements in efficiency, regulatory compliance and long-term sustainability outcomes.

During the year, the brewery sector's environmental performance was recognised through the Silver Award in the Food & Beverage Category at the Presidential Environment Awards 2025, organised by the Central Environmental Authority (CEA). This recognition further reinforces the credibility of the Group's environmental stewardship efforts within the value chain and within the communities and ecosystems in which it operates.

ENERGY MANAGEMENT

GRI 302-1, 302-2, 302-4, 302-5, 305-5

Energy remains a key cost driver and a significant contributor to greenhouse gas (GHG) emissions within the brewing industry. The primary energy consumption within the Group is Lion and its on-site energy mix primarily comprises electricity and thermal fuels, including furnace oil for boiler operations and diesel for standby power generation.

Significant energy demand hotspots exist within refrigeration and temperature control processes during fermentation, which are critical to maintaining product consistency and quality standards.

Additional energy loads include steam generation for raw material processing and packaging operations, together with electricity usage associated with wastewater treatment facilities.

As per the fourth quarter report of the Public Utilities Commission of Sri Lanka, 61.0% of grid power for the period was generated from renewable sources. However, a significant portion of the energy mix continues to be derived from fossil fuels, exposing the sector to price volatility as well as the impact of dry weather conditions on hydro power generation. Accordingly, energy management remains a key performance indicator (KPI) within the supply chain function, primarily focused on furnace fuel and electricity consumption.

At Lion, the plant and equipment, sourced from leading manufacturers such as Krones, Alfa Laval, Global Water, and Union, provides access to best-in-class technology and operational expertise. Combined with historical performance data, projected production volumes, SKU mix, planned capacity expansions, technology upgrades, and emerging regulatory and standards frameworks, these inputs support robust target setting, informed risk mitigation and identification of efficiency opportunities.

Electricity remains the primary energy source, supporting the majority of production processes. To drive optimisation, Lion utilises advanced SCADA-enabled energy management systems, supported by sub-metering across key operational nodes. This setup enables real-time monitoring, rapid detection of consumption anomalies, and data-driven decision-making, thereby improving both operational efficiency and environmental performance.

The Group's approach to operational resilience is built on a proactive framework designed to mitigate industrial risks while capturing efficiency improvements. Risk management is supported through rigorous audit and compliance processes, including OEM utility audits and annual ISO assessments, ensuring infrastructure and operational systems remain aligned with international best practices.

To optimise opportunities, CBH has embedded a culture of continuous improvement through Kaizen-based initiatives and real-time KPI monitoring across the manufacturing and distribution operations.

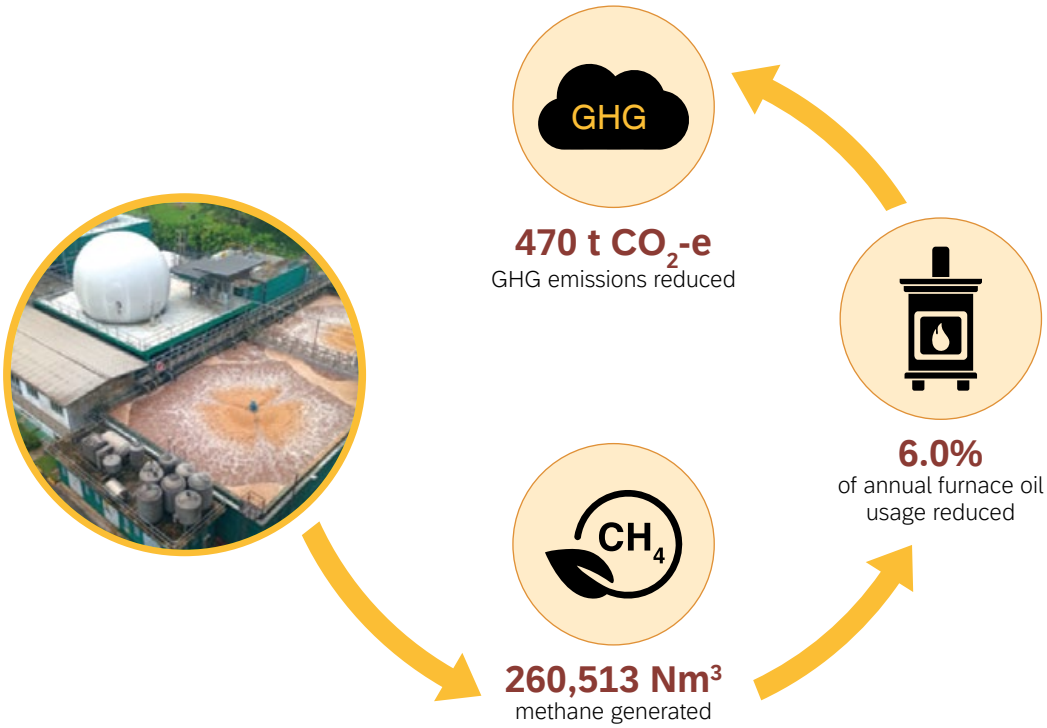
These efforts are further supported through strategic investments in technological renewal and the expansion of renewable energy initiatives, including solar and methane recovery systems. By integrating these measurable actions, the Group continues to reduce exposure to resource volatility while driving long-term value creation through lower emissions, optimised capacity utilisation, and reduced per-unit production costs.

NATURAL CAPITAL

During the reporting period, the Group's brewery sector recorded measurable improvements in both electricity and fuel efficiency compared to the previous year. Performance during the year was influenced by commissioning-related loads from the Innovation Brewery and ramp-up challenges associated with the biogas plant.

In an effort to reduce dependency on furnace oils, Lion commissioned a biogas conversion project integrated with its on-site wastewater treatment facility. This initiative has enabled reductions in emissions while demonstrating how investments initially undertaken to fulfil compliance requirements can also generate climate-positive outcomes, support cost optimisation, and reduce dependency on conventional energy sources.

Wastewater plant replaces 6.0% of furnace oil usage per annum



Systems and processes continue to remain central to CBH's governance framework, with Lion maintaining certification under the ISO 50001:2018 Energy Management System. This internationally recognised standard requires demonstrable, data-driven improvements and provides a structured methodology for continuously enhancing energy performance across operations.

In parallel, CBH continues to extend its sustainability efforts beyond core operations by supporting retail partners through solar energy installations, reducing both direct outlet consumption and the energy intensity associated with beer cooling systems.

Through this approach, the Group not only strives to reduce the environmental impact across its extended value chain but also contributes to cost savings and long-term sustainability for its retail partners.

Data disclosures: Energy consumption

Energy consumption	FY 2026	FY 2025
Electricity index* improvement over 2017/18 (baseline)	21%	20.0%
Furnace fuel index** improvement over 2017/18 (baseline)	36%	31.0%
Total energy (GJ)	182,778.14	174,428.67
Renewable energy share at Lion (biogas from the wastewater plant)	3.58%	1.29%
Renewable energy installed by Lion in retail base (installed capacity)	135	135kWh

Note: The above Data refers to the Brewery Sector Energy consumption (in line with Scope 1 and Scope 2)
*kWh consumed to produce one hectolitre of beer.
**Litre of fuel needed to produce one hectolitre of beer.

WATER STEWARDSHIP

GRI: 301-1, 303-1, 303-2, 303-3, 303-4, 306-3

Sri Lanka is considered a Medium to High water-stressed country; even though, the Western Province, where the Brewery is located, faces greater challenges associated with high rainfall intensity and flooding risks rather than a significant shortage of water.

The brewery sector dominates the Group's water usage as the primary raw material used in Lion's products, is intrinsically linked to multiple aspects of its value chain. It is also fundamental to everyday life and the ecosystems within which the Group operates.

Accordingly, water management has always been a strategic priority for CBH, with primary focus on water usage within the Brewery operations and the effective treatment and discharge of wastewater taking centre stage. As these efforts continue to strengthen, the Group has also begun to extend its focus towards broader water stewardship initiatives within the communities in which it operates.

Water management is a key performance indicator within the brewery sector supply chain function, with detailed operational usage data monitored across core production processes, including wastewater discharge. Wastewater generated through operations is treated on-site in accordance with the requirements of the Environmental Protection Licence (EPL), supported through regular internal testing with periodic independent testing by regulatory bodies to ensure ongoing compliance with applicable discharge standards.

These operational inputs, together with product trends, and planned technology upgrades support KPI target setting and performance management. KPI's in turn are linked to reward and recognition through a balanced scorecard framework which is integrated to reward and recognition mechanisms to reinforce accountability and support achievement of established targets.

The approach to managing water-related risks while optimising operational opportunities is anchored in continuous monitoring, efficiency improvement, and responsible resource management practices.

These efforts continue to strengthen the understanding of water availability and associated risks through regular pump tests conducted by the relevant authorities to establish sustainable extraction limits and ensure no adverse impact on surrounding communities. These efforts are complemented by periodic third-party water availability studies, and benchmarking against industry best practices to support informed long-term planning.

Operationally, there is focus on reducing water intensity through KPI-driven performance management, Kaizen-led efficiency initiatives, and targeted technology upgrades implemented during expansion and asset replacement cycles.

Further strengthening these efforts, the brewery sector continues its collaboration with Krones AG, a global leader in brewing and packaging technology, to advance the "Brewnomic" concept — a holistic and resource-efficient brewing model focused on optimising water, energy, and material consumption across operations.

In parallel, the brewery sector continues to minimise environmental impact through effective wastewater treatment and controlled discharge processes, while also advancing water stewardship through rainwater harvesting and the reuse of treated water for non-product applications.

Collectively, these initiatives support sustainable water usage, mitigate risks, and enhance operational resilience.

Data disclosures: Water management

Water consumption	FY 2026	FY 2025
Water index*** improvement over 2017/18 (baseline)	39.0%	36.0%
Water drawn (cubic metres)	603,137	598,187
Water treated and discharged (cubic metres)	405,306	454,234

Note: The data above represent the Brewery sector's consumption. Measurements indicated above for the current financial year represent 100.0% of water usage in Sri Lanka, which accounts for 96.6% of the total beer volume sold.

*** Hectolitre of water consumed to make one hectolitre of beer.

Capital investment in water stewardship and operational excellence initiatives[U2.1]

Lion committed

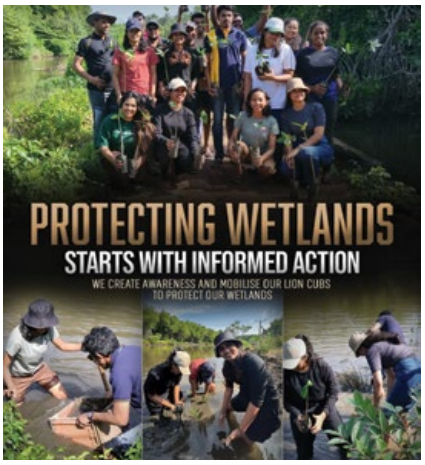
Rs. 67.8 Mn. in CAPEX

toward a specialised backwash recovery system this year. This direct investment strengthens operational resilience and reinforces the commitment to responsible water management in the manufacturing process.



Beyond the group's boundary

CBH also provides opportunities for employees, interns, and trainees to actively participate in the conservation initiatives. These include partnerships with conservation organisations on activities such as mangrove restoration, as well as tree planting programmes conducted in collaboration with local government authorities and logistics business partners.





Fruit tree planting event at the Jaffna Divisional Secretariat



SPECIAL PROJECTS – LION NATION FOUNDATION [U3.1]

GRI 101-1, 101-2

CBH extends its environmental and community impact through its support of the Lion Nation Foundation (LNF), an entity delivering sustainability initiatives across Sri Lanka.

CBH contributes through funding, technical expertise, and operational collaboration, enabling the effective implementation and scaling of selected environmental and community development projects.

Protecting Sinharaja's waters and its biodiversity

In collaboration with the Lion Nation Foundation (LNF) and Wildlife Conservation Galle, CBH supports a model conservation initiative in the Morningside Research Station area located on the eastern slopes of Sinharaja. The project focuses on reducing agrochemical runoff into forest-originating stream networks that serve as critical habitats for several point-endemic species in the country.



Interventions under the programme combine capacity building, infrastructure support, and data-driven environmental monitoring. Estate personnel have been trained on the safe handling and management of agrochemical containers, while repurposed plastic barrels provided by Lion have been utilised to establish designated washing bays, minimising the risk of direct contamination.

In parallel, water quality and weather-related data are systematically collected and shared with estate decision-makers to enable more precise and responsible agrochemical application practices, thereby reducing the risk of concentrated runoff into surrounding ecosystems. Monitoring point-endemic species is also carried out as a long-term indicator of ecological impact and project effectiveness.

To further strengthen catchment protection and ecological resilience, a forest plant nursery has been established, while over 600 native plants have already been planted along stream banks. This supports both watershed stability and the generation of organic leaf litter essential for sustaining stream biodiversity.

As the initiative progresses, research findings and practical learnings will be shared with a broader stakeholder base, supporting replication and scaling across similar high-sensitivity landscapes.

Advancing science for cleaner waters: Strengthening Kelani River monitoring

LNF also contributes to data-driven environmental management through its involvement in the extended Kelani River water quality study, conducted in partnership with the Central Environmental Authority (CEA), the University of Ruhuna, and the Industrial Technology Institute (ITI).

The project expands monitoring coverage by increasing sampling points along the river basin while incorporating advanced analytical parameters, including heavy metal testing, to strengthen the depth and accuracy of environmental data. Conducted through a structured multi-year approach with biannual sampling cycles, the study enhances the understanding of pollution sources, seasonal variations, and emerging risks within the watershed.



The insights generated will support scientific research, inform evidence-based decision-making, and contribute towards shaping future environmental policy and regulatory interventions.

Restoring landscapes, reconnecting ecosystems: the Maskeliya forest corridor initiative

LNF continued to support multi-organisational reforestation efforts in Maskeliya, in partnership with Preserving Land and Nature Trust (PLANT), an arm of the Wildlife and Nature Protection Society. The initiative focused on restoring a 9 km stream corridor, strengthening catchment conservation while establishing a functional ecological corridor to support wildlife movement and habitat connectivity.

During the reporting period, LNF supported the procurement and grounding of 4,400 native forest plants, reinforcing its ongoing commitment to long-term ecosystem restoration.



WAY FORWARD

Looking ahead, CBH will continue to strengthen its Natural Capital approach by deepening resource efficiency initiatives, scaling renewable energy integration, and advancing circular economy solutions across its operations.

Key priorities include optimising the performance of the biogas plant, exploring additional cleaner energy alternatives, and further reducing emissions intensity through improved energy management practices and improved production planning.

The Group also aims to strengthen collaboration with external partners to scale ecosystem protection and research-driven initiatives, particularly in areas such as water stewardship, biodiversity conservation, and landscape restoration.

In parallel, CBH will continue to embed sustainability considerations into operational and strategic decision-making processes, supported by robust monitoring systems and international standards, to ensure consistent progress towards long-term environmental and operational goals.

Through these efforts, the Group seeks to drive consistent progress towards its long-term environmental, operational, and sustainability objectives while strengthening resilience across the business and the ecosystems in which it operates.

GOVERNANCE

At Ceylon Beverage Holdings PLC (CBH), corporate governance is embedded as a core pillar of sustainable value creation. Built on a foundation of ethical leadership, transparency, and accountability, the governance framework supports informed decision-making, effective oversight, and proactive risk management. It enables the Group to execute its strategic priorities with discipline while maintaining compliance with regulatory requirements and responding to the evolving expectations of stakeholders.

At CBH, effective corporate governance is recognised as a fundamental driver of resilience, accountability, and long-term sustainability. CBH's approach is built on a strong ethical foundation, with integrity and responsible leadership guiding decision-making across all levels of the organisation. This framework enables the Group to safeguard stakeholder trust, deliver sustainable value, and operate in alignment with both local regulatory requirements and internationally recognised best practices.

The Board of Directors provides strategic leadership to the Group, setting its overall direction while overseeing management performance. The Board is also responsible for ensuring that appropriate systems of risk management and internal control are established and operate effectively.

CBH's governance framework is aligned with the requirements of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules, and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka. Beyond regulatory compliance, the Group continues to strengthen its governance practices to foster a culture of accountability, responsibility, transparency, and sound corporate conduct.

During the year under review, the Board remained actively engaged in strengthening its oversight across key priority areas, including risk management, digital advancement, sustainability, and regulatory compliance. In navigating a complex and evolving operating environment characterised by economic uncertainty and evolving stakeholder expectations, the governance framework provided a disciplined and stable foundation for timely, informed, and ethical decision-making.

The Board is supported by its subcommittees, including the Audit Committee, Remuneration Committee, Nominations and Governance Committee, and Related Party Transactions Review Committee, each of which provides focused oversight and independent guidance within their respective mandates. Their contributions continue to play an important role in strengthening governance standards and enhancing the quality of decision-making across the organisation.

In parallel, CBH ensures that Directors are supported through timely access to relevant information, specialist expertise, and continuous development opportunities, enabling them to effectively discharge their fiduciary and oversight responsibilities.

Consistent with its commitment to transparency, the Group maintains open, timely, and constructive engagement with shareholders and other stakeholders. CBH recognises that clear communication, supported by strong governance practices, is essential to building confidence, protecting reputation, and supporting sustainable long-term growth.

Looking ahead, CBH will continue to strengthen its governance framework in response to emerging risks, evolving market conditions, and changing stakeholder expectations. As the business expands and adapts to new opportunities, the Group remains focused on embedding robust governance practices across all aspects of its operations.

Through this approach, CBH seeks to remain accountable, resilient, and well-positioned to create sustainable value for all stakeholders over the long term.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Ceylon Beverage Holdings PLC ('the Company') have pleasure in presenting to the shareholders their Report together with the Audited Consolidated Financial Statements of the Company and its Subsidiaries (the Group) for the financial year ended 31 March 2026.

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best Accounting Practices.

The Annual Report was approved by the Board of Directors on 2 July 2026.

1. GENERAL

Ceylon Beverage Holdings PLC is a public limited liability company incorporated in Sri Lanka in 1910. Ceylon Beverage Holdings PLC operates as an investment holding company.

2. PRINCIPAL ACTIVITY OF THE GROUP

The principal activities of the Group are brewing and marketing of high quality beers for both the local and export markets and retailing of beer and alcohol products through its owned/ managed wine shops and restaurants. The Group is also engaged in the import and marketing of globally renowned high quality beer, wines, and spirits brands. Whilst some imported beer brands are marketed overseas, the imported spirits brands are exclusively for the local market.

3. CHIEF EXECUTIVE OFFICER'S REVIEW AND FUTURE DEVELOPMENTS

The Chairman's Message and the Chief Executive's Review describe in detail the performance during the year together with comments on the financial results and future developments of the Group.

4. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the year are contained in the Chief Executive Officer's Review on pages 15 to 17 of this Report.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the Financial Statements are detailed in the following paragraphs, whilst the responsibilities of the Auditors are set out in the Independent Auditors' Report.

According to the Companies Act, No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, the Directors are required to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the performance for the said period.

The financial statements comprise of *inter alia:*

- a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year;
- a Statement of Profit or Loss and Other Comprehensive Income of the Company, which presents a true and fair view of the financial performance of the Company for the financial year.

In preparing these Financial Statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards have been complied with;
- reasonable and prudent judgements and estimates have been made; and
- provides the information required by and otherwise comply with the Companies Act, No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that its Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and meet with the requirements of the Companies Act No. 07 of 2007.

They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment and effective operation of appropriate systems of internal control with a view to prevent, detect and rectify fraud and other irregularities.

These Financial Statements have been prepared on a going concern basis since the Directors are of the view that the Company has adequate resources to continue in operation in the foreseeable future from the date of approving these Financial Statements.

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

The Directors confirm that to the best of their knowledge,

- All taxes, duties, and levies payable to the statutory bodies.
- All contributions levies and taxes payable on behalf of and in respect of the employees, and,
- All other known statutory dues that were due and payable by the Company as at the reporting date have been paid, or where relevant provided for in these Financial Statements.

6. FINANCIAL STATEMENTS

The Financial Statements which include the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements of the Company and the Group for the year ended 31 March 2026 are set out on pages 118 to 166 of this Report.

6.1 RESERVES

After the above-mentioned appropriations, the total Group Reserves stand at Rs. 23,693 Mn. (2024/25 – Rs. 17,993 Mn.) comprising Capital Reserves of Rs. 1,692 Mn. (2024/25 – Rs. 1,360 Mn.) and Revenue Reserves of Rs. 22,001 Mn. (2024/25 – Rs. 16,633 Mn.). Translation reserve of Rs. 6.6 Mn. (2024/25 – Rs. -11.4 Mn.). The movements are shown in the Statement of Changes in Equity and Notes 20 and 22 to the Financial Statements.

6.2 VALUE OF THE INVESTMENT PORTFOLIO

The value of the Company's investment portfolio as at 31 March 2026 was Rs. 73,448 Mn. (2024/25 – Rs. 53,866 Mn.), comprising the market value of its listed subsidiary, and the net cost of its unlisted subsidiaries, as disclosed under Note 13 to the Financial Statements

6.3 CAPITAL EXPENDITURE

The total expenditure on the purchase of capital assets by the Group during the year amounted to Rs. 3,778 Mn. (2024/25 – Rs. 4,854 Mn.). The movements in capital assets during the year are set out in Notes 9 and 11 to the Financial Statements.

6.4 MARKET VALUE OF FREEHOLD PROPERTIES

Freehold properties of the Group are stated in the books at their revalued amounts. The valuation has been carried out by an independent professional valuer, as further explained in Notes 9 (c) and 10.3 to these Financial Statements.

6.5 ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

There were no major changes made to the accounting policies other than those disclosed under Notes to the Financial Statements for the financial year ended 31 March 2026.

6.6 RISK MANAGEMENT/MATERIAL FORESEEABLE RISK FACTORS

The Company and the Group's activities were exposed to a variety of financial risk, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk and those have been disclosed in Note 37 to these Financial Statements. The need for risk management has been identified and action plans to monitor and manage risks are incorporated into the business plans and are reviewed on a continuous basis.

6.7 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in Notes 1 to 8 in the Notes to the Financial Statements on pages 126 to 135.

7. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory dues have been paid up to date or have been provided for in these Financial Statements except as disclosed in Note 39 to these Financial Statements.

8. OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the Company lawyers, litigations currently pending against the Company will not have material impact on the reported financial results of future operations of the Company. The outstanding litigations related to the Company are shown in Note 39 to these Financial Statements.

9. MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS

There were no material issues relating to employees and industrial relations during the year ended 31 March 2026.

10. GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, these Financial Statements are prepared based on the going concern concept.

11. INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act, No. 07 of 2007.

All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid. The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

11.1 REMUNERATION OF DIRECTORS

Directors' remuneration, for the financial year ended 31 March 2026 is given in Note 32 to the Financial Statements, on page 154.

11.2 DIRECTORS' INTEREST IN CONTRACTS AND SHARES

The related party transactions of the Company as required – by the Sri Lanka Accounting Standard LKAS 24 "Related Party Disclosures" are disclosed in Note 38 to the Financial Statements and have been declared at meetings of the Board of Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the ordinary shares of the Company as shown in the table below:

Directors	No. of shares as at 31 March 2026	31 March 2025
Mr D A Cabraal (Chairman)	1,500	1,500
Mr H Selvanathan (Deputy Chairman)	–	690
Mr M Selvanathan	–	690
Mr R H Meewakkala (Director/CEO)	–	–
Mr S Clini	–	–
Mr A J Alles	–	–
Mr A B Baliga	–	–
Mr A S Amaratunga	–	–
Mr D R P Goonetilleke (Appointed w.e.f. 1 April 2026)	–	–
Mr M S De Saram (Appointed w.e.f. 1 April 2026)		
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	–	15

– Mr M Selvanathan, Non-Executive Director of the Company, sold 690 ordinary shares, his shareholding in the Company as disclosed to CSE on 9 December 2025.

– Mr H Selvanathan, Deputy Chairman/Non-Executive Director of the Company, sold 690 ordinary shares, his shareholding in the Company as disclosed to CSE on 9 December 2025.

– Mr D C R Gunawardena, Non-Executive Director of the Company, sold 15 ordinary shares, his shareholding in the Company as disclosed to CSE on 09 December 2025.

12. DIRECTORS

The name of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

12.1 CHANGES IN THE DIRECTORATE

Mr D C R Gunawardena who served as a Non-Executive Director of the Company resigned with effect from 31 March 2026.

Upon the recommendation of the Nominations and Governance Committee, Messrs D R P Goonetilleke and M S De Saram were appointed as Non-Executive Director and Independent Non-Executive Director, respectively, of the Company with effect from 1 April 2026.

12.2 RE-ELECTION OF NEWLY APPOINTED DIRECTORS, SINCE THE LAST AGM

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee recommended the re-election of Messrs D R P Goonetilleke and M S De Saram who were appointed to the Board since the last Annual General Meeting. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that of Messrs. D R P Goonetilleke and M S De Saram are fit and proper based on the "Fit and Proper Criteria" stipulated in the Listing Rules.

Accordingly, in terms of Article 68 of the Articles of Association of the Company, shareholder approval is sought to re-elect Messrs D R P Goonetilleke and M S De Saram at the Annual General Meeting (AGM) to be held on Tuesday, 28 July 2026.

12.3 DIRECTORS TO RETIRE BY ROTATION

In terms of Rule 9.11.5 (ii) of the Listing Rule of the Colombo Stock Exchange, the Nominations and Governance Committee recommended the re-election of Mr D A Cabraal who retires by rotation. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr D A Cabraal is fit and proper based on the "Fit and Proper Criteria" stipulated in the Listing Rules.

Accordingly, in terms of Articles 72, 73, and 74 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr D A Cabraal, who retires by rotation and, being eligible, offers himself for re-election.

12.4 APPOINTMENT OF DIRECTORS WHO ARE OVER 70 YEARS OF AGE

Messrs H Selvanathan, M Selvanathan - Non-Executive Directors who were over 70 years of age were re-appointed as Directors of the Company in terms of Sections 210 and 211 of the Companies Act, No. 07 of 2007 at the AGM held on 28 July 2025 for a period of one year commencing from the conclusion of the said AGM, i.e. till 28 July 2026.

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee recommended the re-appointment of Messrs H Selvanathan and M Selvanathan who are over 70 years of age. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Messrs H Selvanathan and M Selvanathan are fit and proper based on the "Fit and Proper Criteria" stipulated in the Listing Rules.

Accordingly, Messrs H Selvanathan and M Selvanathan who are over 70 years of age are to be re-appointed as Directors of the Company until the next Annual General Meeting of the Company and that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to them.

13. AUDITORS

Company's Auditors during the year under review were Messrs KPMG, Chartered Accountants.

Details of audit fee are set out in Note 32 to the Financial Statements.

The retiring Auditors have expressed their willingness to continue in office. A Resolution to reappoint them as Auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Company, including the level of audit and non-audit fees paid to the Auditor.

13.1 INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements is given on pages 113 to 117 of this Report.

13.2 AUDITORS' RELATIONSHIP OR ANY INTEREST WITH THE COMPANY

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors did not have any interest with the Company that would impair their independence.

14. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

14.1 BOARD OF DIRECTORS

The following Directors held office as at reporting date and their brief profiles are given on pages 18 to 20 of the Annual Report.

Directors	Executive/Non-Executive/ Independent Non-Executive
Mr D A Cabraal (Chairman)	Non-Executive
Mr H Selvanathan (Deputy Chairman)	Non-Executive
Mr M Selvanathan	Non-Executive
Mr R H Meewakkala (Director/CEO)	Executive
Mr S Clini	Non-Executive
Mr A J Alles	Independent Non-Executive
Mr A B Baliga	Independent Non-Executive
Mr A S Amaratunga	Independent Non-Executive
Mr D R P Goonetilleke (Appointed w.e.f. 1 April 2026)	Non-Executive
Mr M S De Saram (Appointed w.e.f. 1 April 2026)	Independent Non-Executive
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive

14.2 STATEMENT ON DIRECTORS' FITNESS AND PROPRIETY

The Company obtained an annual declaration from the Directors as per Rules 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year 2025/26 and satisfies the said criteria as at the date of such confirmation. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

The Nominations and Governance Committee reviewed and evaluated the fitness and propriety of the Directors, and Director/Chief Executive Officer of the Company based on the Fit and Proper Assessment Criteria declarations, confirms that all Directors, and Director/Chief Executive Officer of the Company, satisfies the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.

14.3 STATEMENT ON DIRECTORS' INDEPENDENCE

Each of the Independent Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board meeting of the Board of Directors of the Company held on 22 June 2026, in order to enable the Board of Directors to determine the Independence/Non-Independence of each of the Independent Directors, in terms of Rule 9.8.3. of the Listing Rules of the CSE.

14.4 DIRECTORS' MEETINGS ATTENDANCE

The Board of Directors met Six (06) times as at the reporting date and the attendance of the Directors were as follows:

Directors	Meeting Attended
Mr D A Cabraal (Chairman)	6/6
Mr H Selvanathan (Deputy Chairman)	6/6
Mr M Selvanathan	4/6
Mr S Clini	5/6
Mr R H Meewakkala (Director/CEO)	5/5
Mr A J Alles	6/6
Mr A B Baliga	6/6
Mr A S Amaratunga	6/6
Mr D R P Goonetilleke (Appointed w.e.f. 1 April 2026)	1/1
Mr M S De Saram (Appointed w.e.f. 1 April 2026)	-/1
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	5/5

14.5 BOARD EVALUATION

Each Director individually appraises the Board's performance to ensure discharging its responsibilities satisfactorily. This process takes into account and evaluates all aspects in relation to Board responsibilities.

Independent observations made by the Directors are collated and addressed by the Nominations and Governance Committee of the Company and recommended as relevant, to the Board of Directors for consideration.

14.6 BOARD SUB-COMMITTEES

The Board, while assuming the overall responsibility and accountability for the management of the Company, has also appointed Board sub-committees to ensure more effective control over certain affairs of the Company, conforming to the Corporate Governance Standards of the Listing Rules of the CSE and industry best practices. Accordingly, the following Board Sub-Committees have been constituted by the Board.

- Audit Committee
- Remuneration Committee
- Nominations and Governance Committee
- Related Party Transactions Review Committee

Each sub-committee operates under the oversight of its respective Chair and functions in accordance with its approved Committee Charter.

The sub-committees ensure compliance with all applicable regulatory frameworks and reports to the Board accordingly.

14.6.1 AUDIT COMMITTEE

The Audit Committee Report is given on pages 107 to 108 of this Annual Report.

14.6.2 REMUNERATION COMMITTEE

1. COMMITTEE COMPOSITION

As at the reporting date, the Remuneration Committee of Ceylon Beverage Holdings PLC consists of the following members:

Member	Independent Non-Executive/ Non-Executive
Mr A B Baliga (Chairman)	Independent Non-Executive
Mr A J Alles	Independent Non-Executive
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive
Mr D R P Goonetilleke (Appointed w.e.f. 1 April 2026)	Non-Executive

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2. MEETING ATTENDANCE

From 1 April 2025 until the reporting date, the Remuneration Committee met five (5) times. The attendance of the Committee Members at these meetings was as follows:

Member	Independent Non-Executive/Non-Executive	Attendance
Mr A B Baliga (Chairman)	Independent Non-Executive	5/5
Mr A J Alles	Independent Non-Executive	5/5
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive	3/4
Mr D R P Goonetilleke (Appointed w.e.f. 1 April 2026)	Non-Executive	1/1

3. REMUNERATION POLICY STATEMENT

Ceylon Beverage Holdings PLC has implemented a formal Remuneration Policy to ensure transparent and equitable compensation. The Policy applies to Executive Directors, Non-Executive Directors, and Chief Executive Officers (CEOs). For the purposes of this policy, "remuneration" encompasses both cash and non-cash benefits received by these individuals where applicable. The Remuneration Committee, comprising Non-Executive and Independent Directors, is responsible for overseeing the implementation and periodic review of this Policy. The Policy is reviewed annually, with adjustments recommended by the Committee as deemed necessary. No Director shall participate in decisions regarding their own remuneration and the Directors are required to disclose their interest where applicable.

On an annual basis, the Committee is also kept apprised of the Company's remuneration practices and outcomes at a wider organisation level.

The aggregate remuneration of the Directors for the year ended 31 March 2026 was Rs. 7,404,128/-.

14.6.3 NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee Report is given on page 103 to 106 of this Annual Report.

14.6.4 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee Report is given on pages 109 to 110 of this Annual Report.

1. DECLARATION

The Directors have made self-declarations for the purpose of identifying parties related to them. The said declarations were noted at the Related Party Transactions Review Committee meetings. The Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to related party transactions during the financial year.

14.7 POLICIES

In accordance with Rule 9.2.1 of the Colombo Stock Exchange, the Company established and maintains the following policies which are published on the Carson Cumberbatch PLC Group website www.carsoncumberbatch.com. w.e.f. 1 October 2024.

(1) Policy on the matters relating to the Board of Directors
(2) Policy on Board Committees
(3) Policy on Corporate Governance, Nominations and Re-election
(4) Policy on Remuneration
(5) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
(6) Policy on Risk Management and Internal Controls
(7) Policy on Relations with Shareholders and Investors
(8) Policy on Environmental, Social and Governance Sustainability
(9) Policy on Control and Management of Company Assets and Shareholder Investments
(10) Policy on Corporate Disclosures
(11) Policy on Whistleblowing
(12) Policy on Anti-Bribery and Corruption

14.8 COMPLIANCE WITH SECTION 9 OF LISTING RULES OF THE COLOMBO STOCK EXCHANGE ON CORPORATE GOVERNANCE AS AT DATE

Rule No.	Subject	Criteria	Compliance Status	Details
9.1.3	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to Corporate Governance point on page 92 of the Annual Report of the Board of Directors.
9.2	Policies	Policies	Compliant	The Company has established and maintains required policies with effect from 1 October 2024 and which have been disclosed on Carson Cumberbatch PLC Group's website. Please refer to page 94 of the Annual Report of the Board of Directors.
9.3	Board Committees	Board Committees	Compliant	The Company has established and maintains Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee which are functioning effectively. Please refer to pages 93 to 94 of the Annual Report of the Board of Directors.
9.4.1	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Listed Entities shall maintain records of all resolutions and information pertaining to its adoption	Compliant	The Company Secretaries maintain records of all resolutions and requisite information.
9.4.2	Communication and relations with shareholders and investors	Communication and relations with shareholders and investors	Compliant	The Company has established and maintains a policy on Shareholder Communication and Relations and has been published on Carson Cumberbatch PLC Group's website. The contact person is mentioned. The policy includes a process whereby Directors are informed of major issues and concerns of shareholders. Please refer to page 100 of the Annual Report of the Board of Directors.
9.5	Policy on matters relating to the Board of Directors	Policy on matters relating to the Board of Directors	Compliant	The Company has established and maintains Policy on the matters relating to the Board of Directors which addresses the requirements in rules 9.5.1 and 9.5.2, and which has been published on the Carson Cumberbatch PLC Group's website.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Compliant	Chairman is a Non-Executive Director.

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Rule No.	Subject	Criteria	Compliance Status	Details
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity 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	Not applicable	Chairman is a Non-Executive Director and the positions of the Chairperson and CEO are not held by the same individual.
9.6.3 and 9.6.4	The Requirement for a Senior Independent Director (SID)	SID to be appointed in the following instances; i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family members or Related Parties.	Not applicable	Chairman is a Non-Executive Director, the positions of the Chairperson and CEO are not held by the same individual and the Chairman and CEO are not Close Family members or Related Parties.
9.7	Fitness of Directors and CEO	Fitness of Directors and CEO	Compliant	The Company obtained annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors met the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the CSE.
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (5) Directors.	Compliant	The Board comprises 10 Directors.
9.8.2/ 9.8.3 and 9.8.5	Independent Directors	Minimum Number of Independent Directors/Criteria for defining independence and declaration and disclosures relating to Directors	Compliant	Please refer to page 92 of the Annual Report of the Board of Directors.
9.9	Alternate Director	Alternate Director	Compliant	No Alternate Directors were appointed to the Board throughout the reporting period.
9.10.4 (a) and 9.10.4 (b)	Disclosure relating to Directors	Company shall publish a brief rèsumè in the Annual Report including expertise in relevant functional areas of each Director	Compliant	Please refer the Profile of the Directors on pages 18 to 20.
9.10.4 (c)	Disclosure relating to Directors	Whether either the Director or Close Family members has any material business relationships with other Directors of the Listed Entity	Compliant	As at the conclusion of the last AGM and throughout the financial year, none of the Directors or Close Family members have had any material business relationship with other directors of the Company.

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Rule No.	Subject	Criteria	Compliance Status	Details
9.10.4 (d)/ 9.10.4 (e)/ 9.10.4 f)/ 9.10.4 (g) and 9.10.4 (h)	Disclosure relating to Directors	Disclosure relating to Directors	Compliant	Please refer to pages 92 to 94 and 98 to 100 of the Annual Report of the Board of Directors.
9.11	Nominations and Governance Committee	Nominations and Governance Committee	Compliant	The Nominations and Governance Committee Report is given on pages 103 to 106 of this Annual Report.
9.12	Remuneration Committee	Remuneration Committee	Compliant	The Remuneration Committee matters are given on pages 93 to 94 of this Annual Report.
9.13	Audit Committee	Audit Committee	Compliant	The Audit Committee Report is given on pages 107 to 108 of this Annual Report.
9.14	Related Party Transactions Review Committee	Related Party Transactions Review Committee	Compliant	The Related Party Transactions Review Committee Report is given on pages 109 to 110 of this Annual Report.
9.17 (i)	Additional Disclosures	Board of Directors should declare all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Compliant	Directors declared at a Board meeting that they have no material interests in contracts involving in the Company and there were no matters in which they were materially interested.
9.17 (ii)	Additional Disclosures	Board of Directors should conduct a review of the internal controls covering financial, operational, and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith	Compliant	The Board, having reviewed the system of internal controls covering financial, operational, and compliance controls and risk management, is satisfied with the Company's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.
9.17 (iii)	Additional Disclosures	Board of Directors should make arrangements to make themselves aware of applicable laws, rules, and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.	Compliant	The Board of Directors have declared that the Company and the Board of Directors have complied with applicable laws, rules, and regulations and also are aware of changes particularly to the Listing Rules of the Colombo Stock Exchange and all other applicable capital market provisions.
9.17 (iv)	Additional Disclosures	Board of Directors should disclosure 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.	Compliant	The Board of Directors have no disclosures to be made 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 Company has operations.

14.9 DISCLOSURES RELATING TO THE DIRECTORS AS PER SECTION 9.10.4 (e) OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

Name of the Director	Name of the Company, Functioning Capacity, Listed/Unlisted
Mr D A Cabraal (Total No. of Directorships – 19) [Total No. of subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC where Mr D A Cabraal is a Key Management Personnel but not a Director – 4]	He is a Non-Executive Director and Key Management Personnel in the mentioned listed companies – Ceylon Beverage Holdings PLC, Lion Brewery (Ceylon) PLC, and John Keells Holdings PLC. He is an Independent Non-Executive Director and Key Management Personnel in the mentioned listed companies–Sunshine Holdings PLC and Watawala Plantations PLC. He is an Independent Non-Executive Director and Key Management Personnel in the mentioned unlisted companies – CIC Poultry Farms (Pvt) Ltd, CIC Bio Security Breeder Farms (Pvt) Ltd, CIC Feeds (Pvt) Ltd, CIC Vetcare (Pvt) Ltd, Sunshine Consumer Lanka Ltd, Sunshine Healthcare Lanka Ltd, Sunshine Foundation for Good, Sunshine Tea (Pvt) Ltd, Healthguard Pharmacy Ltd, Lina Manufacturing (Pvt) Ltd, Moose Clothing Colombo (Pvt) Ltd, Asiavet Lifesence (Private) Ltd, Silvermill Investment Holdings (Pvt) Ltd, and Century Properties Ltd. He is a Key Management Personnel in other unlisted subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.
Mr H Selvanathan (Total No. of Directorships – 26) (Total No. of companies within the Carson Cumberbatch PLC Group where Mr H Selvanathan is a Key Management Personnel but not a Director – 7)	He is a Non-Executive Director and Key Management Personnel in the mentioned listed companies – Carson Cumberbatch PLC, Bukit Darah PLC, Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC. He is a Key Management Personnel in the mentioned listed companies – Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC. He is an Executive Director and Key Management Personnel in the mentioned unlisted companies – Boutique Resorts (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, and Riverside Resorts (Private) Limited. He is a Non-Executive Director and Key Management Personnel in the mentioned unlisted companies – Bukit Investments (Pvt) Ltd, Eskaycee Travels Limited, Fulcrum (Pvt) Limited, Krish Investment Co. (Pvt) Ltd, Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Goodhope Holdings (Pvt) Ltd, and S. Kanapathy Chetty (Pvt) Ltd. He is a Director and/or Key Management Personnel in other unlisted companies within the Carson Cumberbatch PLC Group.
Mr M Selvanathan (Total No. of Directorships – 22) (Total No. of Companies within the Carson Cumberbatch PLC Group where Mr M Selvanathan is a Key Management Personnel but not a Director – 7)	He is a Non-Executive Director and Key Management Personnel in the mentioned listed companies – Carson Cumberbatch PLC, Bukit Darah PLC and Ceylon Beverage Holdings PLC. He is a Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC, Ceylon Guardian Investment Trust PLC, and Pegasus Hotels of Ceylon PLC. He is an Executive Director and Key Management Personnel in the mentioned unlisted companies – Hambros Investments (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd and Tower Investments (Pvt) Ltd. He is a Non-Executive Director and Key Management Personnel in the mentioned Unlisted Companies – Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited, Interkrish Investment Co. (Pvt) Ltd, Krish Investment Co. (Pvt) Ltd, Skan Investments (Pvt) Ltd and Goodhope Holdings (Pvt) Ltd. He is a Director and/or Key Management Personnel in other unlisted companies within the Carson Cumberbatch PLC Group.

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Name of the Director	Name of the Company, Functioning Capacity, Listed/Unlisted
Mr R H Meewakkala (Total No. of Directorships – 4) (Total No. of subsidiary companies of Ceylon Beverage Holdings PLC where Mr R H Meewakkala is a Key Management Personnel but not a Director – 2)	He is an Executive Director and Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC. He is a Director and/or Key Management Personnel in other unlisted subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.
Mr S Clini (Total No. of Directorships – 2) (Total No. of subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC where Mr S Clini is a Key Management Personnel but not a Director – 4)	He is a Non-Executive Director and Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC. He is a Key Management Personnel in other unlisted subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.
Mr A B Baliga (Total No. of Directorships – 2) [Total No. of subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC where Mr A B Baliga is a Key Management Personnel but not a Director – 4]	He is an Independent Non-Executive Director and Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC. He is a Key Management Personnel in other unlisted subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.
Mr A S Amaratunga (Total No. of Directorships – 9) (Total No. of companies within the Carson Cumberbatch PLC Group where Mr A S Amaratunga is a Key Management Personnel but not a Director – 9)	He is an Independent Non-Executive Director and Key Management Personnel in the mentioned listed companies – Equity Two PLC, Ceylon Beverage Holdings PLC, Bukit Darah PLC, Carson Cumberbatch PLC, Lion Brewery (Ceylon) PLC, Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Pegasus Hotels of Ceylon PLC. He is a Non-Executive Director and Key Management Personnel on the mentioned unlisted company – SAARA LABs (Pvt) Ltd. He is a Key Management Personnel in other unlisted companies within the Carson Cumberbatch PLC Group.
Mr A J Alles (Total No. of Directorships – 13) [Total No. of subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC where Mr A J Alles is a Key Management Personnel but not a Director – 4]	He is an Independent Non-Executive Director and Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, United Motors Lanka PLC, Hayleys PLC, Alumex PLC, The Kingsbury PLC, Vallibel One PLC, and Singer (Sri Lanka) PLC. He is a Non-Executive Director and Key Management Personnel in the mentioned listed companies – Singer Finance (Lanka) PLC. He is an Independent Non-Executive Director and Key Management Personnel in the mentioned unlisted companies – LAUGFS Holdings Limited and DHT Cements (Pvt) Ltd. He is a Non-Executive Director and Key Management Personnel in the mentioned unlisted company – L B R Foundation (Pvt) Ltd. He is an Executive Director and Key Management Personnel in the mentioned unlisted company – New Wave Consultants (Pvt) Ltd. He is a Key Management Personnel in other unlisted subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.

Name of the Director	Name of the Company, Functioning Capacity, Listed/Unlisted
Mr D R P Goonetilleke (Total No. of Directorships – 7) [Total No. of subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC where Mr D R P Goonetilleke is a Key Management Personnel but not a Director – 4]	He is a Non-Executive Director and Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC and Pegasus Hotels of Ceylon PLC. He is an Independent Non-Executive Director and Key Management Personnel in the mentioned listed companies – Namunukula Plantations PLC and Ceylinco Holdings PLC. He is an Independent Non-Executive Director and Key Management Personnel in the mentioned Unlisted Company – National Savings Bank. He is a Director and/or Key Management Personnel in other unlisted subsidiary companies of Carson Cumberbatch PLC Group.
Mr M S De Saram (Total No. of Directorships – 4) [Total No. of Subsidiary Companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC where Mr M S De Saram is a Key Management Personnel but not a Director – 4]	He is an Independent Non-Executive Director and Key Management Personnel in the mentioned listed companies – Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC and Central Finance Company PLC. He is an Executive Director and Key Management Personnel in the mentioned unlisted company – CBL Investments Limited He is a Key Management Personnel in other unlisted subsidiary companies of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.

15. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company ensures that the rights of all shareholders are preserved and has established procedures to ensure the fair and equitable treatment of all shareholders. An array of measures is also in place to ensure that shareholder views are identified and fully considered.

The Policy on Relations with Shareholders and Investors is available on the Carson Cumberbatch PLC Group website.

The Company communicates with the shareholders through the following means of communication:

1. Annual General Meeting (AGM) and Extraordinary General Meetings (EGM).

   The Annual General Meeting provides shareholders with the opportunity to share their views and to meet the Board, including the Chairman of the Board committees and Key Management Personnel. Further Company's External Auditors are also present at the Annual General Meeting.
2. Announcements to the Colombo Stock Exchange
3. Carson Cumberbatch PLC Group's website
4. Shareholder Communication through the Company Secretaries.

   Shareholders may direct any major issues and concerns which they may have to the Company Secretaries who serve as a point of contact for all shareholders of the Company, who will forward same to the Board of Directors.

16. DIVIDEND

1. First Interim dividend of Rs. 23/85 per ordinary share amounting to Rs. 500,565,946/50 for the financial year ended 31 March 2026 was announced on 7 July 2025. Shareholders of the Company who had provided accurate bank account details were paid on 23 July 2025 and to the shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividend were paid on 5 August 2025 via cheques.
2. First Interim dividend of Rs. 67/50 per ordinary share amounting to Rs. 1,416,696,075/- for the financial year ending 31 March 2027 was announced on 16 June 2026. Shareholders of the Company who had provided accurate bank account details were paid on 2 July 2026 and to the shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividend will be paid on 15 July 2026 via cheques.

17. SOLVENCY TEST

At the time of approving the above distributions, the Directors were satisfied that the Company would meet the Solvency Test requirement under Section 56 (2) of the Companies Act No. 07 of 2007 immediately after the said distributions.

The Company's Auditors, KPMG, Chartered Accountants have issued Certificates of Solvency for the dividends mentioned above, confirming same.

18. STATED CAPITAL

The Stated Capital of the Company as at 31 March 2026 was Rs. 533,384,288/- consisting of 20,988,090 ordinary shares. There was no change in the stated capital of the Company during the year.

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Further, to the Note 40 Events Occurring After the Reporting Date, no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

20. SHARE INFORMATION

Information relating to share trading are given on pages 174 to 175 of this Report.

20.1 TWENTY MAJOR SHAREHOLDERS

		31 March 2026		31 March 2025	
	Name of shareholders	No. of shares	%	No. of shares	%
1	CARSON CUMBERBATCH PLC A/C NO. 02	**15,726,912**	**74.93**	15,726,912	74.93
	CARSON CUMBERBATCH PLC A/C NO. 01	**144,423**	**0.69**	144,423	0.69
2	GF CAPITAL GLOBAL LIMITED	**2,096,858**	**9.99**	2,096,858	9.99
3	CARLSBERG A/S	**1,676,440**	**7.99**	1,676,440	7.99
4	SERENDIP INVESTMENTS LIMITED	**644,000**	**3.07**	644,000	3.07
5	DEUTSCHE BANK AG SINGAPORE A/C 2 (DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE-PWM WM CLIENT)	**128,211**	**0.61**	128,833	0.61
6	TRANZ DOMINION,L.L.C.	**82,020**	**0.39**	82,020	0.39
7	MRS J K P SINGH	**29,890**	**0.14**	29,890	0.14
8	GUINNESS MORISON INTERNATIONAL LIMITED	**20,953**	**0.10**	20,953	0.10
9	MISS A RADHAKRISHNAN	**16,306**	**0.08**	12,239	0.06
10	SAMPATH BANK PLC/MRS PRIYANI DHARSHINI RATNAGOPAL	**13,650**	**0.07**	13,650	0.07
	MRS P D RATNAGOPAL	**212**	**0.00**	212	0.00
11	MR L R Y WAIDYARATNE	**12,000**	**0.06**	11,770	0.06
12	MISS M P RADHAKRISHNAN	**11,394**	**0.05**	8,133	0.04
13	MR N J GAMADIA	**8,786**	**0.04**	8,786	0.04
14	ADMIN OF A C ABDEEN (DECEASED)	**7,725**	**0.04**	7,725	0.04
15	MRS M C ABEYSEKERA (DECEASED)	**7,622**	**0.04**	7,622	0.04
16	MRS C S THENABADU	**7,370**	**0.04**	7,370	0.04
17	MRS M L PAIVA	**6,006**	**0.03**	6,006	0.03
18	MR N J H M COORAY	**5,800**	**0.03**	5,800	0.03
19	ESTATE OF LATE S MAHADEVA	**5,660**	**0.03**	5,660	0.03
20	MR S S R RAMANAYAKE	**5,014**	**0.02**	5,014	0.02

21. ANNUAL REPORT

The information provided herein is in pursuance of the requirements of the Companies Act, No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors have approved the Audited Financial Statements of the Company together with the Reviews and other Reports, which form part of the Annual Report on 2 July 2026. The appropriate number of copies of the Annual Report would be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

22. ANNUAL GENERAL MEETING

The 115th Annual General Meeting of the Company will be held on Tuesday, 28 July 2026 at 10.15 am at the Auditorium, Ground Floor, The Ceylon Chamber of Commerce, No.50, Nawam Mawatha, Colombo 2, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business, which will be transacted thereat is on page 182 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)
M Selvanathan
Director

(Sgd.)
R H Meewakkala
CEO/Director

(Sgd.)
Natasha Selvaratnam
President – Group Company Secretarial
Carsons Management Services (Private) Limited
Secretaries

Colombo
2 July 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

1. COMMITTEE COMPOSITION

As at the reporting date, the Nominations and Governance Committee of Ceylon Beverage Holdings PLC consists of the following Members:

Member	Independent Non-Executive/ Non-Executive	Date of appointment to the Committee
Mr A B Baliga (Chairman)	Independent Non-Executive	25 September 2024
Mr A J Alles	Independent Non-Executive	25 September 2024
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive	25 September 2024
Mr D R P Goonetilleke	Non-Executive	1 April 2026

2. DIRECTOR NOMINATION AND COMMITTEE APPOINTMENTS

The Nominations and Governance Committee operates under a documented policy and established procedures for nominating Directors to the Board and recommending appointments to the Company's sub-committees. These processes ensure that all appointments are made based on merit, experience, and in alignment with the Company's strategic needs and governance principles. Members of the Committee abstain from participating in decisions relating to their own appointments.

3. RETIREMENT AND RE-ELECTION OF DIRECTORS

As provided in the Articles of Association of the Company, one-third of the Directors elected by the Company shall retire from office at each Annual General Meeting. The Directors to retire each year shall be those who have been in office the longest since their last election. Every retiring Director is eligible for re-election, subject to the recommendation of the Board, and shall continue to act as a Director throughout the Meeting at which they retire. Directors appointed as Nominee Directors, as provided in the Articles of Association, are not subject to retirement and re-election. All Directors who are subject to retirement by rotation and re-election as per the Articles of Association of the Company are required to submit themselves for re-election at regular intervals and at least once in every three years as explained above.

3.1 In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange (CSE), the Committee has recommended the re-election of Mr D A Cabraal to the Board at the Annual General Meeting (AGM) to be held on 28 July 2026, in accordance with Articles 72, 73, and 74 of the Company's Articles of Association. This recommendation is based on his combined knowledge, experience, and the valuable contributions he has made towards achieving the objectives of the Board.

3.2 In terms of Article 68 of the Company's Articles of Association, any Director appointed to the Board under this Article shall hold office only until the next AGM and shall then be eligible for re-election. Accordingly, in compliance with the Articles and Rule 9.11.5 (ii) of the Listing Rules of the CSE, the Committee has recommended the re-election of Mr M S De Saram and Mr D R P Goonetilleke who were appointed to the Board since the last AGM, at the forthcoming AGM scheduled to be held on 28 July 2026.

3.3 In recognition of their extensive experience, deep insight and domain knowledge, the Committee recommended to the Board and the Board approved the re-appointment of Mr M Selvanathan and Mr H Selvanathan who are over seventy years of age and were due to retire in terms of Section 210 of the Companies Act No. 07 of 2007. Messrs. M Selvanathan and H Selvanathan, who are over 70 years of age are to be re-appointed as Directors of the Company until the next AGM of the Company and that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to them.

3.4 Details of Directors being re-elected and/or re-appointed:

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

Board member	Re-elected or re-appointed	Board Committees served on as a Member/ Chairman	Date of first appointment as a Director	Date of last re-appointment as a Director	Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities	Any relationships* including close family relationships (as defined in CSE Rule 9.8.4) between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Company (*business relationships)
Mr D A Cabraal	To be re-elected as per Articles 72, 73, and 74 of the Articles of Association of the Company at the AGM on 28 July 2026	–	1 November 2013	28 July 2025	Chairman/ Non-Executive Director of: • Lion Brewery (Ceylon) PLC Non-Executive Director of: • John Keells Holdings PLC Chairman/Independent Non-Executive Director of: • Sunshine Holdings PLC Independent Non-Executive Director of: • Watawala Plantations PLC • Hatton National Bank PLC (from 1 April 2014 to 1 April 2023)	• Shareholder of the Company
Mr M S De Saram	To be re-elected as per Article 68 of the Articles of Association of the Company at the AGM on 28 July 2026	Member of: • Audit Committee • Related Party Transactions Review Committee	1 April 2026	Appointed to the Board on 1 April 2026	Independent Non-Executive Director of: • Lion Brewery (Ceylon) PLC • Central Finance Company PLC	–
Mr D R P Goonetilleke	To be re-elected as per Article 68 of the Articles of Association of the Company at the AGM on 28 July 2026	Member of: • Remuneration Committee • Nominations and Governance Committee	1 April 2026	Appointed to the Board on 1 April 2026	Independent Non-Executive Director of: • Namunukula Plantations PLC • Ceylinco Holdings PLC Non-Executive Director of: • Lion Brewery (Ceylon) PLC • Pegasus Hotels of Ceylon PLC	–
Mr H Selvanathan	To be reappointed as per Section 210 of the Companies Act No. 07 of 2007 at the AGM on 28 July 2026	–	30 May 1990	28 July 2025	Chairman/ Non-Executive Director of: • Bukit Darah PLC Deputy Chairman/ Non-Executive Director of: • Carson Cumberbatch PLC • Lion Brewery (Ceylon) PLC	• Director and shareholder of Carson Cumberbatch PLC (CCPLC) • CCPLC holds 75.62% in Ceylon Beverage Holdings PLC • Spouse holds shares in the Company
Mr M Selvanathan	To be reappointed as per Section 210 of the Companies Act No. 07 of 2007 at the AGM on 28 July 2026	–	15 June 1991	28 July 2025	Non-Executive Director of: • Bukit Darah PLC • Carson Cumberbatch PLC	• Director and shareholder of Carson Cumberbatch PLC (CCPLC) • CCPLC holds 75.62% in Ceylon Beverage Holdings PLC

4. BOARD DIVERSITY

The Board of Directors recognises diversity in experience, skills, age, and gender as a key enabler of effective governance and strategic oversight. The Board comprises individuals with varied professional backgrounds, combining local insights with international experience to guide the Company through evolving challenges. Age and gender diversity are promoted, ensuring a balanced mix of perspectives that drive innovation and sound decision-making.

5. DIRECTORS' APPOINTMENT AND RE-APPOINTMENT

The Company follows a transparent and a well-structured process for the appointment and re-appointment of Directors, in line with its Articles of Association, the Listing Rules of the CSE, and Corporate Governance best practices. The Nominations and Governance Committee is responsible for identifying and evaluating candidates based on qualifications, experience, leadership competencies, and independence. Re-appointments are based on Directors' contribution, experience, time commitments, and alignment with the Company's strategic goals. Directors retiring by rotation are subject to shareholder approval at the Annual General Meeting. For Independent Non-Executive Directors, compliance with the criteria for independence as per Rule 9.8.3 of the Listing Rules of the CSE is verified prior to re-appointment. This ensures that the integrity and objectivity of the Board are maintained.

6. BOARD AND CEO PERFORMANCE EVALUATION

In compliance with Rule 9.11.5 of the Listing Rules of the CSE, the Committee confirms that periodic evaluations have been conducted on the performance of the Board of Directors. These evaluations are aimed at assessing the effectiveness of the Board's oversight responsibilities in achieving the Company's strategic objectives. The evaluations performance reviews are structured, criteria-based, and carried out under the supervision of the Nominations and Governance Committee. Feedback from these evaluations is used to identify areas for improvement and to support ongoing Board effectiveness.

On an annual basis, the Committee is kept apprised of the Company's succession planning for Senior Managers and outcomes at a wider organisation level.

7. ENGAGEMENT OF INDEPENDENT DIRECTORS

The Company has implemented structured processes to ensure Independent Directors are kept fully informed of all significant matters impacting the Company. These include timely distribution of detailed Board packs, participation in key Board Committees, unrestricted access to Senior Management, regular updates on material developments, and ongoing engagement and briefings. These measures enable Independent Directors to effectively fulfil their oversight and governance responsibilities.

8. INDUCTION AND ORIENTATION FOR NEW DIRECTORS

The Company conducts structured induction and orientation programmes for newly appointed Directors. These programmes are designed to familiarise the Directors with the Company's governance framework, business operations, industry environment, and key regulatory obligations. The sessions cover topics including corporate governance practices, the Listing Rules of the CSE, securities market regulations, and other applicable legal and regulatory requirements. This ensures that new Directors are well-equipped to discharge their duties effectively from the outset of their appointment.

9. QUARTERLY UPDATES TO EXISTING DIRECTORS

During the year under review, the Nominations and Governance Committee facilitated quarterly updates to the Board of Directors on key developments in corporate governance, amendments to the Listing Rules of the CSE, securities market regulations, and other applicable laws and regulations. These sessions are intended to ensure that Directors remain well-informed and compliant with evolving governance and regulatory standards.

In addition to these updates, the Committee reviews a comprehensive Regulatory and Corporate Compliance Statement and the Nominations and Governance Committee Compliance Statement, which also outlines the Company's adherence to policies under Rule 9.2.1. The Committee also evaluates Fit and Proper Assessment Criteria declarations and annual declarations of independence submitted by the Directors, and the process of recommending new appointments to the Board.

10. MEETING ATTENDANCE

From 1 April 2025 until the reporting date, the Nominations and Governance Committee met five (5) times. The attendance of the Committee members at these meetings was as follows:

Member	Independent Non-Executive/ Non-Executive	Attendance
Mr A B Baliga (Chairman)	Independent Non-Executive	5/5
Mr A J Alles	Independent Non-Executive	5/5
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive	4/4
Mr D R P Goonetilleke (Appointed w.e.f. 1 April 2026)	Non-Executive	1/1

11. STATEMENT ON DIRECTORS' INDEPENDENCE

11.1 As required under Rule 9.8.5 (a) of the Listing Rules of the CSE, the following Independent Non-Executive Directors of the Company have each submitted a signed and dated declaration confirming their independence, in accordance with the criteria specified in the CSE Listing Rules:

1. Mr A B Baliga
   Independent Non-Executive
2. Mr A S Amaratunga
   Independent Non-Executive
3. Mr A J Alles
   Independent Non-Executive
4. Mr M S De Saram
   Independent Non-Executive

11.2 In accordance with Rule 9.11.6 (l) of the Listing Rules of the CSE, the Nominations and Governance Committee confirms that, as at the reporting date, the Independent Non-Executive Directors of the Company have satisfied the criteria for determining independence as specified under Rule 9.8.3 of the CSE Listing Rules.

12. STATEMENT ON DIRECTORS' FITNESS AND PROPRIETY

12.1 As required by Rule 9.7.4 of the Listing Rules of the CSE, the Company is required to obtain confirmations annually and has obtained signed declarations from all Directors of the Company confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out under the Listing Rules of the CSE during the financial year 2025/26, and satisfies the said criteria as at the date of such confirmation.

12.2 The Nominations and Governance Committee reviewed and evaluated the fitness and propriety of the Directors of the Company, based on the Fit and Proper Assessment Criteria declarations, and confirms that all Directors and Director/ Chief Executive Officer of the Company as at the reporting date, satisfies the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the CSE.

13. STATEMENT ON CORPORATE GOVERNANCE

In accordance with Rule 9.11.6 (m) of the Listing Rules of the CSE, the Nominations and Governance Committee confirms that the Company is in compliance with the Corporate Governance requirements stipulated under the said Listing Rules.

(Sgd.)
A B Baliga
Chairman – Nominations and Governance Committee
2 July 2026

AUDIT COMMITTEE REPORT

1. COMMITTEE COMPOSITION

1.1 As at the reporting date, the Audit Committee of Ceylon Beverage Holdings PLC consists of the following members:

Member	Independent Non-Executive/Non-Executive
Mr A S Amaratunga (Chairman)	Independent Non-Executive
Mr A J Alles	Independent Non-Executive
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive
Mr M S De Saram (Appointed w.e.f. 1 April 2026)	Independent Non-Executive

1.2 Profile of the Members of the Audit Committee

Refer pages 18 to 20 for the profiles of the Audit Committee members.

2. MEETINGS OF THE AUDIT COMMITTEE

2.1 From 1 April 2025 until the reporting date, the Audit Committee of Ceylon Beverage Holdings PLC met eleven (11) times and the attendance of the Audit Committee members was as follows:

Member	Independent Non-Executive/ Non-Executive	Attendance
Mr A S Amaratunga (Chairman)	Independent Non-Executive	11/11
Mr A J Alles	Independent Non-Executive	11/11
Mr D C R Gunawardena (Resigned w.e.f. 31 March 2026)	Non-Executive	7/8
Mr M S De Saram (Appointed w.e.f. 1 April 2026)	Independent Non-Executive	2/3

2.2 The Chief Executive Officer – Beverage Sector, Chief Financial Officer of the Company, Internal Auditors, and Senior Management staff members also attended the Audit Committee meetings by invitation.

3. AUDIT COMMITTEE CHARTER

The Company has an Audit Committee Charter and the powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter.

4. FUNCTIONS AND DUTIES

4.1 Assists the Board of Directors in fulfilling its oversight responsibilities of the financial reporting process, the system of internal control over financial reporting, the audit process, risk management and the Company's processes for monitoring compliance with financial reporting requirements, information requirements under the Corporate Governance Rules of the Colombo Stock Exchange, the Companies Act, No. 07 of 2007 and the Securities and Exchange Commission of Sri Lanka (SEC) Act, No. 19 of 2021, and other relevant financial reporting related regulations.

4.2 Reviews and recommends the Interim Financial Statements of Ceylon Beverage Holdings PLC for the approval of the Board of Directors prior to release of same to the Regulatory Authorities and to the Shareholders. The Audit Committee held meetings to discuss and review the Interim Financial Statements of the Company.

4.3 Reviews and recommends the Annual Report of Ceylon Beverage Holdings PLC for the approval of the Board of Directors and release of same to the Regulatory Authorities and to the Shareholders.

4.4 Recommends appointment/ re-appointment/removal of External Auditors and approves their remuneration and engagement terms.

4.5 Obtains and reviews assurances received from the Managers that the financial records have been properly maintained and the Financial Statements give a true and fair view of the Company's operations and finances. Reviews assurances given by the Managers and Key Management Personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

4.6 Reviews the internal controls in place to prevent the leakage of material information to unauthorised persons.

4.7 Reviews and oversees processes to ensure that the Company's internal controls and risk management systems are adequate.

4.8 Reviews and assesses the Company's risk management process, including control environment in high-risk areas, Business Continuity Plans, and reviews the risk policies adopted by the Company on an annual basis.

4.9 Takes prompt corrective action to request Management to mitigate the effects of specific risks.

4.10 Reviews the scope and results of the internal and external audits and its effectiveness, and the independence, performance and objectivity of the Auditors.

4.11 Reviews the policy and the process on engaging External Auditors for non-audit services, ensuring compliance with independence and ethical guidelines. Reports any concerns or areas for improvement to the Board along with recommended actions.

5. ASSURANCE FROM THE CEO AND CFO REGARDING THE COMPANY'S OPERATIONS AND FINANCES, AND AN OPINION ON COMPLIANCE WITH FINANCIAL REPORTING AND INFORMATION REQUIREMENTS UNDER RELEVANT REGULATIONS

As required under Rule 9.13.5 (2) (c) and (d) of the Listing Rules of the Colombo Stock Exchange (CSE), the Audit Committee was provided with confirmations and declarations as required by Management and the Managers, Carsons Management Services (Private) Limited that the Financial Statements have been prepared in accordance with the Listing Rules of the CSE, Sri Lanka Accounting Standards, information required by the Companies Act No. 07 of 2007 and the Securities and Exchange Commission of Sri Lanka therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

6. INTERNAL AUDIT

6.1 The objective of the Group Internal Audit function is to provide an independent assessment of the system of internal controls established by Management. This includes evaluating their adequacy and integrity in relation to the objectives they are intended to support, as well as determining the extent of compliance by responsible staff. Where necessary, corrective or preventive actions are recommended.

6.2 The Audit Committee approved the Beverage Sector Audit Plan for the financial year 2025/26. In accordance with the plan, the Group Internal Audit conducted relevant reviews of the Beverage Sector companies. Where necessary, the Audit Plan was reviewed and adjusted to enable the Internal Audit team to address areas requiring attention beyond the initial scope of the Internal Audit Plan.

6.3 The findings and content of Group Internal Audit reports are initially discussed with the relevant management staff. The reports are then presented at Audit Committee meetings, where they are reviewed in the presence of senior management. Particular focus is given to significant findings, associated recommendations, proposed corrective actions, management responses, and the implementation status, which is monitored regularly.

6.4 Where necessary, material concerns highlighted by the Group Internal Audit are taken up by the Audit Committee for further discussion and deliberation at Board Meetings.

7. STATUS OF RISK MANAGEMENT AND INTERNAL CONTROL

7.1 As required under Rule 9.13.5 (2) (b) of the Listing Rules of the CSE, the Committee reviews the Risk Management Reports, risk heat map, risk register and activities related to managing risks, especially the processes adopted with management to identify, assess and mitigate risks through appropriate and timely action.

7.2 The Committee provides oversight on adequacy and effectiveness of the Company's internal controls and risk management processes.

8. EXTERNAL AUDIT

8.1 The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with Messrs. KPMG and Management, prior to the commencement of the audit, and the Committee followed up on all matters raised by the External Auditors after the final review.

8.2 The Audit Committee has determined that the independence of Messrs. KPMG, Chartered Accountants, have not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and written confirmation has been received from the Auditors of their compliance, with the independence guidelines given in the "Code of Professional Conduct and Ethics" issued by The Institute of Chartered Accountants of Sri Lanka.

8.3 Messrs KPMG have been the External Auditors of the Company since 1911 and the Audit Engagement Partner for the financial year ended 31 March 2026 is Mr Chamara Abeyrathne, who was appointed as Audit Partner in 2026 following the rotation of the previous Partner.

8.4 The Committee reviews the Non-audit services obtained from Messrs KPMG and the fees paid to them for such services, at quarterly Audit Committee meetings. The Auditors have confirmed that they are not aware of any relationship with or interest in Ceylon Beverage Holdings PLC that, in their judgement, may reasonably be deemed to have a bearing on their independence within the meaning of the "Code of Professional Conduct and Ethics" issued by The Institute of Chartered Accountants of Sri Lanka.

8.5 The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31 March 2027, subject to the approval of the shareholders of Ceylon Beverage Holdings PLC at the Annual General Meeting.

8.6 The Audit Committee held a meeting to discuss and review the Financial Statements of the Company, the Audit Opinion and External Audit matters of the Company for the year ended 31 March 2026, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the Shareholders.

(Sgd.)
A S Amaratunga
Chairman – Audit Committee
2 July 2026

RELATED PARTY TRANSACTIONS COMMITTEE REPORT

1. COMMITTEE COMPOSITION

As at the reporting date, the Related Party Transactions Review Committee (RPTRC) of Ceylon Beverage Holdings PLC consists of the following members:

Member	Independent Non-Executive/ Non-Executive/Executive
Mr A S Amaratunga (Chairman)	Independent Non-Executive Director
Mr A B Baliga	Independent Non-Executive Director
Mr D C R Gunawardena (Ceased w.e.f. 31 March 2026)	Non-Executive Director
Mr M S De Saram (Appointed w.e.f. 1 April 2026)	Independent Non-Executive Director

2. MEETING ATTENDANCE

From 1 April 2025 until the reporting date the RPTRC of Ceylon Beverage Holdings PLC met Six (6) times, and the attendance of the Committee members was as follows:

Member	Independent Non-Executive/ Non-Executive/Executive	Attendance
Mr A S Amaratunga (Chairman)	Independent Non-Executive Director	6/6
Mr A B Baliga	Independent Non-Executive Director	6/6
Mr D C R Gunawardena (Ceased w.e.f. 31 March 2026)	Non-Executive Director	5/5
Mr M S De Saram (Appointed w.e.f. 1 April 2026)	Independent Non-Executive Director	1/1

3. DISCLOSURES AS PER SECTION 9.14.8 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

3.1 Non-Recurrent Related Party Transactions

In accordance with Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange, there were no non-recurrent related party transactions entered into by the Company, where the aggregate value of such transactions exceeded 10.0% of the equity or 5.0% of the total assets of the Company, whichever is lower, as per the Audited Financial Statements available during the year.

3.2 Recurrent Related Party Transactions

In accordance with Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange, there were no recurrent related party transactions entered into by the Company, where the aggregate value of such transactions exceeded 10.0% of the 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.

4. STATEMENT ON REVIEW OF RELATED PARTY TRANSACTIONS

As required by Rule 9.14.8 (3) of the Listing Rules of the Colombo Stock Exchange, the RPTRC of the Company reviewed all Related Party Transactions (RPTs) carried out during the financial year from 1 April 2025 to 31 March 2026, excluding those transactions exempted under Listing Rule 9.14.10 of the Listing Rules of the Colombo Stock Exchange.

Following its review, the RPTRC communicated its comments and observations to the Board of Directors of the Company.

5. POLICIES AND PROCEDURES FOR REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

As required by Rule 9.14.8 (3) of the Listing Rules of the Colombo Stock Exchange, the Committee adopts the following policies and procedures for reviewing RPTs of the Company:

1. The RPTRC reviews all relevant RPTs of the Company, and where the Committee determines that approval of the Board of Directors of the respective Company is required, such approval is obtained prior to entering into the relevant transaction.

2. Senior management provides RPTRC with all the facts and circumstances of a proposed RPT to facilitate the review of a RPT and such information includes;
   - related party's relationship to the Company and interest in the transaction;
   - material facts of the proposed RPT, including the proposed aggregate value of such transaction;
   - benefits of the proposed RPT to the Company;
   - availability of other sources of comparable products or services; and

- an assessment of whether the proposed RPT is on terms that are comparable to the terms generally available to an unaffiliated third party under the same or similar circumstances, or to employees generally.

3. In reviewing a transaction, RPTRC assesses whether the proposed RPT is conducted during the ordinary course of business and is carried out at an arm's length basis, regardless of whether the transaction is recurrent or non-recurrent in nature.
4. Review and approve the RPTs either at duly convened Meetings of the Committee or when necessary by way of Circular Resolution.
5. Decide whether to seek approval of the Board of Directors for a given RPT. The RPTRC considers, among other relevant factors, whether the transaction poses any actual or potential conflict of interest to the Directors and advise the Board accordingly.
6. Submit RPTs that require shareholder approval by way of a Special Resolution, as stipulated under Rule 9.14 of the Listing Rules of the Colombo Stock Exchange for shareholder approval once reviewed and approved by the RPTRC and the Board of Directors of the Company.
7. Identify the Key Management Personnel (KMP) of the Company, which includes the Board of Directors. Each Director and KMPs provide declarations to identify parties related to them. Related Party Transactions are identified based on the disclosures made in these declarations.

6. DECLARATION

As required by Rule 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange, the following declaration by the Board of Directors is captured in Section 14.6.4 of the "Annual Report of the Board of Directors on the Affairs of the Company" of this Report.

The Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange, pertaining to Related Party Transactions, during the financial year ended 31 March 2026.

(Sgd.)

A S Amaratunga

Chairman – Related Party Transactions Review Committee

2 July 2026

FINANCIAL STATEMENTS

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FINANCIAL CALENDAR

Financial Year	31 March 2026
Announcement of Results	
1st Quarter	30 June 2025
Issued to Colombo Stock Exchange	14 August 2025
2nd Quarter	30 September 2025
Issued to Colombo Stock Exchange	14 November 2025
3rd Quarter	31 December 2025
Issued to Colombo Stock Exchange	13 February 2026
4th Quarter	31 March 2026
Issued to Colombo Stock Exchange	15 May 2026
Meetings	
114th Annual General Meeting	28 July 2025
115th Annual General Meeting	28 July 2026

INDEPENDENT AUDITOR'S REPORT

KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF CEYLON BEVERAGE HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Beverage Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies set out on pages 118 to 166.

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 cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

1. Revenue Recognition – Group

Refer Note 4.1 for accounting policy and explanatory Note 30 of financial Statements.

Risk Description

The Group and Company have recorded revenue of Rs. 135.3 Bn and Rs. 1.84 Bn. respectively for the year ended 31 March 2026.

Whilst revenue recognition and measurement are not complex for the Company, the Group operates in a market which is affected by different customer behaviour and the various discounts and locally imposed duties and fees with regard to revenue recognition introduce an inherent risk to the revenue recognition process and determines the respective accounting treatment. This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter.

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T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.G.H. Raddella ACA
W.W.J.C. Perera FCA
G.A U. Karunaratne FCA
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Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D Corea Dharmaratne

Our audit procedures included;

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition, including the assessment of trade discount, duties and fees from sales transactions.
- Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment with the assistance of IT specialists.
- Obtaining an understanding and testing design, implementation and operating effectiveness of controls over journal entries and post-closing adjustments.
- Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognised in accordance with the Company's revenue recognition accounting policies.
- Agreeing the monthly sales system reports to the general ledger to ensure that the revenue is accounted accurately and completely in the general ledger.
- Testing, on a sample basis, revenue transactions recorded to the supporting documents to assess whether the revenue transactions have been recorded accurately and recognized in the correct accounting period.

2. Carrying value of inventories – Group

Refer Note 3.9 for accounting policy and explanatory Note 14 of financial Statements.

Risk Description

The Group recorded inventories of Rs. 9.09 Bn. as at 31 March 2026.

The Group holds a significant level of inventories over many locations. Given the level of judgement, estimates and significance of inventories to the Financial Statements, carrying value of inventories has been identified as key audit matter.

Our audit procedures included;

- Testing the design, implementation, and operating effectiveness of the key controls relating assessment of provision for inventories and to ensure the accuracy of the inventory provision.
- Attending inventory verification at the year-end to ensure the existence of the inventories.
- Assessing the results of cyclical counts performed by management and third parties throughout the period to determine the level of count variances, which are adjusted periodically.
- Performing the required substantive test for NRV on a sample basis by comparing the selling prices 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 the management, including compliance with the applicable financial reporting standards and verifying IT controls over inventory costing and recomputing the Weighted Average Cost (WAC) for a sample of inventory items.

3. Carrying value of the investment in subsidiaries – Company

Refer Note 2.5 for Use of Estimates and Judgments, Note 3.10 for accounting policy and explanatory Note 13 of financial Statements.

Risk Description

We identified the impairment assessment of investments in subsidiaries as a key audit matter due to the subjectivity in the assessment of the recoverable amounts which requires estimation and the use of assumptions.

Further, the assessment involves consideration of future events which are inherently uncertain and volatile macro-economic environment, and effect of those differences may significantly impact the resulting accounting estimates.

Due to impairment conditions identified, the Company tested its investment in Pubs 'N Places (Pvt) Limited and Luxury Brands (Pvt) Limited using a discounted forecast cash flow model and the related receivables for impairment as at the reporting date.

Above uses several key assumptions which resulted in this matter being identified as a key audit matter.

Our audit procedures included;

- Examining the indications of possible impairment of investments in subsidiaries.
- Evaluating the appropriateness and consistency of underlying assumptions in determining forecasted cash flows, which includes future sales, expenses volume growth rates, terminal growth rates and the cost of equity (discount rate).
- On a sample basis, testing the accuracy and relevance of the input data to supporting evidence such as approved budgets and considering the reasonableness of the budgets to historical results and subsequent period actuals.
- Performing sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in the key assumptions used.
- Assessing the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.

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 the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 3029.

Chartered Accountants
Colombo, Sri Lanka
2 July 2026

STATEMENT OF FINANCIAL POSITION

As at 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Assets					
Non-current assets					
Property, plant and equipment	9	–	–	30,820,900	29,197,945
Investment properties	10	872,600	861,000	872,600	861,000
Right-of-use assets	12	–	–	174,595	212,229
Intangible assets	11	–	–	862,981	768,078
Deferred tax assets	25	–	–	55,175	171,724
Investments in subsidiaries	13	2,128,583	2,128,583	–	–
Other financial assets	17	–	–	1,871,178	1,611,178
Total non-current assets		3,001,183	2,989,583	34,657,429	32,822,154
Current assets					
Inventories	14	–	–	9,089,097	8,285,443
Trade and other receivables	15	78,870	38,033	4,427,535	5,675,836
Amounts due from related companies	16	124,733	120,237	49,642	–
Other financial assets	17	–	–	10,403,623	4,657,842
Cash and cash equivalents	18	1,161,523	12,651	20,334,530	13,475,936
Total current assets		1,365,126	170,921	44,304,427	32,095,057
Total assets		4,366,309	3,160,504	78,961,856	64,917,211
Equity and liabilities					
Equity					
Stated capital	19	533,384	533,384	533,384	533,384
Revaluation reserves	20	19,924	19,924	1,692,446	1,360,069
Revenue reserves	22	3,150,949	1,878,201	22,001,025	16,633,227
Translation reserve	21	–	–	6,586	(11,411)
Equity attributable to equity holders of the Company		3,704,257	2,431,509	24,233,441	18,515,269
Non-controlling interest	13.3	–	–	20,361,064	16,435,215
Total equity		3,704,257	2,431,509	44,594,505	34,950,484
Non-current liabilities					
Loans and borrowings	23	–	–	2,049,062	2,236,667
Lease liabilities	12.1	–	–	190,146	231,728
Employee benefits	24	–	–	406,818	399,658
Deferred tax liabilities	25	162,402	158,922	7,959,945	7,325,395
Total non-current liabilities		162,402	158,922	10,605,971	10,193,448

STATEMENT OF FINANCIAL POSITION

As at 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Current liabilities					
Trade and other payables	26	**52,276**	51,870	**7,024,171**	5,592,536
Amounts due to related companies	27	**–**	414,260	**106,051**	102,233
Refundable deposits	28	**–**	–	**4,246,723**	3,539,121
Current tax liabilities	29	**80,221**	34,897	**8,456,317**	5,931,175
Loans and borrowings	23	**–**	–	**2,156,217**	2,634,258
Lease liabilities	12.1	**–**	–	**51,288**	40,901
Bank overdraft	18	**367,153**	69,046	**1,720,613**	1,933,055
Total current liabilities		**499,650**	570,073	**23,761,380**	19,773,279
Total liabilities		**662,052**	728,995	**34,367,351**	29,966,727
Total equity and liabilities		**4,366,309**	3,160,504	**78,961,856**	64,917,211
Net assets per ordinary share (Rs.)		**176.49**	115.85	**1,154.63**	882.18

The Notes to the Financial Statements from pages 126 to 166 form an integral part of these Financial Statements.

I certify that the above Financial Statements comply with the requirements of Companies Act No. 07 of 2007.

(Sgd.)
J N Goonaratne
Chief Financial Officer

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

Approved and signed on behalf of the Managers

(Sgd.)
V R Wijesinghe
Director

Approved and signed on behalf of the Board

(Sgd.)
M Selvanathan
Director

(Sgd.)
R H Meewakkala
Director

Carsons Management Services (Private) Limited
2 July 2026
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Revenue	30	**1,845,370**	1,299,948	**135,310,413**	125,050,348
Cost of sales		**–**	–	**(101,453,603)**	(95,593,465)
Gross profit		**1,845,370**	1,299,948	**33,856,810**	29,456,883
Other income	31	**–**	–	**420,464**	350,173
Net gain arising from changes in fair value of investment properties	10	**11,600**	45,800	**11,600**	45,800
		1,856,970	1,345,748	**34,288,874**	29,852,856
Distribution expenses		**–**	–	**(8,284,476)**	(7,937,061)
Administrative expenses		**(38,578)**	(41,294)	**(4,941,752)**	(4,675,333)
Other expenses		**–**	–	**(1,598,701)**	(641,608)
Profit before finance cost		**1,818,392**	1,304,454	**19,463,945**	16,598,854
Finance income	33	**37,731**	15,989	**1,831,404**	854,206
Finance costs	33	**(1,466)**	(55,057)	**(1,512,209)**	(1,416,836)
Net finance income/(cost)		**36,265**	(39,068)	**319,195**	(562,630)
Profit before taxation		**1,854,657**	1,265,386	**19,783,140**	16,036,224
Income tax expenses	34	**(79,920)**	(60,644)	**(8,357,692)**	(5,981,623)
Deferred taxation	25	**(3,480)**	(13,740)	**(220,607)**	(396,939)
Profit after taxation		**1,771,257**	1,191,002	**11,204,841**	9,657,662
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Remeasurement of employee benefit obligation	24	**–**	–	**22,279**	(68,346)
Deferred tax on actuarial (gain)/loss	34	**–**	–	**(10,025)**	30,756
Revaluation gain on land and buildings	9	**–**	–	**1,156,597**	–
Deferred tax charge on land and building revaluation gain	34	**–**	–	**(520,469)**	(252,408)
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation gain/(loss) from foreign operation		**–**	–	**34,445**	(14,834)
Total other comprehensive income/(expense) for the year, net of tax		**–**	–	**682,827**	(304,832)
Total comprehensive income for the year		**1,771,257**	1,191,002	**11,887,668**	9,352,830
Profit attributable to					
– Equity holders of the Company		**1,771,257**	1,191,002	**5,859,589**	5,117,375
– Non-controlling interest		**–**	–	**5,345,252**	4,540,287
Profit available for appropriation		**1,771,257**	1,191,002	**11,204,841**	9,657,662
Total comprehensive income attributable to					
– Equity holders of the Company		**1,771,257**	1,191,002	**6,216,367**	4,958,100
– Non-controlling interest		**–**	–	**5,671,301**	4,394,730
Profit available for appropriation		**1,771,257**	1,191,002	**11,887,668**	9,352,830
Earnings per ordinary share (Rs.)	35	**84.39**	56.75	**279.19**	243.82

The Notes to the Financial Statements from pages 126 to 166 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent					
In Rs. '000	Stated capital	General capital reserve	Revenue reserves fair value	Revenue reserves retained earnings	Total	Total equity
Company						
Balance as at 1 April 2024	533,384	19,924	655,729	1,087,178	2,296,215	2,296,215
Total comprehensive income						
Profit for the year	–	–	32,060	1,158,942	1,191,002	1,191,002
Total comprehensive income for the year	–	–	32,060	1,158,942	1,191,002	1,191,002
Transactions with owners, recorded directly in equity						
Contribution by and distribution to owners						
Forfeiture of unclaimed dividends	–	–	–	1,042	1,042	1,042
First interim dividend paid – 2024/25	–	–	–	(443,898)	(443,898)	(443,898)
Second interim dividend paid – 2024/25	–	–	–	(612,852)	(612,852)	(612,852)
Balance as at 31 March 2025	533,384	19,924	687,789	1,190,412	2,431,509	2,431,509
Balance as at 1 April 2025	533,384	19,924	687,789	1,190,412	2,431,509	2,431,509
Total comprehensive income						
Profit for the year	–	–	8,120	1,763,137	1,771,257	1,771,257
Total comprehensive income for the year	–	–	8,120	1,763,137	1,771,257	1,771,257
Transactions with owners, recorded directly in equity						
Contribution by and distribution to owners						
Forfeiture of unclaimed dividends	–	–	–	2,057	2,057	2,057
First interim dividend paid – 2025/26	–	–	–	(500,566)	(500,566)	(500,566)
Balance as at 31 March 2026	533,384	19,924	695,909	2,455,040	3,704,257	3,704,257

The Notes to the Financial Statements from pages 126 to 166 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

In Rs. '000	Stated capital	Revaluation reserve	General capital reserve
GROUP			
Balance as at 1 April 2024	533,384	1,472,028	19,924
Total comprehensive income			
Profit for the year	–	–	–
Other comprehensive income/(loss) for the year	–	(131,883)	–
Transfers	–	–	–
Total comprehensive income for the year	–	(131,883)	–
Transactions with owners, recorded directly in equity contribution by and distribution to owners			
Forfeiture of unclaimed dividends	–	–	–
First interim dividend paid – 2024/2025	–	–	–
Second interim dividend paid – 2024/2025	–	–	–
Dividend paid to non-controlling shareholders	–	–	–
Balance as at 31 March 2025	533,384	1,340,145	19,924
Balance as at 1 April 2025	533,384	1,340,145	19,924
Transfers	–	–	–
Total comprehensive income			
Profit for the year	–	–	–
Other comprehensive income/(loss) for the year	–	332,377	–
Transfers	–	–	–
Total comprehensive income for the year	–	332,377	–
Transactions with owners, recorded directly in equity Contribution by and distribution to owners			
Forfeiture of unclaimed dividends	–	–	–
First interim dividend paid – 2025/2026	–	–	–
Dividend paid to non-controlling shareholders	–	–	–
Balance as at 31 March 2026	533,384	1,672,522	19,924

The Notes to the Financial Statements from pages 126 to 166 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

Attributable to Equity Holders of the Parent					
Revenue reserves fair value	Translation reserve	Revenue reserves retained earnings	Total	Non-controlling interest	Total equity
655,729	(3,660)	11,935,414	14,612,819	13,178,793	27,791,612
32,060	–	5,085,315	5,117,375	4,540,287	9,657,662
–	(14,834)	(19,641)	(166,358)	(138,474)	(304,832)
–	7,083	–	7,083	(7,083)	–
32,060	(7,751)	5,065,674	4,958,100	4,394,730	9,352,830
–	–	1,100	1,100	52	1,152
–	–	(443,898)	(443,898)	–	(443,898)
–	–	(612,852)	(612,852)	–	(612,852)
–	–	–	–	(1,138,360)	(1,138,360)
687,789	(11,411)	15,945,438	18,515,269	16,435,215	34,950,484
687,789	(11,411)	15,945,438	18,515,269	16,435,215	34,950,484
–	–	–	–	–	–
8,120	–	5,851,469	5,859,589	5,345,252	11,204,841
–	34,445	6,403	373,225	309,602	682,827
–	(16,448)	–	(16,448)	16,448	–
8,120	17,997	5,857,872	6,216,366	5,671,302	11,887,668
–	–	2,372	2,372	288	2,660
–	–	(500,566)	(500,566)	–	(500,566)
–	–	–	–	(1,745,741)	(1,745,741)
695,909	6,586	21,305,116	24,233,441	20,361,064	44,594,505

STATEMENT OF CASH FLOWS

For the year ended 31 March In Rs. '000	Notes	Company		Group	
		2026	2025	2026	2025
Cash flows from operating activities					
Profit before taxation		1,854,657	1,265,386	19,783,140	16,036,224
Adjustments for:					
Finance costs	33	1,466	55,057	1,512,209	1,416,836
Depreciation of right-of-use assets	12	–	–	50,457	56,952
Gain on de-recognition of right-of-use assets		–	–	–	(4,040)
Depreciation on property, plant and equipment	9	–	–	3,070,341	2,778,105
Amortisation of intangible assets	11	–	–	16,720	16,157
Provision for inventories	14.1	–	–	669,576	231,191
Provision for employee benefit obligations	24	–	–	83,690	69,714
Impairment of property plant and equipment	9	–	–	73,806	(8,045)
Impairment of Intangible assets	11	–	–	2,500	–
Impairment of trade receivables	15.1	–	–	9,556	6,780
Finance income	33	(37,731)	(15,989)	(1,831,404)	(854,206)
Net gain arising from changes in fair value of investment properties	10	(11,600)	(45,800)	(11,600)	(45,800)
Loss on disposal of property, plant and equipment		–	–	32,988	1,847
Loss on disposal of intangible asset		–	–	15,064	357
Provision/write-off of unrecoverable VAT		–	–	3,795	–
Unrealised foreign exchange gain		–	–	(164,310)	(33,682)
Operating cash flow before working capital changes		1,806,792	1,258,654	23,316,528	19,668,391
(Increase)/decrease in inventories	14	–	–	(1,473,230)	606,487
(Increase)/decrease in trade and other receivables	15	(40,837)	(6,887)	1,247,551	409,692
(Increase)/decrease in amounts due from related companies	16	(4,496)	1,432	(49,642)	–
Increase/(decrease) in amounts due to related companies	27	(414,260)	(24,551)	3,818	(21,373)
Increase/(decrease) tax payables	29	227	387	1,881,255	(753,047)
Increase/(decrease) in trade and other payables	26	406	2,698	1,422,409	1,003,267
Cash generated from operations		1,347,832	1,231,733	26,348,689	20,913,416
Tax paid		(34,823)	(57,064)	(7,431,061)	(6,021,558)
Retirement benefits paid	24	–	–	(54,251)	(32,337)
Net cash generated from operating activities		1,313,009	1,174,669	18,863,377	14,859,521

STATEMENT OF CASH FLOWS

For the year ended 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Cash flows from investing activities					
Purchase and construction of property, plant and equipment	9	–	–	(3,649,000)	(4,827,582)
Movement in other financial assets	17	–	–	(6,005,781)	(3,000,000)
Purchase of intangible assets	11	–	–	(129,187)	(26,145)
Proceeds from sale of property, plant and equipment		–	–	5,508	–
Proceeds from sale of intangible assets		–	–	–	10,478
Agent deposits received	28	–	–	707,602	561,228
Interest received	33	37,731	15,979	1,831,404	596,738
Net cash generated from/(used in) investing activities		37,731	15,979	(7,239,454)	(6,685,283)
Cash flows from financing activities					
Finance expenses paid	33	(1,466)	(55,047)	(1,482,698)	(2,111,800)
Proceeds from loans and borrowings	23.1	–	–	12,193,749	16,350,000
Repayment of loans and borrowings	23.1	–	–	(12,846,771)	(15,333,333)
Repayment of lease rental	12.1	–	–	(86,153)	(90,555)
Forfeiture of unclaimed dividends		2,057	1,042	2,660	1,152
Dividends paid net of tax		(500,566)	(1,043,960)	(2,532,846)	(2,375,331)
Net cash generated from/(used in) financing activities		(499,975)	(1,097,965)	(4,752,059)	(3,559,866)
Net increase/(decrease) in cash and cash equivalents		850,765	92,683	6,871,864	4,614,371
Cash and cash equivalents at the beginning of the year		(56,395)	(149,078)	11,542,881	6,975,114
Effect of movements in exchange rate on translation reserve		–	–	34,445	(14,834)
Effect of exchange rate changes on cash and cash equivalents		–	–	164,727	(31,770)
Cash and cash equivalents at the end of the year	18	794,370	(56,395)	18,613,917	11,542,881
Analysis of cash and cash equivalents					
Cash and cash equivalents	18	1,161,523	12,651	20,334,530	13,475,936
Bank overdraft	18	(367,153)	(69,046)	(1,720,613)	(1,933,055)
		794,370	(56,395)	18,613,917	11,542,881

The Notes to the Financial Statements from pages 126 to 166 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting entity

Ceylon Beverage Holdings PLC (CBHPLC) is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Parent Company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC (CCPLC), and the Ultimate Parent Company is Bukit Darah PLC. The registered office of the Company is situated at No. 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No. 254, Colombo Road, Biyagama.

The Consolidated Financial Statements for the year ended 31 March 2026 comprises the Company and its subsidiaries (together referred to as the "Group" and individually Group entities).

The subsidiaries of the Company are set out below:

Subsidiary	Controlling interest Percentage (%)	Note
Lion Brewery (Ceylon) PLC (LBCPLC)	52.25	
Lion Beer (Ceylon) Pte Ltd, SG.	52.25	Wholly owned subsidiary of LBCPLC
Millers Brewery Limited	52.25	Wholly owned subsidiary of LBCPLC
Pubs 'N Places (Private) Limited	99.9	
Retail Spaces (Private) Limited	100	
Luxury Brands (Private) Limited	100	

The principal activities of the Group are brewing and marketing of high-quality beers for both local and export markets and retailing of beer and alcohol products through its owned/managed wine shops and pubs. Additionally, the Group is engaged in the importing and marketing of globally renowned high quality beer and spirits brands.

The Group had 407 (2024/25 – 377) employees at the end of the financial year. The Company had no employees as at the reporting date (2024/25 – Nil).

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 ("SLFRS");
- Sri Lanka Accounting Standards ("LKAS");
- Statements of Recommended Practices (SoRPs);
- Statement of Alternate Treatment (SoATs) and
- 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.

The Financial Statements were authorised for issue by the Board of Directors on 2 July 2026.

2.2 Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following;

- Land and Building – Fair value
- Investment Properties – Fair value
- Employee defined benefit – Actuarially valued and obligation recognised at present value of the defined benefit obligation.

2.3 Going concern

In preparing the Financial Statements for the year ended 31 March 2026, the Management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future.

Based on currently available information, the Management is satisfied that having taken into consideration factors that could impact the revenue, supply chain, cash flows, accessibility to funds and costs, the Company and its subsidiaries would continue as a going concern. Consequent to giving due consideration to the presentations by Management, the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue as a going concern for the foreseeable future.

The Company had positive net assets, working capital and cash flow positions as at the reporting date. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

2.4 Functional currency and presentation currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand rupees.

2.5 Use of estimates and judgements

The preparation of Financial Statements in conformity with LKASs/SLFRSs requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgements and estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in following notes.

- Note 9 and 3.5 – Revaluation of land and building
- Note 10 and 3.6 – Investment properties
- Note 11 and 3.8 – Impairment test on intangible assets
- Note 15 and 3.4.5 – Provision for impairment of trade receivables
- Note 14 and 3.9 – Provision for impairment of inventories
- Note 24 and 3.13 – Employee benefit obligations
- Note 25 and 4.3 – Deferred tax liabilities
- Note 39 and 3.14 – Commitments and contingencies

2.6 Comparative information

The presentation and classification of the Financial Statements of the previous years have been amended where relevant for better presentation and to be comparable with those of the current year.

2.7 Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group regularly reviews significant unobservable inputs and valuation adjustments.

If third party information is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these Consolidated Financial Statements and have been applied consistently by Group entities, unless otherwise indicated.

3.1 Changes in material accounting policies

The Group has consistently applied the accounting policies to all periods presented in these Financial Statements.

3.2 Basis of consolidation

(I) 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 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 Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(II) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right 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 on which control ceases. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. Subsequent to the acquisition, the Company continues to recognise the investment in subsidiary at cost.

During the year the Company has held the following subsidiaries:

Subsidiary	Controlling interest Percentage (%)	Principal activities
Lion Brewery (Ceylon) PLC	52.25	Beverage
Millers Brewery Limited	52.25	Beverage
Lion Beer (Ceylon) Pte Ltd, SG.	52.25	Beverage
Pubs 'N Places (Private) Limited	99.9	Beverage
Retail Spaces (Private) Limited	100	Beverage
Luxury Brands (Private) Limited	100	Beverage

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

In the Company's Financial Statements, investments in subsidiaries are carried at cost less impairment if any. The carrying amount of the investment at the date that such entity ceases to be a subsidiary would be regarded at the cost of initial measurement of a financial asset.

(III) 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 the profit or loss.

Any interest retained in the former subsidiary is measured at fair value when control is lost.

(IV) Non-controlling interest

The non-controlling interest is presented in the Consolidated Statement of Financial Position within equity, separated from the equity attributable to the equity holders to the Group. Non-controlling interest in the profit or loss of the Group is disclosed separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(V) Financial period

The Group Financial Statements are prepared to a common financial year ended 31 March.

(VI) Intra-group transactions

Intra-group balances, intra-group transactions and resulting unrealised profits are eliminated in full in the Financial Statements. Unrealised losses resulting from intra-group transactions are eliminated unless the cost cannot be recovered.

3.2.1 Consolidated Financial Statements/Separate Financial Statements

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the Financial Statements of the controlling party. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties interests; and Comparative amounts in the Financial Statements are presented using the principles as set out above as if the entities or businesses had been combined at the previous balance sheet reporting date unless the combining entities or businesses first came under common control at a later date.

The Consolidated Income Statement includes the results of each of the combining entities or businesses from the earliest date presented (i.e. including the comparative period) or since the date when the combining entities or businesses first came under the control of the controlling party or parties, where this is a shorter period, regardless of the date of the common control combination. The Consolidated Income Statement also takes into account the profit or loss attributable to the minority interest recorded in the Consolidated Financial Statements of the controlling party.

3.3 FOREIGN CURRENCY

3.3.1 Foreign currency transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate ruling as at the reporting date.

Foreign exchange differences arising on the settlement or reporting of the Group's monetary items at rates different from those which were initially recorded are dealt with in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost at the reporting date are translated to Sri Lankan Rupees at the foreign exchange rate ruling at the date of initial transaction.

Non-monetary assets and liabilities that are stated at fair value, denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate ruling at the dates that the values were determined. Foreign exchange differences arising on translation are recognised in the profit or loss.

3.3.2 Foreign operations

The assets and liabilities of foreign operations are translated to Sri Lanka Rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sri Lanka Rupees at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve in equity.

3.4 Financial instruments – recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (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.

3.4.1 Financial assets

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; fair value through other comprehensive income (FVOCI) – equity investment; or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not 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.

The Group's financial assets classified and measured at amortised cost are limited to its trade debtors, related party receivables, short-term investments, other financial assets and cash and cash equivalents.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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

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

Financial assets – Subsequent measurement and gains and losses

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, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group enters into transactions whereby it transferred assets recognised in its statement of financial position, but retained either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets were not derecognised.

3.4.2 Financial liabilities – Classification, subsequent measurement and gain and losses

Financial liabilities were classified as measured at amortised cost or 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 were measured at fair value and gains and losses, including any interest expense, were recognised in profit or loss. Other financial liabilities were subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses were recognised in profit or loss. Any gain or loss on derecognition was recognised in profit or loss.

3.4.3 Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expired, or it transferred 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 were 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 expired. 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 non-cash assets transferred or liabilities assumed) was recognised in profit or loss.

3.4.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4.5 Impairment – Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Group uses simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. 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.

Credit-impaired financial assets

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to further actions of recovery.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI the loss allowance is charged to the profit or loss.

3.4.6 Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is irrevocable based on historical experience of recoveries of similar assets. For agents, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due. Further, all write-off requires the approval of Board of Directors.

3.4.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial 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 discount 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 other assets or CGUs.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGU (if any) and then to reduce the carrying amounts of other assets in the CGU (group of CGUs) on pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, 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.

3.5 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are tangible items that are held for manufacturing, or for administrative purposes and are expected to be used during more than one period.

(I) Recognition

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

(II) Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost 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 cost directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integrated to the functionality of the related equipment is capitalised as part of that equipment.

Expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognised as an expense when incurred.

The Group applies the revaluation model for freehold land and buildings while cost model is applied for other items classified under property, plant and equipment.

(III) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as and when the expense is incurred.

(IV) Revaluation of land and buildings

The freehold land and buildings on owned lands of the Group have been revalued and revaluation of these assets is carried out at least once in every five years in order to ensure that the book values reflect the realisable values. Any surplus or deficit that arises is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in the profit or loss.

A revaluation deficit is recognised in the statement of profit or loss except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

(V) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of the assets are as follows.

	Ceylon Beverage Holdings	Lion Brewery (Ceylon) PLC	Pubs 'N Places (Private) Limited	Luxury Brands (Private) Limited	Retail Spaces (Private) Limited	Millers Brewery Limited
	Years	Years	Years	Years	Years	Years
Freehold buildings	–	2-50	9-50	–	–	40
Plant and machinery	–	3-22	–	–	–	20
Furniture and fittings	–	5-10	5	–	5	5
Office equipment	–	3-10	5	–	5	5
Computer equipment	5-10	2-5	3	3	3	3
Returnable containers	–	5	–	–	–	–
Motor vehicles	–	4-5	–	–	–	5
Laboratory equipment	–	4-5	–	–	–	–

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date the asset is derecognised.

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

(VI) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. Borrowing costs include foreign exchange differences to the extent that such differences are regarded as an adjustment to interest cost as permitted by the accounting standards.

(VII) Returnable containers

Returnable containers are classified under property, plant and equipment. All purchases of returnable containers except empty bottles meant for exports and specific local brands are recognised at cost and depreciated over a period of five (5) years. In the event a returnable container breaks within the premises of the Group, the written down value on a first in first out (FIFO) basis will be charged to the profit or loss.

Empty bottles used for exports are recognised as an expense in the profit or loss at the time the export takes place.

(VIII) Capital work-in-progress

The cost of self-constructed assets includes the cost of materials, direct labour, and direct overheads including any other costs directly attributable to bring the assets to a workable condition of their intended use and capitalised borrowing cost. Capital work-in-progress is transferred to the respective asset accounts when the asset is available for use and all work connected to construction is completed.

(IX) Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the profit or loss unless it reverses a previous revaluation surplus for the same asset.

(X) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation the remaining carrying amount of the previous cost of inspections is derecognised.

3.6 Investment properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss.

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

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

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

the policy stated under property, plant and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.7 Lease

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of land and buildings in which it is a lease, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessee

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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

The lease liability 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 assessment of whether the Group will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in "Right-of-Use Asset" and lease liabilities in "Lease Liability" in the statement of financial position.

3.8 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure of an intangible asset is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in the profit or loss as incurred.

Intangible assets with finite lives are amortised based on the cost of an asset less its residual value and recognised in the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. Amortisation methods useful lives and residual values are reviewed at each financial year. The estimated useful life of a trademark is 20 years. Alcobev licences with finite life is amortised over the period of licences.

The estimated useful lives of computer software are as follows:

	Ceylon Beverage Holdings	Lion Brewery (Ceylon) PLC	Luxury Brands (Private) Limited	Pubs 'N Places (Private) Limited	Retail Spaces (Private) Limited
	Years	Years	Years	Years	Years
Computer software	5	5	5	5	5

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

Accordingly the brands and excise licences recorded in the Financial Statements are considered to have an infinite useful life.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from it. The gain or loss arising from the derecognition of such intangible assets is included in the profit or loss when the item is derecognised.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Accordingly, the costs of inventories are accounted as follows:

Category	Basis
Raw and packing materials	Cost of purchase together with any incidental expenses. The cost of the inventories is based on the weighted average principle.
Work-in-progress	Raw material cost and a proportion of manufacturing expenses.
Finished goods	Raw material cost and manufacturing expenses in full.
Maintenance stock	On a weighted average basis.

Appropriate provisions will be made for the value of any stocks which are obsolete.

3.10 Investments

Long-term investments and investments in subsidiaries of the Group are classified as non-current investments, which are stated in the statement of financial position of the Company at cost less accumulated impairment losses, if any.

3.11 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, bank demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

3.12 Liabilities and provisions

3.12.1 Liabilities

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

3.12.2 Refundable deposits

Returnable containers issued to agents are secured against a refundable deposit representing the cost. Refunding of deposits could arise due to a discontinuance of an agency or due to contraction in sales. Deposits are collected from the agents for the returnable containers in their possession and are classified under Current Liabilities. The said deposit will be refunded to the agent only upon them returning these returnable containers due to cessation of their operation or due to contraction in sales.

3.12.3 Provisions

A provision is 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.

3.13 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays a fixed contribution into a separate entity during the period of employment and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as an expense in the profit or loss in the period during which related services are rendered by employees.

Employees' Provident Fund

The companies of the Group and employees contribute 12% and 10% respectively on the salary of each employee respectively. The said provident fund is being managed by the Central Bank of Sri Lanka. The contribution to the Employee Provident Fund is recognised as an expense in the profit or loss as incurred.

Employees' Trust Fund

The companies of the Group contribute 3% of the salary of each employee to the Employees' Trust Fund. The contribution to the Employees' Trust Fund is recognised as an expense in the profit or loss as incurred.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method (PUC). The net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five (5) years of continuous service. Any actuarial gains or losses arising are recognised in the other comprehensive income and all expenses related to the defined benefit plans are in personnel expenses in the profit or loss. The liability was not externally funded.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gain or losses on the settlement of a defined plan when the settlement occurs.

3.14 Capital commitments and contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes to the Financial Statements.

3.15 Events subsequent to the reporting period

The materiality of the events after the reporting period has been considered and appropriate adjustments and provisions have been made in the Financial Statements wherever necessary.

4. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1 Revenue recognition

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer with a right of return within a specified period, being the point at which the Group satisfies its performance obligations under the contract. Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring the promised goods to the customer. Amounts disclosed as revenue are net of discounts and sales taxes.

Royalty

Royalty income arising from the use of the Company's brands is recognised in the statement of profit or loss based on volume sold.

Dividend

Dividend income is recognised in statement of profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Interest

Interest income is recognised on an accrual basis.

Others

Other income is recognised on an accrual basis. Net gains/losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the profit or loss, after deducting from the proceeds from disposal, the carrying amount of such assets and the related selling expenses.

4.2 Expenditure recognition

(i) Operating expenditure

All expenditure incurred in running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to profit or loss in arriving at the profit for the year. For the purpose of presentation of profit or loss and other comprehensive income, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

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

Repairs and renewals are charged to the Profit or Loss in the year in which the expenditure is incurred.

(ii) Finance income and finance cost

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance cost comprises interest expenses on borrowings. 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. Net foreign currency gains are presented within finance income and net foreign currency losses are presented within finance cost.

(iii) Borrowing costs

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

4.3 Income tax

Income tax comprises current and deferred tax. Income tax is recognised directly in the profit or loss except to the extent that if it relates to items recognised directly in equity or in 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".

(i) Current taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, and notices as explained under Note 34.

(ii) Deferred taxation

Deferred tax is provided using the balance sheet liability method, providing for the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

Deferred tax assets including those related to temporary tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. 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.

4.4 Dividend distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when approved by the Board of Directors.

4.5 Earnings per share

The Financial Statements present basic earnings per share (EPS) data for its ordinary shareholders. The EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

5. STATEMENT OF CASH FLOWS

5.1 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, bank, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash in bank and deposits held for less than six (6) months at banks, net of bank overdrafts. Investments with short maturities, i.e. three months or less from the date of acquisition are also treated as cash equivalents.

The statement of cash flows has been prepared using the "Indirect Method". Interest paid are classified as operating cash flows, interests received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting of statement of cash flows.

6. SEGMENTAL REPORTING

An operating segment is a component of the Group that engages in the business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. No separate reportable segment has been identified. Hence, performance of the Group is reported together.

7. NEW ACCOUNTING STANDARDS NOT EFFECTIVE AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following new and amended Sri Lanka Accounting Standards (SLFRSs/LKASs), which will become applicable for annual reporting periods beginning on or after 1 April 2026 and are available for early adoption.

Accordingly, the Group has not early adopted these amended standards in preparing these financial statements. The Group does not expect the adoption of the standards listed below to have a material impact on the Financial Statements of the Group and the Company.

SLFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and is applicable for annual reporting periods beginning on or after 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 the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. 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 subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the Financial Statements.

8. RELATED PARTY TRANSACTIONS

Disclosures are made in respect of transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of whether a price is being charged or not. Related party transactions are disclosed in the respective Notes to the Financial Statements.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Company

COMPANY In Rs. '000	Freehold land	Freehold buildings	Plant and machinery	Furniture and fittings	Office equipment
Cost/valuation					
As at 1 April 2025	–	–	–	–	2,384
As at 31 March 2026	–	–	–	–	2,384
Accumulated depreciation					
As at 1 April 2025	–	–	–	–	2,384
As at 31 March 2026	–	–	–	–	2,384
Net book value					
As at 31 March 2026	–	–	–	–	–
As at 31 March 2025	–	–	–	–	–

(b) Group

GROUP In Rs. '000	Freehold land	Freehold buildings	Plant and machinery	Furniture and fittings	Office equipment
Cost/valuation					
As at 1 April 2025	5,898,339	6,200,977	20,764,860	112,432	248,208
Additions	103,309	75,606	123,261	4,432	51,628
Transfers from work-in-progress	–	189,340	35,147	16,825	30,998
Impairment	–	(44,339)	(29,467)	–	–
Revaluations gain/(loss)	725,012	431,586	–	–	–
Depreciation adjustment on revaluation	–	(483,355)	–	–	–
Disposals/breakages	–	(77,831)	(235,518)	(14,389)	(13,781)
As at 31 March 2026	6,726,660	6,291,984	20,658,283	119,300	317,053
Accumulated depreciation					
As at 1 April 2025	–	334,030	8,359,251	61,052	92,608
Charge for the year	–	244,426	1,241,426	10,583	52,508
Impairment	–	–	–	–	–
Depreciation adjustment on revaluation	–	(483,355)	–	–	–
Disposals/breakages	–	(74,870)	(210,236)	(14,389)	(13,781)
As at 31 March 2026	–	20,231	9,390,441	57,246	131,335
Net book value					
As at 31 March 2026	6,726,660	6,271,753	11,267,842	62,054	185,718
As at 31 March 2025	5,898,339	5,866,947	12,405,609	51,380	155,600

(c) Freehold land and buildings of Lion Brewery (Ceylon) PLC and Millers Brewery Ltd were revalued in the books to confirm with the market values as at 31 March 2026, which were assessed on market basis by Mr S Shivaskantha independent professional valuer at a value of Rs. 11,318 Mn. and the resultant surplus transferred to the Revaluation Reserves in the said period.

NOTES TO THE FINANCIAL STATEMENTS

Computer equipment	Motor vehicles	Laboratory equipment	Returnable containers	Capital work-in-progress	31 March 2026	31 March 2025
–	–	–	–	–	2,384	2,384
–	–	–	–	–	2,384	2,384
–	–	–	–	–	2,384	2,384
–	–	–	–	–	2,384	2,384
–	–	–	–	–	–	–
–	–	–	–	–	–	–

Computer equipment	Motor vehicles	Laboratory equipment	Returnable containers	Capital work-in-progress	31 March 2026	31 March 2025
346,851	21,832	134,515	8,722,089	408,867	42,858,970	38,768,042
68,876	60,182	29,930	1,208,296	1,925,790	3,651,310	4,849,812
59,588	–	261	–	(334,469)	(2,310)	(22,227)
–	–	–	–	–	(73,806)	8,045
–	–	–	–	–	1,156,598	–
–	–	–	–	–	(483,355)	–
(4,637)	(18,500)	(13,916)	(153,440)	–	(532,012)	(744,702)
470,678	63,514	150,790	9,776,945	2,000,188	46,575,395	42,858,970
223,371	14,785	84,560	4,472,236	19,135	13,661,025	11,606,973
68,369	8,933	20,295	1,423,801	–	3,070,341	2,778,105
–	–	–	–	–	–	–
–	–	–	–	–	(483,355)	–
(4,638)	(15,108)	(13,916)	(146,578)	–	(493,516)	(724,053)
287,102	8,610	90,939	5,749,459	19,135	15,754,495	13,661,025
183,576	54,904	59,851	4,027,486	1,981,053	30,820,900	–
123,480	7,047	49,955	4,249,853	389,732	–	29,197,945

(d) Carrying value of the revalued assets of the Group as at 31 March 2026, if they were carried at cost are given below:

As at 31 March	Group	
In Rs. '000	Land	Buildings
Cost – As at 1 April 2025	2,609,473	5,763,680
Additions/transfers during the year	103,309	264,947
Cost as at 31 March 2026	2,712,782	6,028,626
Accumulated depreciation	–	(1,248,493)
Carrying value of assets at cost – As at 31 March 2026	2,712,782	4,780,134
Carrying value of assets at cost – As at 31 March 2025	2,609,473	4,644,864

(e) Group property plant and equipment's has not been pledged as security against the borrowings during the period (2025 – Nil).

(f) Borrowing cost has not been capitalised during the financial year (2025 – Nil).

(g) Group property, plant and equipment with a cost/valuation of Rs. 3,962 Mn. (2025 – Rs. 3,053 Mn.) have been fully depreciated and continue to be in use by the Group. The cost/valuation of fully depreciated assets of the Company amounts to Rs. 2.4 Mn. (2025 – Rs. 2.4 Mn.)

(h) Extents, locations, valuations and number of buildings and land holdings

Location In Rs. '000	Extent of lands			Cost/valuation of lands	Number of buildings/blocks	Cost/valuation of buildings
2026						
Lion Brewery (Ceylon) PLC	A	R	P			
Land – Biyagama	31	2	39.63	4,289,650	36	5,280,471
Land – Kaduwela	3	–	27.00	479,000	1	2,651
Land – Tangalle	3	2	–	36,400	1	4,900
Land – Kurunegala	3	–	34.25	277,700	4	247,677
Land – Nuwara Eliya	–	3	36.67	100,300	–	–
Land – Eheliyagoda	1	–	7.62	103,309	–	–
				5,286,360		5,535,699
Millers Brewery Limited						
Factory and Office Premises	22	3	16.45	1,440,300	18	729,495
				1,440,300		729,495
Pubs N' places (Private) Limited						
Kaduwela	–	–	–	–	3	6,559
Total – Group	64	2	1.72	6,726,660	63	6,271,753

Location In Rs. '000	Extent of lands			Cost/valuation of lands	Number of buildings/blocks	Cost/valuation of buildings
2025						
Lion Brewery (Ceylon) PLC	A	R	P			
Land – Biyagama	29	2	39.63	3,769,638	36	5,270,308
Land – Kaduwela	3	–	27.00	431,000	1	3,360
Land – Tangalle	3	2	–	32,200	1	5,205
Land – Kurunegala	3	–	34.25	252,000	4	67,950
Land – Nuwara Eliya	–	3	36.67	96,998	–	–
Land – Eheliyagoda	–	–	–	–	–	–
				4,581,837		5,346,823
Millers Brewery Limited						
Factory and Office Premises	22	3	16.45	1,316,502	18	713,826
				1,316,502		713,826
Pubs N' Places (Private) Limited						
No Lands	–	–	–	–	32	140,328
Total – Group	63	1	34.00	5,898,339	92	6,200,977

A: Acres R: Roods P: Perches

(i) Fair value measurement

(i) Fair value hierarchy

The fair value of the land and buildings was determined by external independent property valuer, having appropriate recognised professional qualifications for the category of the property being valued. Fair value measurements of the property has been categorised as a Level 3 fair value based on the valuation techniques used.

(ii) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used.

Property	Method of valuation	Estimated price per perch Rs.	Estimated price per square foot Rs.	Effective date of valuation	Correlation to fair value
Lion Brewery Ceylon PLC, Biyagama	OMV	700,000 – 1,100,000	3,000 – 17,000	31 March 2026	Positive
Lion Brewery Ceylon PLC, Kaduwela	OMV	950,000	4,500 – 5,750	31 March 2026	Positive
Lion Brewery Ceylon PLC, Tangalle	OMV	65,000	7,500	31 March 2026	Positive
Lion Brewery Ceylon PLC, Kurunegala	OMV	540,000	4,250 – 8,500	31 March 2026	Positive
Lion Brewery Ceylon PLC, Nuwara Eliya	OMV	640,000	–	31 March 2026	Positive
Millers Brewery Limited, Meegoda	OMV	465,000 – 750,000	4,250 – 8,250	31 March 2026	Positive

Open market value (OMV) method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

The additions made during the year ended 31 March 2026 to freehold lands and buildings at Biyagama were not revalued, as the Directors are of the view that there is no material value difference against the market value.

10. INVESTMENT PROPERTIES

10.1 Details of investment properties

Company/Group

As at 31 March In Rs. '000	Freehold Land	Freehold Buildings	2026	2025
Balance as at the beginning of the year	824,800	36,200	**861,000**	815,200
Change in fair value of investment properties	20,100	(8,500)	**11,600**	45,800
Balance as at the end of the year	844,900	27,700	**872,600**	861,000

10.2 Valuation of investment properties

Property and location	Method of valuation	Extent Land	Extent Building	Estimated price per perch Rs.	Estimated price per square foot Rs.	Effective date of valuation	Correlation to fair value
Ceylon Beverage Holdings PLC, Nuwara Eliya	OMV	3A, 2R, 35.84P	6,720 sq. ft	1,350,000	8,000-13,000	31.03.2026	Positive
Ceylon Beverage Holdings PLC, Trincomalee	OMV	36.7P	2,428 sq. ft	1,100,000	–	31.03.2026	Positive

The property at Nuwara Eliya is valued at Rs. 832.1 Mn. whilst the property at Trincomalee is valued at Rs. 40.5 Mn. Changes in fair value adjustments on investment properties (gain/loss), which are unrealised, are recognised in the statement of profit or loss. Accordingly, the total net gain on changes in fair value, net of related deferred tax, is recorded in the fair value adjustment reserve as at the reporting date.

No rental income was generated during the period (2025 – Nil) and direct operating expenses of Rs. 14.1 Mn. (2025 – Rs. 13.1 Mn.) was incurred during the period in relation to the above investment properties.

10.3 Fair value hierarchy

The fair value of the investment property was determined by external, independent property valuer, by Mr S Shivaskantha independent professional valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair values were determined based on recent market transactions for similar properties in the same location as the Company's investment properties.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Description	Location	Valuation Technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land and Buildings	Nuwara Eliya/ Trincomalee	OMV	Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations.	Market value per perch was higher/ (lower)

Open market value (OMV) method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

10.4 Restrictions on title and investment properties pledged as security for liabilities

There were no restrictions on titles of the investment properties as at the reporting date (2025 – Rs. Nil).

No items of the investment properties were pledged as security for liabilities as at the reporting date (2025 – Rs. Nil).

10.5 Capitalisation of borrowing costs into investment properties

No borrowing cost capitalised for the year ended 31 March 2026 (2025 – Rs. Nil).

10.6 Contractual obligations to construct and develop investment properties

There were no contractual obligations entered to construct and develop investment properties as at the reporting date (2025 – Rs. Nil).

11. INTANGIBLE ASSETS

As at 31 March In Rs. '000	Brands	Computer Software	Excise Licence	Trade Mark	2026	2025
Group						
Cost						
Opening balance	4,000,000	452,222	83,097	41,222	**4,576,541**	4,561,231
Additions for the year	–	16,878	110,000	–	**126,878**	26,145
Transfers during the year	–	2,309	–	–	**2,309**	–
Impairment/(reversal) during the year	–	–	(2,500)	–	**(2,500)**	–
Disposals during the year	–	–	(15,064)	–	**(15,064)**	(10,835)
Closing balance	4,000,000	471,409	175,533	41,222	**4,688,164**	4,576,541
Amortisation/Impairment						
Opening balance	3,388,208	416,713	622	2,920	**3,808,463**	3,792,306
Amortisation for the year	–	14,048	611	2,061	**16,720**	16,157
Closing balance	3,388,208	430,761	1,233	4,981	**3,825,183**	3,808,463
Net book value	611,792	40,648	174,300	36,241	**862,981**	768,078

11.1 Brands – Lion Brewery (Ceylon) PLC

The Company acquired brands amounting to Rs. 4,000,000,000/- during FY2014/15 from Millers Brewery Limited. Brands are not amortised as the useful life is considered to be infinite given the nature of the assets. However, the assessment of indefinite life is reviewed annually.

11.2 Impairment assumptions of brands – Lion Brewery (Ceylon) PLC

An impairment test was carried out for the brands acquired from Millers Brewery Ltd as at 31 March 2026 as per the Sri Lanka accounting standard LKAS 36 Impairment of Assets . The Company computed its recoverable amount of the acquired brands by forecasting the annual sales values and discounting such estimated cash flows by its cost of equity adjusted with a risk premium. Cost of equity was determined based on the risk-free rate of a 5-year treasury bond at 9.83% for the relevant cash flows, whereas the equity risk premium added was based on non-observable inputs as estimated for a valuation of the business in a previous period. Therefore, the difference in the discount rate compared with previous financial year is the change in the risk-free rate due to market changes.

The contribution growth was determined based on the historical records (rate not disclosed due to commercial sensitivity) along with a zero-volume growth rate. A terminal growth rate of 4.25% was applied in determining the terminal value of the cash flows. Accordingly, the recoverable value of the said brands as at 31 March 2026 exceeds the carrying value of Rs. 611,792,845/- resulting in no impairment charge or reversal to the income statement during the financial year.

11.3 Computer software

Computer software represents the costs incurred for the Group Enterprise Resource Planning ("ERP") systems, its related licences and other software applications that are used to generate financial and management information. Software with a finite life is amortised over the period of expected economic benefit.

11.4 Excise licences

Excise licences contain wholesale distributor licences and alcobev manufacturing licences held by the Company/Group.

Impairment assumptions of excise licences

The Group assesses the recoverable amount of its excise licences annually. As active market data for comparable liquor licences is not readily available, the recoverable amount was determined using an income-based valuation approach, taking into consideration the licences' revenue-generating capability, expected future cash flows and an appropriate discount rate. (2026 – 14.83% and 2025 – 15.33%).

Based on the impairment assessment performed as at 31 March 2026, the recoverable amount of certain excise licence was determined to be lower than their carrying amount. Accordingly, an impairment loss of Rs. 2.5 Mn. was recognised during the year and charged to profit or loss (2025: Nil).

11.5 Trademark

Trademarks contain intellectual property owned by the Company. Trademarks with a finite life are amortised over the period of expected economic benefit.

12. RIGHT-OF-USE ASSETS

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Balance as at 1 April	–	–	212,229	223,969
Additions during the period	–	–	12,823	59,964
Derecognition of asset	–	–	–	(14,752)
Depreciation charge for the period	–	–	(50,457)	(56,952)
Balance as at 31 March	–	–	174,595	212,229

12.1 Lease liabilities

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Balance as at on 1 April	–	–	272,629	277,966
Leases obtained	–	–	12,823	59,964
Interest expenses for the period	–	–	42,135	44,046
Derecognition of lease liability	–	–	–	(18,792)
Lease rentals paid	–	–	(86,153)	(90,555)
Balance as at 31 March	–	–	241,434	272,629

Analysis of lease liabilities by period of repayment

	Company			Group		
As at 31 March 2026 In Rs. '000	Contractual CF	Interest	Present value of lease payments	Contractual CF	Interest	Present value of lease payments
Current	–	–	–	87,041	(35,753)	51,288
Non-current	–	–	–	262,085	(71,939)	190,146
Total	–	–	–	349,126	(107,692)	241,434

Analysis of lease liabilities by period of repayment

	Company			Group		
As at 31 March 2025 In Rs. '000	Contractual CF	Interest	Present value of lease payments	Contractual CF	Interest	Present value of lease payments
Current	–	–	–	82,150	(41,249)	40,901
Non-current	–	–	–	338,342	(106,614)	231,728
Total	–	–	–	420,492	(147,863)	272,629

Following are the amounts recognised in profit or loss.

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Depreciation of right-of-use assets	–	–	50,457	56,952
Interest expenses on lease liability	–	–	42,135	44,046
Total amount recognised in profit or loss	–	–	92,592	100,998

There were no expenses relating to short-term leases and leases of low value assets during the financial year (2025 – Nil).

13. INVESTMENT IN SUBSIDIARIES

Company

In Rs.'000s	Number of shares	Percentage of (%) holding	Cost as at 31 March 2026	Market value as 31 March 2026	Number of shares	Percentage of (%) holding	Cost as at 31 March 2025	Market value as 31 March 2025
Lion Brewery (Ceylon) PLC (Quoted)								
Ordinary shares	41,798,788	52.25	1,410,083	72,729,891	41,798,788	52.25	1,410,083	53,147,159
Pubs 'N Places (Private) Limited (Unquoted)								
Ordinary shares	64,683,079	99.90	646,830	–	64,683,079	99.90	646,830	–
Impairment provision	–	–	(578,330)	–	–	–	(578,330)	–
			68,500	–			68,500	–
Retail Spaces (Private) Limited (Unquoted)								
Ordinary shares	1	100.00	0.01	–	1	100.00	0.01	–
Luxury Brands (Private) Limited (Unquoted)								
Ordinary shares	65,000,001	100.00	650,000	–	65,000,001	100.00	650,000	–
			650,000	–			650,000	–
			2,128,583	72,729,891			2,128,583	53,147,159

13.1 Ordinary shares of Pubs 'N Places (Private) Limited, Retail Spaces (Private) Limited, Luxury Brands (Private) Limited are unquoted, and hence valued at cost less any impairment.

13.2 The recoverable amount of investment in Pubs 'N Places (Private) Limited was estimated based on the present value of the future cash flows expected to be derived from the investment (value in use). The value in use was estimated by assuming a discount factor of 14.83%. In doing so, the recoverable value to Ceylon Beverage Holdings PLC of its investment in Pubs 'N Places (Private) Limited, was ascertained to be Rs. 68,500,000/-, hence it was concluded that no impairment was required as at 31 March 2026.

13.3 Non-Controlling Interest (NCI) in Subsidiary

The Company's subsidiary, Lion Brewery (Ceylon) PLC has a non-controlling interest of 47.75% . Following table summarises the information relating to NCI in LBCPLC Group.

As at 31 March In Rs. '000	2026	2025
NCI – percentage (%)	47.75	47.75
Non-current assets	16,072,986	15,133,765
Current assets	19,917,846	15,223,372
Non-current liabilities	(4,968,818)	(4,768,354)
Current liabilities	(10,660,950)	(9,153,568)
Net assets	20,361,064	16,435,215
Carrying amount of NCI	20,361,064	16,435,215
Revenue	132,431,870	123,431,021
Profit	11,194,245	9,508,454
Other comprehensive income	682,827	(304,832)
Total comprehensive income	11,877,072	9,203,622
Profit allocated to NCI	5,345,252	4,540,287
Other comprehensive income allocated to NCI	326,050	(145,557)
Cash flow from operating activities	9,446,258	6,800,856
Cash flow used in investing activities	(3,726,136)	(3,105,636)
Cash flow used in financing activities	(2,753,010)	(1,681,614)
Net increase/(decrease) in cash and cash equivalents	2,967,112	2,013,605

14. INVENTORIES

As at 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Raw and packing materials		–	–	2,342,261	1,778,130
Work-in-progress		–	–	690,052	850,812
Finished goods		–	–	4,857,533	4,041,578
Maintenance spares and others		–	–	1,879,826	1,786,893
		–	–	9,769,672	8,457,413
Provision for inventories	14.1	–	–	(680,575)	(171,970)
		–	–	9,089,097	8,285,443

14.1 Provision for inventories

As at 31 March In Rs. '000	Company 2026	Company 2025	Group 2026	Group 2025
Balance as at the beginning of the year	–	–	171,970	62,746
Provisions during the year	–	–	669,576	231,191
Reversals/written off during the year	–	–	(160,971)	(121,967)
Balance as at end of the year	–	–	680,575	171,970

15. TRADE AND OTHER RECEIVABLES

As at 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Trade receivables		–	–	1,767,736	4,625,434
Impairment provision for doubtful debts	15.1	–	–	(62,591)	(76,060)
		–	–	1,705,145	4,549,374
Other advances		–	–	1,047,738	198,739
Prepayments		–	–	1,149,098	708,957
Other receivables		78,870	38,033	525,554	218,766
		78,870	38,033	4,427,535	5,675,836

15.1 Impairment provision for doubtful debts

As at 31 March In Rs. '000	Company 2026	Company 2025	Group 2026	Group 2025
Balance at the beginning of the year	–	–	76,060	69,280
Provision made/(reversal) during the year	–	–	9,556	6,780
(Written off) during the year	–	–	(23,025)	–
Balance at the end of the year	–	–	62,591	76,060

16. AMOUNTS DUE FROM RELATED COMPANIES

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Pubs 'N Places (Private) Limited	93,569	120,142	–	–
Lion Brewery (Ceylon) PLC	24,075	–	–	–
Lion Beer (Ceylon) Pte Ltd	7,089	95	–	–
Carlsberg Vietnam Co. Ltd	–	–	49,642	–
Balance as at end of the year	**124,733**	120,237	**49,642**	–

17. OTHER FINANCIAL ASSETS

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Classified under non-current assets				
Fixed deposits with financial institutions	–	–	1,871,178	1,611,178
	–	–	1,871,178	1,611,178
Classified under current assets				
Fixed deposits with financial institutions	–	–	10,403,623	4,657,842
	–	–	10,403,623	4,657,842

18. CASH AND CASH EQUIVALENTS

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Fixed deposits with financial institutions	–	–	6,353,696	5,146,231
Savings accounts	–	–	4,580,283	1,488,467
Cash at bank	1,161,453	12,581	9,391,721	6,833,823
Cash in hand	70	70	8,830	7,415
	1,161,523	12,651	20,334,530	13,475,936
Cash and cash equivalents includes the following for the purpose of Statement of Cash Flow				
Cash and cash equivalents	1,161,523	12,651	20,334,530	13,475,936
Bank overdrafts	(367,153)	(69,046)	(1,720,613)	(1,933,055)
	794,370	(56,395)	18,613,917	11,542,881

19. STATED CAPITAL

As at 31 March In Rs. '000	Company		Group	
	2026	2025	2026	2025
20,988,090 ordinary shares	533,384	533,384	533,384	533,384

The stated capital of the Company as at 31 March 2026 was Rs. 533,384,288/- consisting of 20,988,090 ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares rank equally with regard to the right to the Company's residual assets, at the point of distribution.

20. REVALUATION RESERVES

The capital reserve relates to revaluation of land and buildings. It comprises of the increase in the fair value of land and buildings at the date of revaluation net of deferred tax.

As at 31 March In Rs. '000	Note	Company		Group	
		2026	2025	2026	2025
Balance as at beginning of the year		19,924	19,924	1,360,069	1,491,952
Revaluation of land and buildings		–	–	604,322	–
Deferred tax charge on land and building revaluation		–	–	(271,945)	(131,883)
Balance as at end of the year		19,924	19,924	1,692,446	1,360,069
Represented by:					
Revaluation reserve		–	–	1,672,522	1,340,145
General capital reserve	20.1	19,924	19,924	19,924	19,924
		19,924	19,924	1,692,446	1,360,069

20.1 General capital reserve

General capital reserve consists of such amounts that have been transferred from time to time from retained earnings.

21. TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the Financial Statements of foreign operations. An amount of Rs. 6,586,000/- was recognised in the Group Statement of Financial Position as at 31 March 2026 (2024/25 (Rs. 11,411,000/-)).

22. REVENUE RESERVES

As at 31 March In Rs. '000	Note	Company		Group	
		2026	2025	2026	2025
Retained earnings		3,150,949	1,878,201	22,001,025	16,633,227
Represented by:					
Retained profits		2,455,040	1,190,412	21,305,116	15,965,078
Fair value adjustment reserve	22.1	695,909	687,789	695,909	668,149
		3,150,949	1,878,201	22,001,025	16,633,227

The movements of the above reserves are given in the Statement of Changes in Equity.

22.1 Fair value adjustment reserve

Gains arising, net of related deferred taxes, from fair value adjustment of investment properties are transferred from retained earnings to fair value adjustment reserve and any losses arising, net of related deferred taxes, are transferred to fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve as at 31 March 2026.

23. LOANS AND BORROWINGS

23.1 Loans and borrowings

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Balance as at the beginning of the year	–	–	4,850,000	3,833,333
Loans obtained during the year	–	–	12,193,749	16,350,000
Repayments during the year	–	–	(12,846,771)	(15,333,333)
	–	–	4,196,978	4,850,000
Interest payable	–	–	8,301	20,925
Balance at the end of the year	–	–	4,205,279	4,870,925

23.2 Details of borrowings

Name of the lender Rs. '000	31 March 2026	31 March 2025	Repayment terms	Security offered	Type of interest
Commercial Bank of Ceylon PLC – Rs. 2.5 Bn. (2025)	1,920,000	2,400,000	Payable in 60 equal monthly installments commencing from April 2025	Unsecured	Fixed
National Development Bank PLC – (2024)	–	500,000	Payable in 1 month – Renewable	Unsecured	Fixed
Nations Trust Bank PLC – (2024)	–	300,000	Payable in 1 month – Renewable	Unsecured	Fixed
Commercial Bank of Ceylon PLC – (2024)		700,000	Payable in 1 month – Renewable	Unsecured	Fixed
Bank of China Limited – Rs. 1.9 Bn. (2023)	316,667	950,000	Payable in 12 equal quarterly installments commencing from November 2023	Unsecured	Floating
Commercial Bank of Ceylon PLC – Rs. 500 Mn. (2025)	500,000	–	Payable in 60 equal monthly installments commencing from June 2025	Unsecured	Fixed
Sampath Bank PLC – (2026)	1,100,000	–	Payable in 1 month - Renewable	Unsecured	Fixed
Standard Chartered Bank (Mauritius) Ltd. - $ 1.25 Mn. (2026)	360,312	–	Payable in 12 equal quarterly installments commencing from March 2026	Secured	Floating
Total	4,196,979	4,850,000			

Security

The loan obtained from Standard Chartered Bank (Mauritius) Limited amounting to USD 1.25 Mn. is secured by way of a lien over a fixed deposit amounting to Rs. 450 Mn.

23.3 Analysis of loans and borrowings by repayment period

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Classified under non–current liabilities				
Loans and borrowings falling due after one year	–	–	2,049,062	2,236,667
	–	–	2,049,062	2,236,667
Classified under current liabilities				
Loans and borrowings falling due within one year	–	–	2,147,916	2,613,333
Interest payable	–	–	8,301	20,925
Total loans and borrowings falling due within one year	–	–	2,156,217	2,634,258
Balance as at the end of the year	–	–	4,205,279	4,870,925

24. EMPLOYEE BENEFITS

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
The amounts recognised in the statement of financial position are as follows:				
Present value of unfunded obligation	–	–	406,818	399,658
Liability in the statements of financial position	–	–	406,818	399,658
The movement in the defined benefit obligation over the year as follows:				
Balance as at 1 April	–	–	399,658	293,935
Interest cost	–	–	40,908	34,232
Current service cost	–	–	42,782	35,482
Actuarial (gain)/loss	–	–	(22,279)	68,346
Benefits paid	–	–	(54,251)	(32,337)
Balance as at 31 March	–	–	406,818	399,658
The amounts recognised in the statement of profit or loss are as follows:				
Interest cost	–	–	40,908	34,232
Current service cost	–	–	42,782	35,482
Total included under staff cost	–	–	83,690	69,714
The amounts recognised in the statement of other comprehensive income are as follows:				
Actuarial (gain)/loss	–	–	(22,279)	68,346
	–	–	(22,279)	68,346

24.1 The requirement for the Company to provide for gratuity payments does not arise as it had no employees on its payroll as at the reporting date.

24.2 The gratuity liability of Lion Brewery (Ceylon) PLC as at 31 March 2026 was Rs. 406,817,917/- (2025 – Rs. 389,599,786) valued under the Projected Unit Credit (PUC) method by Mr K Arumugam, AIA, of M/s. Actuarial and Management Consultants (Private) Limited, a firm of professional actuaries. The gratuity liabilities of Pubs N' Places (Pvt) Limited and Luxury Brands (Pvt) Limited as at 31 March 2026 amounting to Rs. 2,521,000/- (2025 - Rs. 3,885,088/-) and Rs. 7,824,000/- (2025 – Rs. 6,173,199/-), respectively have been computed based on formula method by multiplying half month's salary into number of years in service.

The principal assumptions made are given below:

- Rate of discount 10.0% p.a. (2025 – 10.5 % p.a)
- Rate of pay increase 8.5% p.a. (2025 – 10% p.a)
- Weighted average duration (years) of defined benefit obligation 6.7 (2025 – 8.0)
- Retirement age 60 years (2025 – 60 years)
- The Company will continue in business as a going concern.

A long-term Treasury Bond rate of 10.0% p.a. (2024/25 – 10.5 % p.a.) has been used to discount future liabilities taking into consideration remaining working life of eligible employees.

24.3 The above provisions are not externally funded.

24.4 Sensitivity of assumptions used

Reasonable possible changes at the reporting date to one of the actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligations as follows:

	Group			
As at 31 March In Rs. '000	2026		2025	
	Discount rate	Salary increment	Discount rate	Salary increment
Increase by one percentage (1%)	**(23,208)**	27,665	(25,441)	29,929
Decrease by one percentage (1%)	**25,839**	(25,224)	28,456	(27,169)

24.5 Maturity analysis of the payments

The following payments are expected on an employee benefit plan – gratuity in future years.

	Group	
As at 31 March In Rs. '000	2026	2025
Within the next 12 months	**39,630**	22,145
Between 1 and 5 years	**192,248**	190,555
Over 5 years	**103,093**	103,558
Over 10 years	**71,847**	83,400
Total expected payments	**406,818**	399,658

25. DEFERRED TAX LIABILITY

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Deferred tax assets	–	–	(55,175)	(171,724)
Deferred tax liabilities	162,402	158,922	7,959,945	7,325,395
Balance as at the end of the year	162,402	158,922	7,904,770	7,153,671

Movement in deferred tax balances – Company

In Rs. '000	Balance as at 1 April 2025	Recognised in Profit or Loss	Recognised in OCI	Balance as at 31 March 2026
Deferred tax liability				
Investment property	158,922	3,480	–	162,402
Deferred tax liabilities	158,922	3,480	–	162,402

Movement in deferred tax balances – Group

In Rs. '000	Balance as at 1 April 2025	Recognised in Profit or Loss	Recognised in OCI	Balance as at 31 March 2026
Deferred tax liabilities				
Property, plant and equipment	7,161,293	(71,744)	520,469	7,610,018
Investment property	158,922	3,480	–	162,402
Intangible assets	292,071	9,617	–	301,688
Right-of-use assets	94,588	(16,630)	–	77,958
Unrealised exchange differences	15,157	137,362	–	152,519
Total deferred tax liabilities	7,722,031	62,085	520,469	8,304,585
Deferred tax assets				
Employee benefit	(178,098)	(13,861)	10,025	(181,934)
Lease liabilities	(120,931)	12,945	–	(107,986)
Inventory and trade receivable provision	(106,719)	44,836	–	(61,883)
Brought forward tax losses	(162,612)	114,602	–	(48,012)
Total deferred tax assets	(568,360)	158,522	10,025	(399,815)
Net Deferred tax liabilities	7,153,671	220,607	530,494	7,904,770

Movement in deferred tax balances – Company

In Rs. '000	Balance as at 1 April 2024	Recognised in Profit or Loss	Recognised in OCI	Balance as at 31 March 2025
Deferred tax liability				
Investment property	145,182	13,740	–	158,922
Deferred tax liabilities	145,182	13,740	–	158,922

Movement in deferred tax balances – Group

In Rs. '000	Balance as at 1 April 2024	Recognised in Profit or Loss	Recognised in OCI	Balance as at 31 March 2025
Deferred tax liabilities				
Property, plant and equipment	6,467,124	441,761	252,408	7,161,293
Investment property	145,182	13,740	–	158,922
Intangible assets	150,399	141,672	–	292,071
Right-of-use assets	80,092	14,496	–	94,588
Unrealised exchange differences	3,078	12,079	–	15,157
Total deferred tax liabilities	6,845,875	623,748	252,408	7,722,031
Deferred tax assets				
Employee benefits	(116,164)	(31,178)	(30,756)	(178,098)
Lease liabilities	(100,547)	(20,384)	–	(120,931)
Inventory and trade receivable provision	(56,171)	(50,548)	–	(106,719)
Unrealised exchange differences	(7,871)	7,871	–	–
Brought forward tax losses	(30,042)	(132,570)	–	(162,612)
Total deferred tax assets	(310,795)	(226,809)	(30,756)	(568,360)
Net Deferred tax liabilities	6,535,080	396,939	221,652	7,153,671

As at 31 March 2026, the subsidiaries, namely Millers Brewery Limited and Pubs 'N Places (Private) Limited have not recognised deferred tax assets amounting to Rs. 102 Mn. on brought forward tax losses of Rs. 274 Mn., since the utilisation against future taxable profits is not certain.

26. TRADE AND OTHER PAYABLES

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Trade payables	–	–	3,382,421	2,854,631
Trade discounts	–	–	225,924	143,903
Accruals	–	–	2,586,345	1,864,521
Other payables	52,276	51,870	829,481	729,481
	52,276	51,870	7,024,171	5,592,536

27. AMOUNTS DUE TO RELATED COMPANIES

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Lion Brewery (Ceylon) PLC	–	414,260	–	–
Carlsberg A/S	–	–	106,051	102,233
	–	414,260	106,051	102,233

28. REFUNDABLE DEPOSITS

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Balance as at the beginning of the year	–	–	3,539,121	2,996,694
Deposits received during the year	–	–	710,488	561,228
Empty deposit written back during the year	–	–	(2,886)	(18,801)
Balance as at the end of the year	–	–	4,246,723	3,539,121

Refundable deposits are taken from agents as security against the returnable containers held with them.

29. CURRENT TAX LIABILITIES

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Excise duty payable	–	–	3,916,486	2,365,277
Value added tax	3,564	3,169	1,913,299	1,624,264
Income tax	76,657	31,728	2,336,223	1,666,025
Social security contribution levy	–	–	289,116	275,371
Withholding tax payable	–	–	1,193	238
	80,221	34,897	8,456,317	5,931,175

30. REVENUE

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
30.1 Revenue streams				
Dividend income	1,623,674	1,101,263	–	–
Royalty income	221,696	196,991	–	–
External income	–	1,694	–	1,694
Brewery income	–	–	132,431,870	123,309,354
Retail trade income	–	–	2,878,543	1,739,300
	1,845,370	1,299,948	135,310,413	125,050,348
30.2 Geographic revenue				
Local revenue	1,845,370	1,299,948	126,529,003	119,471,804
International revenue	–	–	8,781,410	5,578,544
	1,845,370	1,299,948	135,310,413	125,050,348

31. OTHER INCOME

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Income from by – products	–	–	325,561	294,262
Sundry income	–	–	94,903	55,911
	–	–	420,464	350,173

32. PROFIT FROM OPERATIONS

Profit from operations is stated after charging all expenses including the following;

		Company		Group	
For the year ended 31 March In Rs. '000	Notes	2026	2025	2026	2025
Directors' fees and emoluments		7,405	4,862	60,591	50,240
Auditors' remuneration					
– Audit fees and related expenses		1,248	1,125	12,909	10,226
– Audit related services		300	560	1,200	840
– Non audit services		–	–	600	1,029
Depreciation on property, plant and equipment	9	–	–	3,070,341	2,778,105
Depreciation of right-of-use assets	12	–	–	50,457	56,952
Amortisation of intangible assets	11	–	–	16,720	16,157
Impairment/(reversal) of property, plant and equipment	9	–	–	73,806	(8,045)
Royalty fees		–	–	442,205	475,193
Impairment/(reversal) of intangible assets	11	–	–	2,500	–
Impairment provision for doubtful debts	15.1	–	–	9,556	6,780
Provision/write-off unrecoverable VAT		–	–	3,795	–
Supporting service fees		979	898	1,543,863	1,241,572
Personnel expenses	32.1	–	–	2,962,764	2,591,766

32.1 Personnel expenses

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Salaries, wages and other related expenses	–	–	2,688,805	2,366,081
Defined benefit plan costs-gratuity	–	–	83,691	69,714
Defined contribution plan cost – EPF and ETF	–	–	190,267	155,971
	–	–	2,962,763	2,591,766

33. NET FINANCE INCOME/(COST)

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Finance income:				
Interest income – fixed deposits	–	–	1,069,108	728,858
Interest income – intercompany loans	–	12,535	–	–
Interest income – savings and call deposit	37,938	3,444	369,828	273,985
Finance income	37,938	15,979	1,438,936	1,002,843
Net (loss)/gain on foreign exchange transactions	(207)	10	262,369	(93,575)
Gain or loss on fair valuation of derivatives	–	–	130,099	(55,062)
Total finance income	37,731	15,989	1,831,404	854,206
Finance cost:				
Interest expenses – term loans	–	–	324,039	144,870
Interest expenses – bank overdrafts	1,466	11,085	56,127	53,706
Interest on lease	–	–	42,135	44,046
Interest expenses – intercompany loans	–	43,972	–	–
Interest expenses – short-term loans and agent finance cost	–	–	1,089,908	1,174,214
Total finance cost	1,466	55,057	1,512,209	1,416,836
Net finance (income)/cost	(36,265)	39,068	(319,195)	562,630

34. INCOME TAX / DEFERRED TAX

		Company		Group	
For the year ended 31 March In Rs. '000	Note	2026	2025	2026	2025
Income tax	34.1	79,920	60,644	8,071,153	5,787,278
Dividend tax		–	–	286,539	194,345
Deferred tax charge		3,480	13,740	220,607	396,939
		83,400	74,384	8,578,299	6,378,562
Deferred tax recognised in other comprehensive income					
Remeasurement of employee benefit obligations		–	–	10,025	(30,756)
Revaluation gain on land and buildings		–	–	520,469	252,408
		–	–	530,494	221,652

34.1 Reconciliation of the accounting profit and tax expenses

For the year ended 31 March In Rs. '000	Notes	Company 2026	Company 2025	Group 2026	Group 2025
Profit before taxation		1,854,657	1,265,386	19,783,140	16,036,224
Consolidation adjustments		–	–	1,623,719	1,100,996
Remeasurement of employee benefit obligations	24	–	–	22,279	(69,714)
Adjusted profits before tax		1,854,657	1,265,386	21,429,138	17,067,506
Aggregate of disallowable expenses		35,828	83,825	3,539,829	3,451,158
Aggregate of allowable claims		(49,538)	(61,779)	(5,065,476)	(4,478,245)
Dividend income		(1,623,674)	(1,101,263)	(1,623,674)	(1,101,263)
Utilisation of tax loss		–	–	(352,496)	(272,695)
Operating losses incurred during the year		–	–	52,138	42,464
Adjusted profit for taxation		217,273	186,169	17,979,459	14,708,925
Investment income – interest		49,128	15,979	1,368,630	982,935
Exempt amounts		–	–	(24,502)	(23,080)
Effect of exchange differences		–	–	–	(8,231)
Assessable/taxable income		266,401	202,148	19,323,588	15,660,549
Tax at special rate		–	–	7,114,632	5,442,339
Tax at standard rate		79,920	60,644	826,065	607,777
Reversal of over-provision in respect of prior periods		–	–	–	(267,731)
Tax on overseas operation		–	–	130,456	4,893
Total tax expense		79,920	60,644	8,071,153	5,787,278

34.1.1 Reconciliation of the effective tax rate

The following table provides a reconciliation of the group weighted average statutory corporate income tax rate to the effective tax rate of the group on profit before taxation.

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Profit before taxation	1,854,657	1,265,386	19,783,140	16,036,224
Tax charge on profit	83,400	74,384	8,578,299	6,378,562
Effective tax rate (%)	4.5	5.9	43.4	39.8

	Company				Group			
For the year ended 31 March	%	2026 Rs. '000	%	2025 Rs. '000	%	2026 Rs. '000	%	2025 Rs. '000
Profit before taxation		1,854,657		1,265,386		19,783,140		16,036,224
Tax calculated	30.0	556,397	30.0	379,616	45.0	8,902,413	40.0	6,414,490
The effect of tax								
Aggregate of disallowable expenses	0.6	10,748	2.0	25,148	8.1	1,592,923	8.6	1,380,463
Aggregate of allowable claims	-0.8	(14,862)	-1.5	(18,534)	-11.5	(2,279,464)	-11.2	(1,791,298)
Investment income	0.8	14,738	0.4	4,794	3.1	615,884	2.5	393,174
Operating losses incurred during the year	0.0	–	0.0	–	0.1	23,462	0.1	16,986
Rate differential and over/under provision last year	0.0	–	0.0	–	-4.4	(869,013)	-3.9	(627,478)
Transactions adjusted on consolidation	0.0	–	0.0	–	3.7	730,674	2.7	440,398
Dividend income	-26.3	(487,102)	-26.1	(330,379)	-2.5	(487,102)	-2.1	(330,379)
Dividend tax	0.0	–	0.0	–	1.4	286,539	1.2	194,345
Tax loss utilised	0.0	–	0.0	–	-0.8	(158,623)	-0.7	(109,078)
Deferred tax charge	0.2	3,480	1.1	13,740	1.1	220,607	2.5	396,939
Tax charge	4.5	83,400	5.9	74,384	43.4	8,578,299	39.8	6,378,562

34.2 Analysis of tax losses

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Tax losses brought forward	–	–	694,714	1,861,868
Adjustment on losses brought forward	–	–	(44,313)	423,560
Tax losses incurred during the year	–	–	52,138	42,464
Utilisation of tax losses during the year	–	–	(352,496)	(272,695)
Tax losses expired before utilisation	–	–	–	(1,360,483)
Tax losses carried forward	–	–	350,043	694,714

34.3 Income Tax

Company

(a) In terms of the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto, the Company is liable to taxation at the rate of 30% (2025 – 30%).

(b) As per the Inland Revenue Act No. 24 of 2017 and amendments thereto, dividend income received by the Company, which are subject to 15% WHT is not liable to income tax.

Group

(a) Group tax expenses is based on the taxable profit of individual companies within the Group. At present, the tax laws of Sri Lanka do not provide for Group taxation.

(b) In terms of the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto, companies incorporated in Sri Lanka within the Group, except Lion Brewery (Ceylon) PLC, Luxury Brands Private Limited and Millers Brewery Limited are liable to income tax at the standard rate of 30% (2024/25 – 30%).

(c) In terms of provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto, operating profits on local operations of Lion Brewery (Ceylon) PLC, Luxury Brands Private Limited and Millers Brewery Limited are liable to income tax at special rate of 45% (2024/25 – 40%) . All other profits and income of the said companies are liable to income tax at the standard rate of 30% (2024/25 – 30%).

(d) As per Section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto, any unclaimed tax losses brought forward or losses incurred during the year could be carried forward for further six years, subjecting to maximum of six years based on the year in which such losses were incurred. Such losses can be set off against the profits without any limitation but subjecting to source of income as provided in the Act. Adjustment for the tax losses of Lion Beer (Ceylon) Pte. Ltd. are made in accordance with the provisions of relevant statute in Singapore.

Tax on Overseas Operation

Lion Beer (Ceylon) Pte. Ltd is liable for income tax in accordance with the provisions of the Singapore income tax law. The corporate income tax rate applicable to Lion Beer (Ceylon) Pte. Ltd is 17% (2024/25 – 17%).

35. EARNINGS PER ORDINARY SHARE

The calculation of Earnings per Ordinary Share is based on profit for the year attributable to the ordinary shareholders and weighted average number of ordinary shares outstanding during the year. There were no potentially dilutive ordinary shares outstanding at any time during the year/previous year, therefore, diluted earnings per share is same as basic earnings per share.

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Net profit attributable to equity holders of the Company (as the numerator)	1,771,257	1,191,002	5,859,589	5,117,375
Number of ordinary shares (as denominator – '000s)	20,988	20,988	20,988	20,988
Earnings per ordinary share basic and diluted (Rs.)	84.39	56.75	279.19	243.82

36. DIVIDENDS

For the year ended 31 March In Rs. '000	2026	2025
On ordinary shares Rs. 23.85 per share – (2024/25 – Rs. 50.35/-)	500,566	1,056,750
Total dividend	500,566	1,056,750

36.1 As required by Section 56 of the Companies Act No. 7 of 2007, the Board of Directors were satisfied that the solvency of the Company is in accordance with the Section 57, prior to approving the interim dividends. A statement of solvency was compiled and was duly signed by the Board of Directors.

37. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

37.1 Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows. SLFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit or loss).

	Company					
As at 31 March	2026			2025		
Financial Instrument Category In Rs. '000	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Trade and other receivables	78,870	–	–	38,033	–	–
Amounts due from related companies	124,733	–	–	120,237	–	–
Cash and cash equivalents	1,161,523	–	–	12,651	–	–
Financial liabilities						
Trade and other payables	52,276	–	–	51,870	–	–
Amounts due to related companies	–	–	–	414,260	–	–
Bank overdraft	367,153	–	–	69,046	–	–

	Group					
As at 31 March	2026			2025		
Financial Instrument Category In Rs. '000	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI
Financial assets						
Trade and other receivables	2,230,699	75,037	–	4,768,140	–	–
Amounts due from related companies	49,642	–	–	–	–	–
Other financial assets	12,274,801	–	–	6,269,020	–	–
Cash and cash equivalents	20,334,530	–	–	13,475,936	–	–
Financial liabilities						
Loans and borrowings	4,205,279	–	–	4,870,925	–	–
Trade and other payables	7,024,171	–	–	5,537,474	55,062	–
Amounts due to related companies	106,051	–	–	102,233	–	–
Lease liabilities	241,434	–	–	272,629	–	–
Refundable deposits	4,246,723	–	–	3,539,121	–	–
Bank overdraft	1,720,613	–	–	1,933,055	–	–

Financial assets and liabilities with shorter maturities and with interest rates which are in line with normal market rates are considered to have a reasonable approximation to its' fair value. Accordingly, the fair value hierarchy was not applicable.

Forward exchange contracts (Level 2) are classified as FVTPL, with their fair value determined based on current market forward rates as of the reporting date.

37.2 Financial risk management

The Group is exposed to a range of financial risks through its number of financial instruments. In particular, the key financial risk categories are:

A. Credit risk/Counterparty risk

B. Liquidity risk and

C. Market risk

This note presents information about the Group exposure to each of the above risks, the objectives, policies, and processes for measuring and managing risk, and management of capital. Further quantitative disclosures are included throughout these Financial Statements.

37.3 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework.

The Group risk management processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits, controls to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Audit Committee oversees how management monitors compliance with the Group risk management processes/ guidelines and procedures and reviews the adequacy of the risk management framework in relation to the risks.

The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.4 Credit risk/ Counterparty risk

Credit/Counterparty risk is the risk that at a future date, the other party to a financial transaction may cause a financial loss to the Group by failing to discharge an obligation.

Key areas where the Group is exposed to counterparty risk as a part of its operations are:

- Trade and other receivables
- Amounts due from related companies
- Cash and cash equivalents including fixed deposits
- Other financial assets including fixed deposits

37.4.1 Management of credit risk

The Group manages its credit risk with different types of instruments as follows.

Item	Procedure
Fixed deposits	Deposits are only with reputed and established commercial banks with a rating of "A+" or above.
Trade and other receivables	Most of trade receivables are covered through either bank guarantees or as a discounting arrangements with a commercial bank without recourse to the Group.
Amounts due from related companies	Monitor the balance outstanding regularly.
Cash and cash equivalents	Monitor the balance outstanding regularly and balances are with reputed and established banks with a rating of "BBB+" or above.

37.4.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

	Company		Group	
As at 31 March In Rs. '000s	2026	2025	2026	2025
Trade and other receivables	78,870	38,033	2,230,699	4,768,140
Amounts due from related companies	124,733	120,237	49,642	–
Other financial assets	–	–	12,274,801	6,269,020
Cash and cash equivalents	1,161,453	12,581	20,325,700	13,468,521
	1,365,056	170,851	34,880,842	24,505,681

The maximum exposure to credit risk at the reporting date by type of counterparty was:

	Company		Group	
As at 31 March In Rs. '000s	2026	2025	2026	2025
Financial institutions	1,161,453	12,581	32,600,501	19,737,541
Customers and other parties	78,870	38,033	2,230,699	4,768,140
Related parties	124,733	120,237	49,642	–
	1,365,056	170,851	34,880,842	24,505,681

37.4.3 Trade and other receivables

The Group has a well established credit policy for both international and domestic customers to minimise credit risk. A credit evaluation team comprising of personnel from Finance, Sales and Operations evaluate and recommend the credit worthiness of the customer. The Group obtains bank guarantee from all the agents to cover part of their outstanding whilst the balance is covered through a facility from a bank. This banking facility is extended to all agents except those who are out of the scheme.

The bank guarantees and the facility from the bank cover 82% (2025 – 66%) of the trade receivables.

37.4.4 Aging of trade receivables

The aging of trade receivables at the reporting date are as follows.

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Age				
0 – 365 days	–	–	1,705,145	4,549,374
More than 365 days	–	–	62,591	76,060
Impairment provision – more than 365 days	–	–	(62,591)	(76,060)
	–	–	1,705,145	4,549,374

37.5 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or other financial assets.

37.5.1 Management of liquidity risk

The Group's approach to managing liquidity is to ensure, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Group's approach to managing its liquidity risk is as follows:

(a) Regularly monitoring of the Group's assets and liabilities in order to forecast cash flows for up to future period.

(b) Arrange adequate facilities with banks as contingency measures.

(c) Daily monitoring the facility limits i.e. overdrafts with banks.

37.5.2 The maturity analysis of liabilities

The tables below summarises the maturity profile of financial liabilities on contractual undiscounted (principal plus interest) payments.

	Company			Group		
As at 31 March 2026 In Rs. '000	Total	Current (up to Year 1)	Non-current (above Year 1)	Total	Current (up to Year 1)	Non-current (above Year 1)
Bank overdrafts	367,153	367,153	–	1,720,613	1,720,613	–
Loans and borrowings	–	–	–	4,205,279	2,156,217	2,049,062
Trade and other payables	52,276	52,276	–	7,024,171	7,024,171	–
Amount payable to related parties	–	–	–	106,051	106,051	–
Lease creditor	–	–	–	349,126	87,041	262,085
Refundable deposit	–	–	–	4,276,723	4,276,723	–
	419,429	419,429	–	17,651,963	15,340,816	2,311,147

	Company			Group		
As at 31 March 2025 In Rs. '000	Total	Current (up to Year 1)	Non-current (above Year 1)	Total	Current (up to Year 1)	Non-current (above Year 1)
Bank overdrafts	69,046	69,046	–	1,933,055	1,933,055	–
Loans and borrowings	–	–	–	4,870,925	2,634,258	2,236,667
Trade and other payables	51,870	51,870	–	5,592,536	5,592,536	–
Amount payable to related parties	414,260	414,260	–	102,233	102,233	–
Lease liabilities	–	–	–	420,492	82,150	338,342
Refundable deposits	–	–	–	3,539,121	3,539,121	–
	535,176	535,176	–	16,458,362	13,883,353	2,575,009

37.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) that can affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

37.6.1 Management of market risks

Interest rates of most borrowings are linked to AWPLR hence, any movement will be in line with the market and have a corresponding impact.

37.6.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar (USD), Euro (EUR) and the Great British Pound (GBP). As protection against exchange rate fluctuations, the Group backs its commitments in local currency and enters into derivatives with commercial banks rated "A-" or above.

The following significant exchange rates were applied during the year:

	Closing Exchange Rates		Average Exchange Rates	
In Rs.	2026	2025	2026	2025
US Dollar (USD)	319.31	300.58	308.31	302.43
Great British Pound (GBP)	423.02	390.71	414.74	387.67
Euro (EUR)	367.78	326.16	359.06	326.61

The Group considered a further 5% strengthening or weakening of the functional currency against non-functional currencies as a reasonably possible change. The impact is calculated with reference to the financial assets or liabilities held as at the year end. A 5% increase or decrease of functional currency against non-functional currencies would result in Rs. 207 Mn. impact on pre-tax profit.

37.6.3 Interest rate risk

Interest rate risk is the risk to the earnings and economic value of equity ("EVE") arising from adverse movements in interest rates. The Group's short-term investments are at fixed interest rates and mature within one year.

37.6.4 Fixed and variable rated instruments

	Company		Group	
As at 31 March In Rs. '000	2026	2025	2026	2025
Fixed rated instruments				
– Financial assets	–	–	18,628,497	11,415,251
– Financial liabilities	–	–	3,761,434	4,172,629
Variable rated instruments				
– Financial assets	–	–	4,580,283	1,488,467
– Financial liabilities	367,153	69,046	2,397,592	2,883,055

37.6.5 Sensitivity analysis on interest rate fluctuation

If one percentage point change in the interest rate would have the following effects:

	Company		Group	
Instrument In Rs. '000	Increase by one percentage	Decrease by one percentage	Increase by one percentage	Decrease by one percentage
BOCC – Rs. 1.9 Bn.	–	–	7,088	(7,088)
Standard Chartered Bank (Mauritius) Ltd. – $ 1.25 Mn.	–	–	1,003	(1,003)
Potential impact	–	–	8,091	(8,091)

37.6.6 Management of interest rate risk

The facility limits given by banks are reviewed annually or whenever required. The market rates/values, trends and movements are reviewed weekly to ascertain the interest rate risk and plan of action. A daily review is made on outstanding balances and interest rates.

38. RELATED PARTY DISCLOSURES

38.1 Parent and ultimate controlling party

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

38.2 Transactions with Key Management Personnel (KMP)

(I) According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including Executive, Non-Executive Directors and Chief Financial Officer) have been classified as KMP of the Company.

Compensation paid to the key management personnel of the Company comprise as follows;

	Company		Group	
For the year ended 31 March In Rs. '000	2026	2025	2026	2025
Short-term benefits	7,405	4,862	99,633	87,143
Post employment benefits	–	–	9,998	8,925
Total	7,405	4,862	109,631	96,068

38.3 Other related party transactions

The Company carried 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.

Transactions with related parties are carried out on an arm's length basis. Outstanding balances as at year end are unsecured, interest free (except for Lion Brewery (Ceylon) PLC and Pubs 'N Places (Private) Limited) and all related-party dues are on demand and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31 March 2026 and the Group has not recorded any impairment for receivables relating to amount owed by Group entities.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower, of the Company as per 31 March 2026 Audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2026 Audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

38.3.1 Transactions with subsidiary companies

			Company		Group	
Name of the Company Rs. '000	Relationship	Nature of the Transaction	2026	2025	2026	2025
Lion Brewery (Ceylon) PLC	Subsidiary	Interest expense	–	43,972	–	–
		Royalty income	212,704	196,896	–	–
Lion Beer (Ceylon) Pte Ltd	Sub-subsidiary	Royalty income	8,992	95	–	–
Pubs 'N Places (Private) Limited	Subsidiary	Interest income	–	12,535	–	–
Carsons Management Services (Private) Limited	Related Entity	Support service fee paid	720	613	1,506,149	1,241,573
Equity Two PLC	Related Entity	Parking fee	–	–	90	90
Carlsberg A/S	Related Entity	Royalty expense	–	–	434,329	467,740
Carlsberg Vietnam Breweries Ltd	Related Entity	Contract brewing	–	–	1,462,689	–
Pegasus Hotels of Ceylon PLC	Related Entity	Beer, Spirits and Wine sale income	–	–	9,954	10,154
		Hotel services	–	–	5,605	9,759
Lion Nation Foundation (Guarantee) Ltd.	Related Entity	Member Contributions	750	–	9,250	–

39. CONTINGENT LIABILITIES AND COMMITMENTS

39.1 Contingencies

(i) Company

(a) Following legal matter is outstanding against the Company and no provision has been made in the Financial Statements to this regard.

In 2008, the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634.29 comprising Rs. 23,062,080.43 being the amount of Excise (Special Provision) Duty (the "duty") purportedly in arrears during the period 1998 to 2001 and Rs. 25,059,553.86 as its penalty. The Company and the Directors filed a Writ an application in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued to the Company and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080.43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. No provision has been made for the payment of penalty amounting to Rs. 25,059,553.86.

Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court. The Supreme Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. Supreme Court Judgement was delivered in December 2022 where the Company's Appeal was upheld and Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty in the Magistrates' Court of Fort was quashed. The Director General of Excise was directed to consider the representations made by the Company and make a determination under Section 9 (2) of the said Act, pursuant to an inquiry which is still pending.

(b) Contingent liabilities as at 31 March 2026 amounts Rs. 9 Mn. (31 March 2025 - Rs. 9 Mn.), being bank guarantees given to Government bodies.

(ii) Group

(a) Contingent liabilities as at 31 March 2026 amounts to Rs. 3,772 Mn. (2025 – Rs. 4,239 Mn.), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

39.2 Finance commitments

Document credits established for foreign purchases of the Group as at 31 March 2026 amounts to Rs. 2,406 Mn. (31 March 2025 - Rs. 810 Mn.).

39.3 Capital commitments

Capital expenditure committed by the Group for which a provision has not been made in the Financial Statements amounts to Rs. 1,825 Mn. at 31 March 2026 (2025 – Rs. 639 Mn.).

40. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No circumstances have arisen which required adjustment to or disclosure in the Financial Statements subsequent to the reporting date.

41. COMPARATIVE FIGURES

Where required certain comparative figures have been reclassified to give proper presentations as at 31 March 2026.

42. SEGMENTAL ANALYSIS

The Group does not distinguish its products into significant components for different Geographical/Business segments as the differentiations are insignificant.

43. DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements. Please refer the Annual Report of the Board of Directors on the affairs of the Company for the Directors' Responsibilities for financial reporting.

44. OTHER INFORMATION

Registration by Inland Revenue Department (IRD) for VAT on the Supply of Financial Services (VAT ON FS)

The IRD has forced registered Ceylon Beverage Holdings PLC for VAT on FS on the purported basis that the Company is engaged in the business of supplying financial services. The Company has challenged the purported forced registration in the Court of Appeal by filing applications in the nature of Writs of Certiorari and Prohibition, on the basis that provisions in the Value Added Tax Act No. 14 of 2002 (as amended), pertaining to VAT on FS, are not applicable to the Company. On 21 May 2025, CBHL Counsel made submissions insisting that this case be resolved as soon as possible as the IRD has continued to issue assessment of VAT for the year 2020/2021 after undertaking to refrain from doing so till the case was concluded. The Respondent Counsel informed Court that IRD has undertaken not to issue any Assessments until the conclusion of the case. After several postponements/date rescheduling that took place in the latter half of 2025 this case was taken up for Arguments on several court dates in the month of February 2026 and March 2026 wherein both CBHL Counsel and State Counsel presented their Oral Submissions to Court. Arguments have been concluded. Written submissions were filed on 28 April 2026. Hence, no provision has been made in the Financial Statements, as the matter is presently pending determination by the Court of Appeal.

VALUE ADDED STATEMENT – GROUP

For the year ended 31 March In Rs. '000	2026	2025
Value added		
Revenue	135,310,413	125,050,348
Other income	420,464	350,173
Finance income	1,831,404	854,206
Value added tax	23,582,314	22,335,088
	161,144,595	148,589,815
Cost of material and services bought from outside	(35,720,772)	(32,726,929)
	125,423,823	115,862,886

For the year ended 31 March In Rs. '000	2026	Percentage (%)	2025	Percentage (%)
Distributed as follows:				
To employees				
As remuneration and other employee costs	2,962,764	2.36	2,591,766	2.24
To Government				
As Excise duty	66,784,757	53.25	63,590,496	54.88
As Excise levies	1,244,881	0.99	848,377	0.73
As Import duty	4,068,516	3.24	3,157,558	2.73
As Value added tax	23,582,314	18.80	22,335,088	19.28
As Income tax	7,681,769	6.12	5,753,116	4.97
As social security contribution levy	2,743,688	2.19	2,604,027	2.25
To providers' of capital				
As Dividends to shareholders	500,566	0.40	1,056,750	0.91
As Finance expenses	1,512,209	1.21	1,416,836	1.22
Retained in the business				
As Depreciation/amortisation	3,137,518	2.50	2,851,212	2.46
As Minority interest	5,345,252	4.26	4,540,287	3.92
As Profit for the year	5,859,589	4.67	5,117,375	4.42
	125,423,823	100.00	115,862,886	100.00

Notes:

1. The Statement of Value Added shows the quantum of wealth generated by the activities of the Group and its applications.
2. Value Added Tax is excluded in arriving at the above Turnover. Therefore, tax liability/payment made to the Government during the year include the following

For the year ended 31 March In Rs. '000	2026	2025
Value added tax	23,582,314	22,335,088
Excise duty	66,784,757	63,590,496
Excise levies	1,244,881	848,377
Import duty	4,068,516	3,157,558
Income tax	7,681,769	5,753,116
Social security contribution levy	2,743,688	2,604,027
Total tax liabilities/payments made to the Government	106,105,926	98,288,661

FIVE YEAR GROUP SUMMARY

For the year ended 31 March In Rs. '000	2026	2025	2024	2023	2022
Operating results					
Revenue	**135,310,413**	125,050,348	111,761,348	96,887,539	60,207,826
Other income	**420,464**	350,173	530,383	304,414	193,922
Net gains arising from changes in fair value of investment properties	**11,600**	45,800	5,000	163,100	160,230
	135,742,477	125,446,321	112,296,731	97,355,053	60,561,978
Total expenditure	**(116,278,532)**	(108,847,467)	(96,930,503)	(83,537,001)	(54,386,100)
Reversal/(provision) impairment of intangible assets	**–**	–	291,063	(353,229)	(463,578)
Profit before finance cost	**19,463,945**	16,598,854	15,657,291	13,464,823	5,712,300
Net finance income/(costs)	**319,195**	(562,630)	(1,633,998)	(2,203,920)	172,876
Profit before taxation	**19,783,140**	16,036,224	14,023,293	11,260,903	5,885,176
Tax expense	**(8,578,299)**	(6,378,562)	(6,047,684)	(4,514,799)	(2,063,378)
Profit for the year	**11,204,841**	9,657,662	7,975,609	6,746,104	3,821,798
Total other comprehensive Income/(loss) for the year	**682,827**	(304,832)	713,827	(30,539)	731,086
Total comprehensive Income for the year	**11,887,668**	9,352,830	8,689,436	6,715,565	4,552,884
Dividends – Ordinary	**500,566**	1,056,750	1,705,072	1,107,118	655,456
Excise duty	**66,784,757**	63,590,496	52,553,869	47,713,370	39,049,818

For the year ended 31 March In Rs. '000	2026	2025	2024	2023	2022
Balance sheet					
Stated capital	**533,384**	533,384	533,384	533,384	533,384
Revaluation reserve	**1,692,446**	1,360,069	1,491,952	1,103,358	1,103,358
Translation reserve	**6,586**	(11,411)	(3,660)	–	–
Revenue reserve	**22,001,025**	16,633,227	12,591,143	10,345,024	8,720,708
	24,233,441	18,515,269	14,612,819	11,981,766	10,357,450
Minority interest	**20,361,064**	16,435,215	13,178,793	11,090,491	9,515,171
	44,594,505	34,950,484	27,791,612	23,072,257	19,872,621
Loans, borrowings and leases	**4,446,713**	5,143,554	4,871,234	7,266,155	5,901,615
Less -Cash and other financial assets	**(30,888,718)**	(17,811,901)	(9,986,666)	(9,303,148)	(11,137,550)
Capital Employed	**18,152,500**	22,282,137	22,676,180	21,035,264	14,636,686

FIVE YEAR GROUP SUMMARY

For the year ended 31 March In Rs. '000	2026	2025	2024	2023	2022
Represented by:					
Total non-current assets excluding other financial assets	**32,786,251**	31,210,976	29,015,879	24,501,819	22,249,932
Total current assets excluding cash and other financial assets	**13,566,274**	13,961,279	15,142,741	12,982,886	6,943,244
Current liabilities excluding borrowings a overdrafts	**(19,833,262)**	(15,165,065)	(14,606,709)	(10,503,725)	(9,113,354)
Retirement benefit obligations	**(406,818)**	(399,658)	(293,935)	(257,730)	(182,996)
Deferred tax liabilities	**(7,959,945)**	(7,325,395)	(6,581,796)	(5,687,986)	(5,260,140)
	18,152,500	22,282,137	22,676,180	21,035,264	14,636,686

For the year ended 31 March In Rs. '000	2026	2025	2024	2023	2022
Cash flow statistics					
Net cash (outflows)/inflows from operating activities	**18,863,377**	14,859,521	13,925,461	1,406,818	4,990,359
Net cash (outflows)/inflows from investing activities	**(7,239,454)**	(6,685,283)	(4,641,674)	345,913	2,023,597
Net cash inflows/(outflows) from financing activities	**(4,752,059)**	(3,559,867)	(9,384,877)	(1,167,299)	(1,216,479)
Net cash movement for the year	**6,871,864**	4,614,371	(101,090)	585,432	5,797,477

Figures in brackets indicate deductions.

For the year ended 31 March In Rs. '000	2026	2025	2024	2023	2022
Ratios and statistics					
Operational Ratios					
Return on shareholders' funds (%)	**24.19**	27.62	27.11	28.44	19.99
Return on capital employed (ROCE) (%)	**107.22**	74.49	69.05	64.01	39.03
Equity to total assets (times)	**0.56**	0.54	0.49	0.47	0.47
Assets turnover (times)	**1.71**	1.93	1.97	1.99	1.42
Interest cover (times)	**N.A**	29.50	9.58	6.11	N.A
Current ratio (times)	**1.86**	1.62	1.29	1.31	1.38
Quick asset ratio (times)	**1.48**	1.20	0.84	0.89	1.07
Price earnings ratio (times)	**9.56**	10.71	8.12	6.98	7.16
Dividends per share (Rs.)	**23.85**	50.35	81.24	52.75	31.23
Dividend payout ratio (%) (company)	**28.26**	88.73	81.38	110.43	82.18
Interest Rate of Comparable Government Security					
– Treasury Bill (1 year) %	**8.41**	8.25	10.28	24.31	12.00
– Treasury Bond (5 year) %	**9.80**	10.72	12.25	28.11	14.70

STATEMENT OF COMPREHENSIVE INCOME – USD

For the year ended 31 March In USD '000s	Company		Group	
	2026	2025	2026	2025
Revenue	5,985	4,298	438,878	413,481
Cost of sales	–	–	(329,064)	(316,082)
Gross profit	5,985	4,298	109,814	97,399
Other income	–	–	1,364	1,158
Net gains arising from changes in fair value of investment properties	38	151	38	151
	6,023	4,449	111,216	98,708
Distribution expenses	–	–	(26,870)	(26,243)
Administrative expenses	(125)	(136)	(16,028)	(15,459)
Other expenses	–	–	(5,185)	(2,121)
Profit before finance cost	5,898	4,313	63,133	54,885
Finance income	122	53	5,940	2,824
Finance costs	(5)	(182)	(4,905)	(4,685)
Net finance costs	117	(129)	1,035	(1,861)
Profit before taxation	6,015	4,184	64,168	53,024
Income tax expenses	(271)	(246)	(27,825)	(21,092)
Profit after taxation	5,744	3,938	36,343	31,932
Other comprehensive income				
Remeasurement of employee benefit obligation	–	–	73	(226)
Deferred tax on actuarial (loss)/gain	–	–	(33)	102
Change in revaluation of property plant and equipment	–	–	3,751	–
Deferred tax charge on land and building revaluation	–	–	(1,688)	(835)
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation gain/(loss) from foreign operation	–	–	112	(49)
Total other comprehensive income for the year	–	–	2,215	(1,008)
Total comprehensive income	5,744	3,938	38,558	30,924
Profit attributable to				
– Equity holders of the Company	5,744	3,938	19,006	16,919
– Minority shareholders	–	–	17,337	15,013
Profit available for appropriation	5,744	3,938	36,343	31,932
Total comprehensive income attributable to				
– Equity holders of the Company	5,744	3,938	20,163	16,394
– Minority shareholders	–	–	18,395	14,530
Profit available for appropriation	5,744	3,938	38,558	30,924

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION – USD

As at 31 March In USD '000s	Company 2026	Company 2025	Group 2026	Group 2025
Assets				
Non-current assets				
Property, plant and equipment	–	–	96,523	97,138
Investment properties	2,733	2,864	2,733	2,864
Right-of-use assets	–	–	547	706
Intangible assets	–	–	2,703	2,555
Deferred tax assets	–	–	173	571
Investments in subsidiaries	6,666	7,082	–	–
Other financial assets	–	–	5,860	5,360
Total non-current assets	9,399	9,946	108,539	109,194
Current assets				
Inventories	–	–	28,465	27,565
Trade and other receivables	247	127	13,866	18,883
Amounts due from related companies	391	400	155	–
Other financial assets	–	–	32,582	15,496
Cash and cash equivalents	3,638	42	63,683	44,833
Total current assets	4,276	569	138,751	106,777
Total assets	13,675	10,515	247,290	215,971
Equity and liabilities				
Equity				
Stated capital	9,198	9,198	9,198	9,198
Revaluation reserves	62	66	5,300	4,525
Revenue reserves	2,341	(1,175)	61,374	47,912
Translation reserve	–	–	21	(38)
Equity attributable to equity holders of the Company	11,601	8,089	75,893	61,597
Non-controlling interest	–	–	63,766	54,678
Total equity	11,601	8,089	139,659	116,275
Non-current liabilities				
Loans and borrowings	–	–	6,417	7,441
Lease liabilities	–	–	595	771
Employee benefits	–	–	1,274	1,330
Deferred tax liabilities	509	529	24,929	24,371
Total non-current liabilities	509	529	33,215	33,913
Current liabilities				
Trade and other payables	164	173	21,998	18,606
Amounts due to related companies	–	1,378	332	340
Refundable deposits	–	–	13,300	11,774
Tax liabilities	251	116	26,483	19,732
Loans and borrowings	–	–	6,753	8,764
Lease liabilities	–	–	161	136
Bank overdraft	1,150	230	5,389	6,431
Total current liabilities	1,565	1,897	74,416	65,783
Total liabilities	2,074	2,426	107,631	99,696
Total equity and liabilities	13,675	10,515	247,290	215,971

NOTES TO THE FINANCIAL STATEMENTS – USD

1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollars were affected based on the following exchange rates:

As at 31 March In Rs. '000		2026	2025
Income statement	Average rate	**308.31**	302.43
Monetary assets and liabilities	Closing rate	**319.31**	300.58
Non-current assets and liabilities	Closing rate	**319.31**	300.58
Ordinary share capital	Historical rate	**57.99**	57.99

2. REVENUE

		Company		Group	
	For the year ended 31 March USD '000s	2026	2025	2026	2025
(A)	**Revenue streams**				
	Dividend income	**5,265**	3,641	**–**	–
	Royalty income	**720**	657	**–**	–
	Brewery income	**–**	–	**429,541**	407,724
	Retail trade income	**–**	–	**9,337**	5,751
		5,985	4,298	**438,878**	413,475
(B)	**Geographic revenue**				
	Local revenue	**5,985**	4,298	**410,396**	395,029
	International revenue	**–**	–	**28,482**	18,446
		5,985	4,298	**438,878**	413,475

FIVE YEAR GROUP SUMMARY – USD

Year ended 31 March In USD '000	2026	2025	2024	2023	2022
Revenue	**438,878**	413,481	345,038	272,509	271,618
Other income	**1,364**	1,158	1,637	856	1,825
Net gains arising from changes in fair value of investment properties	**38**	151	15	459	–
	440,280	414,790	346,690	273,824	273,460
Total expenditure	**(377,147)**	(359,905)	(299,251)	(234,958)	(245,194)
Impairment of intangible assets	**–**	–	899	(994)	(2,384)
Profit before finance cost	**63,133**	54,885	48,338	37,872	25,865
Net finance costs	**1,035**	(1,861)	(5,045)	(6,199)	(3,122)
Profit before taxation	**64,168**	53,024	43,293	31,673	22,743
Income tax expense	**(27,825)**	(21,092)	(18,672)	(12,699)	(9,821)
Profit for the year	**36,343**	31,932	24,621	18,974	12,922
Total other comprehensive Income for the year	**2,215**	(1,008)	2,203	(86)	4
Total comprehensive Income for the year	**38,558**	30,924	26,824	18,888	12,926
Dividends – Ordinary	**1,624**	3,494	5,264	3,114	3,194
Excise duty paid	**216,616**	210,263	162,248	134,200	190,283

As at 31 March In USD '000	2026	2025	2024	2023	2022
Statement of Financial Position					
Share capital	**9,198**	9,198	9,198	9,198	9,198
Capital reserves	**5,300**	4,525	4,886	3,284	3,690
Revenue reserves	**61,374**	47,912	33,785	23,180	21,754
Translation reserve	**21**	(38)	(12)	–	–
	75,893	61,597	47,857	35,662	34,642
Minority interest	**63,766**	54,678	43,162	33,006	31,823
	139,659	116,275	91,019	68,668	66,465
Loans, borrowings and leases	**13,926**	17,112	15,954	21,625	19,738
Less – Cash and other financial assets	**(96,736)**	(59,258)	(32,708)	(27,687)	(37,249)
Capital employed	**56,849**	74,129	74,265	62,606	48,954
Represented by:					
Total non-current assets excluding other financial assets	**102,679**	103,834	95,031	72,920	74,414
Total current assets excluding cash and other financial assets	**42,486**	46,448	49,595	38,641	23,223
Current liabilities excluding borrowings and overdrafts	**(62,113)**	(50,452)	(47,842)	(31,260)	(30,479)
Retirement benefit obligations	**(1,274)**	(1,330)	(963)	(767)	(612)
Deferred tax liabilities	**(24,929)**	(24,371)	(21,556)	(16,928)	(17,592)
	56,849	74,129	74,265	62,606	48,954

INFORMATION TO SHAREHOLDERS AND INVESTORS

1. STOCK EXCHANGE LISTING

Ceylon Beverage Holdings PLC is a Public Quoted Company, the issued ordinary shares of which are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka.

The Stock Exchange code for Ceylon Beverage Holdings PLC shares is "BREW".

2. SHARE VALUATION

The Market Value of the Company's share as at 31 March 2026 was Rs. 2,669.00 per share (31 March 2025 – Rs. 2,610.25)

3. ORDINARY SHAREHOLDERS

As at 31 March	2026	2025
Number of shareholders	1,170	1,092

4. FREQUENCY DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2026

Distribution of Shares	Residents			Non-Residents			Total		
	Number of Shareholders	Number of Shares	Percentage (%)	Number of Shareholders	Number of Shares	Percentage (%)	Number of Shareholders	Number of Shares	Percentage (%)
1 – 1,000	999	111,113	0.53	59	13,775	0.07	1058	124,888	0.60
1,001 – 10,000	68	177,775	0.85	31	82,370	0.39	99	260,145	1.24
10,001 – 100,000	4	53,350	0.25	3	132,863	0.63	7	186,213	0.88
100,001 – 1,000,000	1	144,423	0.69	2	772,211	3.68	3	916,634	4.37
Above 1,000,000	1	15,726,912	74.93	2	3,773,298	17.98	3	19,500,210	92.91
Grand Total	1,073	16,213,573	77.25	97	4,774,517	22.75	1,170	20,988,090	100.00

5. CATEGORIES OF SHAREHOLDERS AS AT 31 MARCH 2026

As at 31 March 2026	Number of Shareholders	Number of Shares	Percentage (%)
Individual	1,104	426,079	2.03
Institutions	66	20,562,011	97.97
Total	1,170	20,988,090	100.00

The number of shares held by non-residents as at 31 March 2026 was 4,774,517 (2025 – 4,775,821) which amounts to 22.75% (2025 – 22.75%) of the total number of shares in issue.

6. PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange, under Option 1, i.e. Float-Adjusted Market Capitalization of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31 March	2026
Float Adjusted Market Capitalisation (Rs.)	13,606,580,845.81
Percentage of ordinary shares held by the public (%)	24.29
Number of public shareholders	1,156

7. MARKET PERFORMANCE - ORDINARY SHARES

For The year ended 31 March	2026	2025
Highest (Rs.)	2,949.50	4,000.00
Lowest (Rs.)	2,180.00	1,311.00
Last Traded (Rs.)	2,700.00	2,624.00
Value of Shares Traded (Rs. Mn.)	56.72	35.55
No. of shares traded	21,420	14,883

8. MARKET CAPITALISATION

The market capitalisation of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 56,017,212,210 as at 31 March 2026 (31 March 2025 – Rs. 54,784,161,923).

9. DIVIDENDS

9.1 First Interim Dividend of Rs. 23.85 per ordinary share amounting to Rs. 500,565,946.50 for the financial year ended 31 March 2026 was announced on 7 July 2025. Shareholders of the Company who had provided accurate bank account details were paid on 23 July 2025 and to the Shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividend were paid on 5 August 2025 via cheques.

9.2 First Interim dividend of Rs. 67.50 per ordinary share amounting to Rs. 1,416,696,075/- for the financial year ending 31 March 2027 was announced on 16 June 2026. Shareholders of the Company who had provided accurate bank account details was paid on 2 July 2026 and to the shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividend will be paid on 15 July 2026 via cheques.

GLOSSARY OF FINANCIAL TERMS

Appropriations

Apportioning of earnings as dividends, capital and revenue reserves.

Capital reserves

Reserves identified for specified purposes and considered not available for distribution.

Cash equivalents

Liquid investments with maturities of three months or less at the balance sheet date.

Contingent liabilities

Conditions or situations at the balance sheet date, the financial effects of which are to be determined by future events which may or may not occur.

Current ratio

Current assets divided by current liabilities.

Debt

Total interest bearing loans (including bank overdrafts less interest bearing deposits).

Dividend cover

Post tax profit after preference dividend, divided by gross dividend. It measures the number of times dividends are covered by distributable profits.

Dividend payout ratio

The percentage of earnings paid to shareholders in dividends.

Dividend per ordinary share

Dividends paid and proposed, divided by the number of ordinary shares in issue which ranked for those dividends.

Earnings per ordinary share

Profits attributable to ordinary shareholders divided by the number of ordinary shares in issue and ranking for dividend.

Equity

Ordinary share capital plus reserves.

Events occurring after the balance sheet date

Significant events that occur between the balance sheet date and the date on which Financial Statements are authorised for issue.

Gearing

Ratio of borrowings to capital employed.

Interest cover

Profits before tax and interest charges divided by interest charges.

Market capitalisation

The market value of a company at a given date obtained by multiplying the market price of a share by the number of issued ordinary shares.

Net assets per ordinary share

Total assets less total liabilities divided by the number of ordinary shares in issue. This represents the theoretical value per share if the Company is broken up.

Price earnings ratio – (P/E)

Market price of a share divided by earnings per share

Related parties

One party has ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Return on shareholders' funds

Profit attributable to equity holders of the Company as a percentage of equity.

Revenue reserves

Reserves considered as being available for future distribution and appropriations.

Value addition

The quantum of wealth generated by the activities of the Company

Working capital

Capital required to finance the day-to-day operations (current assets less current liabilities).

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION – AR26
GRI 2: General Disclosures 2021	2-1 Organisational details	Overview of the Company
	2-2 Entities included in the organisation's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report | Corporate information
	2-6 Activities, value chain and other business relationships	Intellectual Capital | Social and Relationship Capital – Suppliers
	2-7 Employees	Human capital – Attracting and engaging talent | Human Capital – Employee statistics
	2-8 Workers who are not employees	Human Capital – Employee statistics
	2-9 Governance structure and composition	Our approach to sustainability – Governance and oversight structure
	2-10 Nomination and selection of the highest governance body	Our approach to sustainability – Governance and oversight structure
	2-11 Chair of the highest governance body	Our approach to sustainability – Governance and oversight structure
	2-12 Role of the highest governance body in overseeing the management of impacts	Our approach to sustainability – Governance and oversight structure
	2-13 Delegation of responsibility for managing impacts	Our approach to sustainability – Governance and oversight structure
	2-14 Role of the highest governance body in sustainability reporting	Our approach to sustainability – Governance and oversight structure
	2-15 Conflicts of interest	Human Capital – Handling grievances
	2-16 Communication of critical concerns	Our approach to sustainability – Enterprise risk and opportunity management
	2-17 Collective knowledge of the highest governance body	Our approach to sustainability – Governance and oversight structure
	2-18 Evaluation of the performance of the highest governance body	Our approach to sustainability – Governance and oversight structure
	2-19 Remuneration policies	Human capital – Performance recognition and rewards
	2-20 Process to determine remuneration	Human capital – Performance recognition and rewards
	2-22 Statement on sustainable development strategy	Our approach to sustainability – Governance and oversight structure

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION – AR26
	2-23 Policy commitments	Our approach to sustainability – Governance and oversight structure
	2-24 Embedding policy commitments	Our approach to sustainability – Governance and oversight structure
	2-25 Processes to remediate negative impacts	Human Capital – Handling grievances
	2-26 Mechanisms for seeking advice and raising concerns	Human Capital – Handling grievances
	2-27 Compliance with laws and regulations	Human Capital – Regulatory compliance and best practices
	2-28 Membership associations	Intellectual Capital – Knowledge and Expertise | Manufactured Capital – Brewery Operations | Manufactured Capital – Workplace safety and culture
	2-29 Approach to stakeholder engagement	Our approach to sustainability – Enterprise risk and opportunity management
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our approach to sustainability – Enterprise risk and opportunity management
	3-2 List of material topics	Our approach to sustainability – Enterprise risk and opportunity management
	3-3 Management of material topics	Our approach to sustainability – Enterprise risk and opportunity management
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Natural Capital – Special Projects
	101-2 Management of biodiversity impacts	Natural Capital – Special Projects
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Our approach to sustainability – Enterprise risk and opportunity management
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital – Communities
	203-2 Significant indirect economic impacts	Social and Relationship Capital – Communities
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital – Suppliers
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Human Capital – Workforce development and training

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION – AR26
GRI 207: Tax 2019	207-1 Approach to tax	Our approach to sustainability – Enterprise risk and opportunity management
	207-2 Tax governance, control, and risk management	Our approach to sustainability – Enterprise risk and opportunity management
	207-3 Stakeholder engagement and management of concerns related to tax	Our approach to sustainability – Enterprise risk and opportunity management
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital – Water Stewardship
	301-2 Recycled input materials used	Natural Capital – Resource optimisation and circularity
	301-3 Reclaimed products and their packaging materials	Social and Relationship Capital – Consumer | Natural Capital – Resource optimisation and circularity
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Natural Capital – Energy Management
	302-2 Energy consumption outside of the organisation	Natural Capital – Energy Management
	302-4 Reduction of energy consumption	Natural Capital – Energy Management
	302-5 Reductions in energy requirements of products and services	Natural Capital – Energy Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital – Water Stewardship
	303-2 Management of water discharge-related impacts	Natural Capital – Water Stewardship
	303-3 Water withdrawal	Natural Capital – Water Stewardship
	303-4 Water discharge	Natural Capital – Water Stewardship
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our approach to sustainability – Greenhouse gas emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Our approach to sustainability – Greenhouse gas emissions
	305-5 Reduction of GHG emissions	Natural Capital – Energy Management
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Natural Capital – Water Stewardship

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION – AR26
GRI 306, 306-1, 306-2, 306-4: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital – Resource optimisation and circularity
	306-2 Management of significant waste-related impacts	Natural Capital – Resource optimisation and circularity
	306-4 Waste diverted from disposal	Natural Capital – Resource optimisation and circularity
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital – Attracting and engaging talent
	401-3 Parental leave	Human capital – Supporting employees through parenthood
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital – Employee relations
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Manufactured Capital – Workplace safety and culture
	403-2 Hazard identification, risk assessment, and incident investigation	Manufactured Capital – Workplace safety and culture
	403-3 Occupational health services	Manufactured Capital – Workplace safety and culture
	403-4 Worker participation, consultation, and communication on occupational health and safety	Manufactured Capital – Workplace safety and culture
	403-5 Worker training on occupational health and safety	Manufactured Capital – Workplace safety and culture
	403-6 Promotion of worker health	Manufactured Capital – Workplace safety and culture | Human Capital – Performance recognition and rewards | Human Capital – Employee wellness
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Manufactured Capital – Workplace safety and culture
	403-8 Workers covered by an occupational health and safety management system	Manufactured Capital – Workplace safety and culture
	403-9 Work-related injuries	Manufactured Capital – Workplace safety and culture
	403-10 Work-related ill health	Manufactured Capital – Workplace safety and culture

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION – AR26
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human capital – Workforce development and training
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Human capital – Workforce development and training
	404-3 Percentage of employees receiving regular performance and career development reviews	Human capital – Managing and evaluating performance
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital – Regulatory compliance and best practices
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social and Relationship Capital – Suppliers | Human Capital – Regulatory compliance and best practices
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social and Relationship Capital – Suppliers | Human Capital – Regulatory compliance and best practices
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and Relationship Capital – Suppliers | Human Capital – Regulatory compliance and best practices
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Social and Relationship Capital – Communities
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Intellectual Capital
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Intellectual Capital
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social and Relationship Capital – Consumer

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 115th Annual General Meeting of **CEYLON BEVERAGE HOLDINGS PLC will be held on Tuesday, 28 July 2026 at 10.15am** at the Auditorium, Ground Floor, The Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 2, Sri Lanka for the following purposes:

1. To consider the Annual Report of the Board of Directors, including the Financial Statements for the financial year ended 31 March 2026, together with the Report of the Auditors thereon.
2. To re-elect as a Director Mr D R P Goonetilleke, who has been appointed to the Board as a Non-Executive Director since the last Annual General Meeting, in terms of Article 68 of the Articles of Association of the Company.
3. To re-elect as a Director Mr M S De Saram, who has been appointed to the Board as an Independent Non-Executive Director since the last Annual General Meeting, in terms of Article 68 of the Articles of Association of the Company.
4. To re-elect Mr D A Cabraal – Non-Executive Director, who retires by rotation in terms of Articles 72, 73, and 74 of the Articles of Association of the Company.
5. To re-appoint Mr M Selvanathan – Non-Executive Director, as a Director of the Company who is over seventy years of age, and to consider and if deemed fit to pass the following resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr M Selvanathan who is 79 years of age and that he be re-appointed as a Director of the Company until the next Annual General Meeting of the Company."
6. To re-appoint Mr H Selvanathan – Non-Executive Director, as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

   "**IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr H Selvanathan who is 77 years of age and that he be re-appointed as a Director of the Company until the next Annual General Meeting of the Company."
7. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorise the Directors to determine their remuneration.

By Order of the Board

(Sgd.)
Natasha Selvaratnam
President – Group Company Secretarial
Carsons Management Services (Private) Limited
Secretaries
Colombo
2 July 2026

Notes:

1. The Annual Report 2025/2026 and the Notice convening the Annual General Meeting (AGM) will be made available on the Colombo Stock Exchange website **www.cse.lk** and on the Group's website **www.carsoncumberbatch.com.**
2. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. The completed Form of Proxy should be submitted to the Company **not later than 4.45pm on 26 July 2026,**
   - via e-mail to **CBHAGM2026@carcumb.com,** or
   - via WhatsApp to mobile no. +94 76 476 5463 or +94 76 741 0683, or
   - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the corporation. A representative need not be a member.
5. The transfer books of the Company will remain open.
6. Security check

   We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

FORM OF PROXY

* I/We .....of

.....

being *a shareholder/shareholders of CEYLON BEVERAGE HOLDINGS PLC hereby appoint .....

.....of

.....

bearing NIC No./Passport No.....or failing him/her.

Damian Amal Cabraal	or failing him,
Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Rajiv Herath Meewakkala	or failing him,
Stefano Clini	or failing him,
Ajay Bhaskar Baliga	or failing him,
Antonio Jonathan Alles	or failing him
Amitha Saktha Amaratunga	or failing him,
Dilkushan Ranil Pieris Goonetilleke	or failing him,
Mahen Senani De Saram	

as *my/our proxy to attend at the 115th Annual General Meeting of the Company to be held on **Tuesday, 28 July 2026 at 10.15am** at the Auditorium, Ground Floor, The Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 2, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1	To re-elect as a Director Mr D R P Goonetilleke, who has been appointed to the Board as a Non-Executive Director since the last Annual General Meeting, in terms of Article 68 of the Articles of Association of the Company	☐	☐
2	To re-elect as a Director Mr M S De Saram, who has been appointed to the Board as an Independent Non-Executive Director since the last Annual General Meeting, in terms of Article 68 of the Articles of Association of the Company.	☐	☐
3	To re-elect Mr D A Cabraal – Non-Executive Director, who retires by rotation in terms of Articles 72, 73, and 74 of the Articles of Association of the Company.	☐	☐
4	To re-appoint Mr M Selvanathan – Non-Executive Director, who is over seventy years of age as a Director of the Company.	☐	☐
5	To re-appoint Mr H Selvanathan – Non-Executive Director, who is over seventy years of age as a Director of the Company.	☐	☐
6	To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorise the Directors to determine their remuneration.	☐	☐

Signed this .....day of.....Two Thousand and Twenty-Six.

.....
Signature/s

Notes

1. * Please delete the inappropriate words.
2. A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
3. A shareholder is not entitled to appoint more than one proxy on the same occasion.
4. Instructions are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address, and sign in the space provided. Please fill in the date of signature.

2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.

3. In terms of Article 54 of the Articles of Association of the Company:

   (i) Any shareholder entitled to attend and vote at a Meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the shareholder to vote on a show of hands or on a poll and to speak at the Meeting.

   (ii) The instrument appointing a proxy shall be in writing and:

      a) in the case of an individual shall be signed by the appointor or by his attorney; and

      b) in the case of a corporation shall be either under its common seal or signed by its attorney or by an authorised officer on behalf of the corporation.

   The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer. A proxy need not be a shareholder of the Company.

   (iii) An instrument appointing a proxy or the power of attorney or other authority, if any, must be left or received at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine.

4. In terms of Article 50 of the Articles of Association of the Company:

   In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, 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 names stand in the Register of Members in respect of the joint holding.

5. To be valid, the completed Form of Proxy should be submitted to the Company **not later than 4.45pm on 26 July 2026,**

   – via e-mail to **CBHAGM2026@carcumb.com,** or
   – via WhatsApp to mobile number +94 76 476 5463 or +94 76 741 0683, or
   – by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

6. Shareholders could also appoint a member of the Board to act as their proxy if they so choose. The shareholders who wish to appoint a Director as his/her/its proxy must forward the duly completed **Form of Proxy** clearly indicating their vote under each matter set out in the Form of Proxy and forward same to the Company.

Please fill in the following details:

Name and contact number of shareholder : .....

CDS Account No./Folio No. : .....

Name and contact number of proxyholder : .....

NIC No. of the proxyholder : .....

CORPORATE INFORMATION

Name of the Company

Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

Company Registration Number

PQ 35

Legal Form

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910 Official listing of the Colombo Stock Exchange was obtained in April 1991

Subsidiary Companies

Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Millers Brewery Limited
Lion Beer (Ceylon) Pte Ltd (Singapore)

Parent and Controlling Entity

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

Directors

Mr D A Cabraal (Chairman) – Non-Executive

Mr H Selvanathan (Deputy Chairman) – Non-Executive

Mr M Selvanathan – Non-Executive

Mr R H Meewakkala (CEO/Director) – Executive

Mr S Clini – Non-Executive

Mr A J Alles – Independent Non-Executive

Mr A S Amaratunga – Independent Non-Executive

Mr A Baliga – Independent Non-Executive

Mr D R P Goonetilleke – Non-Executive (Appointed w.e.f. 1 April 2026)

Mr M S De Saram – Independent Non-Executive (Appointed w.e.f. 1 April 2026)

Mr D C R Gunawardena – Non-Executive (Resigned w.e.f. 31 March 2026)

Audit Committee

Mr A S Amaratunga (Chairman) – Independent Non-Executive

Mr A J Alles – Independent Non-Executive

Mr D C R Gunawardena – Non-Executive (Resigned w.e.f. 31 March 2026)

Mr M S De Saram – Independent Non-Executive (Appointed w.e.f. 1 April 2026)

Remuneration Committee

Mr A B Baliga (Chairman) – Independent Non-Executive

Mr A J Alles – Independent Non-Executive

Mr D C R Gunawardena – Non-Executive (Resigned w.e.f. 31 March 2026)

Mr D R P Goonetilleke – Non-Executive (Appointed w.e.f. 1 April 2026)

Related Party Transactions Review Committee

Mr A S Amaratunga (Chairman) – Independent Non-Executive

Mr A B Baliga – Independent Non-Executive

Mr D C R Gunawardena – Non-Executive (Resigned w.e.f. 31 March 2026)

Mr M S De Saram – Independent Non-Executive (Appointed w.e.f. 1 April 2026)

Nominations and Governance Committee

Mr A B Baliga (Chairman) – Independent Non-Executive

Mr A J Alles – Independent Non-Executive

Mr D C R Gunawardena – Non-Executive (Resigned w.e.f. 31 March 2026)

Mr D R P Goonetilleke – Non-Executive (Appointed w.e.f. 1 April 2026)

Bankers

Citibank
Commercial Bank of Ceylon PLC
Deutsche Bank
DFCC Bank
Hatton National Bank PLC
Nations Trust Bank
National Development Bank PLC
Peoples' Bank
Standard Chartered Bank
Sampath Bank PLC
Bank of China Limited

Legal Advisers

Messrs. F. J & G. De Saram
216, De Saram Place
Colombo 10
Sri Lanka

Tel: + 94 11 4718 200

Fax: + 94 11 4718 220

Auditors

Messrs. KPMG
Chartered Accountants
No. 32A,
Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka

Tel: + 94 11 5426 426

Fax:+94 11 2445 872

Managers and Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha
Colombo 1
Sri Lanka

Tel : +94 11 2039 200

Fax: +94 11 2039 300

Registered Office

No. 61, Janadhipathi Mawatha
Colombo 1
Sri Lanka

Tel : +94 11 2039 200

Fax: +94 11 2039 300

Corporate Office and Brewery

No. 254, Colombo Road, Biyagama
Sri Lanka

Tel: +94 11 2465 900 (10 Lines)

Fax:+94 11 2465 901

Group Website

www.carsoncumberbatch.com

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Global Standard Annual Report Number©
LKA3500CEBHX0250260E112

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