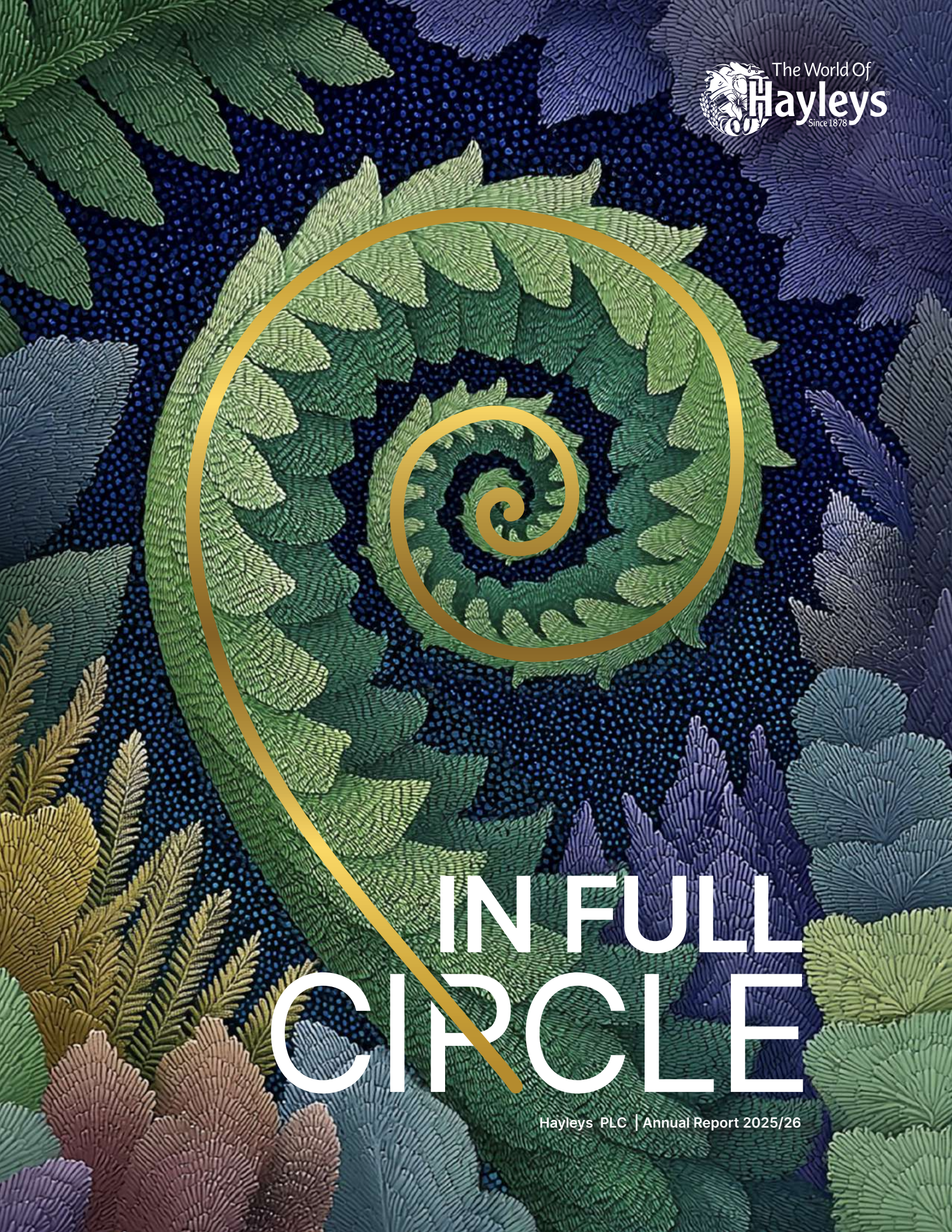
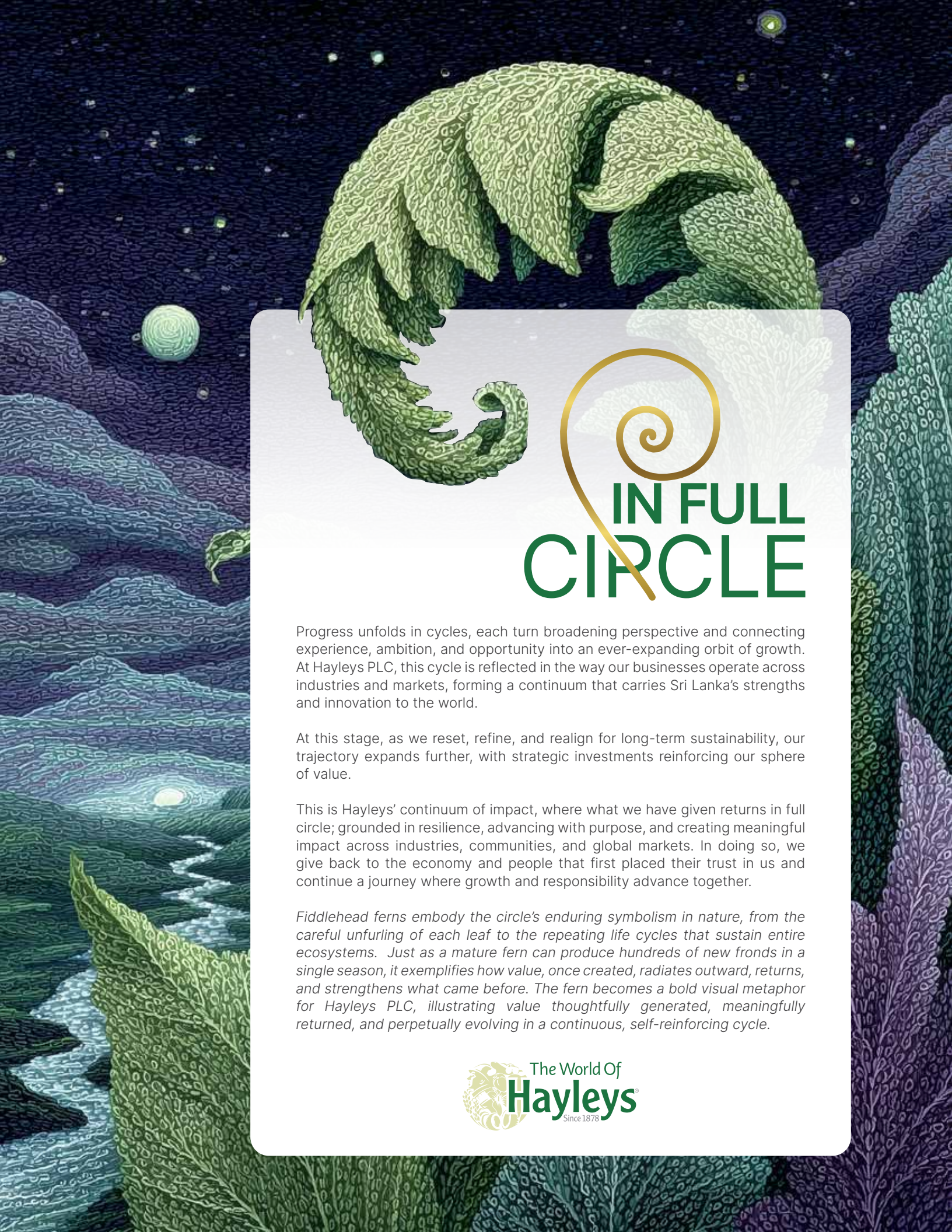

The World Of
Hayleys
Since 1878
IN FULL
CIRCLE
Hayleys PLC | Annual Report 2025/26



IN FULL CIRCLE

Progress unfolds in cycles, each turn broadening perspective and connecting experience, ambition, and opportunity into an ever-expanding orbit of growth. At Hayleys PLC, this cycle is reflected in the way our businesses operate across industries and markets, forming a continuum that carries Sri Lanka's strengths and innovation to the world.

At this stage, as we reset, refine, and realign for long-term sustainability, our trajectory expands further, with strategic investments reinforcing our sphere of value.

This is Hayleys' continuum of impact, where what we have given returns in full circle; grounded in resilience, advancing with purpose, and creating meaningful impact across industries, communities, and global markets. In doing so, we give back to the economy and people that first placed their trust in us and continue a journey where growth and responsibility advance together.

Fiddlehead ferns embody the circle's enduring symbolism in nature, from the careful unfurling of each leaf to the repeating life cycles that sustain entire ecosystems. Just as a mature fern can produce hundreds of new fronds in a single season, it exemplifies how value, once created, radiates outward, returns, and strengthens what came before. The fern becomes a bold visual metaphor for Hayleys PLC, illustrating value thoughtfully generated, meaningfully returned, and perpetually evolving in a continuous, self-reinforcing cycle.

The World Of Hayleys
Since 1878

More than **75%** of the world's flowering plant species rely on animal **pollinators**, such as bees, birds, bats, and other insects for reproduction. These pollinators help maintain biodiversity and support food webs and agricultural production.

More than **80%** of terrestrial plant species respond to **seasonal cues** such as daylight and temperature to regulate growth, flowering, dormancy, and reproduction, helping sustain ecosystem productivity and biodiversity.

Earth's average distance from the Sun is about **149.6 million kilometres**, placing it within the habitable zone where liquid water can exist. Its nearly circular **orbit** helps provide relatively stable solar energy throughout the year, while Earth's axial tilt produces the seasons. Together, these factors contribute to climate patterns that support water cycles, ecosystems, and the long-term evolution of life.

The **water cycle** redistributes heat around the planet and sustains clouds, rivers, aquifers, and oceans. Each year, approximately **577,000 km³** of water evaporates into the atmosphere globally, with the majority originating from the oceans.



The World of Hayleys

Across every domain at Hayleys PLC, each action builds on the last, reinforcing the wider ecosystem that drives growth and collective impact. Like interconnected systems in nature, our businesses operate as a continuous, interdependent network: each contribution generating compounded impact and sustaining value across industries, communities, and global markets. These natural processes illustrate how individual actions feed into the health of the whole. Each reinforces the system, enabling life to flourish, ecosystems to renew, and environments to remain adaptable and resilient.

In the same way, at Hayleys PLC, every strategic action, partnership, and investment builds on the last, creating an ecosystem of progress where impact grows cumulatively, guiding our journey toward shared value, resilience, and enduring growth.





5%
Contribution to Sri Lanka's exports

Rs.172 bn
Economic value generated

>25,000
Indirect employment across value chains

38,746
Total employment

Rs.55 bn
Direct and indirect taxes paid in Sri Lanka

668,859
CSR beneficiaries

USD 800 mn
Foreign currency brought into the country



Bring this Story to Life

Rs.62 bn
Payments to employees

Rs.408 bn
Payments to suppliers

Rs.444 mn
Investment in CSR

75%
Reliance on renewable Energy

Rs.7 bn
Group-wide investments in solar

176,022 m^3
Rainwater harvested

428,132 Mwh
Renewable energy generation

Table of Contents

The World of Hayleys

8 Our Integrated Annual Report
12 Evolving our Report
14 Approach to Integrated Reporting
16 Approach to SLFRS S1 and S2 Sustainability Disclosure Standards
17 Digitalisation of Reporting
18 Performance Highlights
22 Portfolio Highlights
24 Hayleys at a Glance
26 Past, Present and Future
28 Global Footprint
30 Awards and Recognition
32 Year at a Glance

Responsible and Responsive Leadership

34 Reflections from the Chairman & Chief Executive
44 Principal Decisions in 2025/26
46 Board of Directors
52 Group Management Committee
57 Corporate Governance

Unlocking Value

94 Value Creation Model
97 Stakeholder Engagement
100 Operating Landscape
105 Materiality
108 Risks & Opportunities

Purpose-driven Strategy

118 Purpose-driven Strategy
140 Sustainability-related Financial Disclosures

Management discussion and analysis

192 Financial Capital
200 Manufactured Capital
202 Social & Relationship Capital
204 Human Capital
206 Intellectual Capital
208 Natural Capital

Portfolio Review

211 Eco Solutions
219 Hand Protection
227 Purification
235 Textiles
243 Construction Materials
251 Plantations
259 Agriculture
267 Consumer & Retail
275 Leisure
283 Industry Inputs, Power & Energy
291 Transportation and Logistics
299 Energy, Mobility & Projects
307 Tea Exports
315 Others
318 Way Forward



Assurance and Committee Reports

320 Independent Limited Assurance Report - Integrated Reporting

322 Independent Assurance Report - Sustainability Related Disclosures and Climate Related Disclosures

326 Annual Report of the Board of Directors

339 Chairman & Chief Executive's and Group Chief Financial Officer's Responsibility Statement

340 Statement by the Senior Independent Director

341 Statement of Directors' Responsibilities

342 Directors' Statement on Internal Controls

343 Audit Committee Report

346 Nominations and Governance Committee Report

349 Remuneration Committee Report

351 Related Party Transactions Review Committee Report

Financial Statements

354 Independent Auditor's Report

358 Statement of Profit or Loss

359 Statement of Comprehensive Income

360 Statement of Financial Position

362 Statement of Changes in Equity

367 Statement of Cash Flows

369 Notes to the Financial Statements

487 Quarterly Analysis

488 Ten Year Summary

489 Indicative US Dollar Financial Statements

492 Horizontal and Vertical Analysis

498 Value of Real Estate

502 Share Information

505 Group Value Addition and Distribution

506 History of Dividends and Scrip Issues

508 Country Report

511 Group Companies

523 Awards and Recognition

531 Glossary of Financial Terms

533 Annexures

537 Directors' details of Directorships held in Sri Lanka

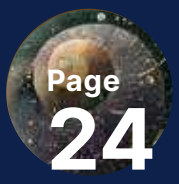
540 Corporate Information

543 Notice of Meeting

545 Form of Proxy

547 Investor Feedback Form

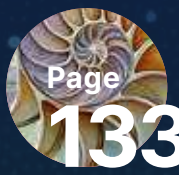
FEATURED CONTENT
IN THIS YEAR'S ANNUAL REPORT



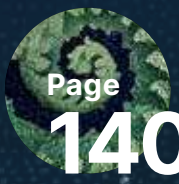
The World of Hayleys



Purpose-driven Strategy



Strategic ESG Integration



Sustainability-related Financial Disclosures

Welcome to Our Integrated Annual Report



Our 13th Integrated Annual Report represents our primary annual communication to capital providers and other stakeholders demonstrating how our purpose of 'Inspiring an Inclusive World and a Thriving Planet' shapes our strategy, stakeholder interactions and resource allocation. Through an integrated assessment of the interdependencies among the six capitals, the Report demonstrates how we create and deliver sustainable value to our diverse stakeholders while proactively managing trade-offs and minimising potential value erosion.

BASIS OF PREPARATION

Period	The Group adopts an annual reporting cycle, and this Report covers the period from 1st April 2025 to 31st March 2026. Material information and post balance sheet events up to the Board approval date of 29th May 2026 have also been included
Audience	The Report is designed to cater primarily to the information requirements of capital providers, but also includes information that is relevant to other stakeholders
Changes to reporting	Addition of 13 new subsidiaries that were formed/ acquired during the year and amalgamation of 2 subsidiaries.
Restatements	There were no major restatements of financial or non-financial information during the year

REPORTING BOUNDARY

This Report covers the operations of Hayleys PLC and its 202 affiliates (collectively referred to as the "Group") based in Sri Lanka and overseas (refer to Note 1 of the Financial Statements on page 369). Key changes to the Group's structure during the year included the following:

- Formation of 6 subsidiaries and acquisition of 7 new subsidiaries in the Energy, Mobility & Projects, Industry Inputs, Power & Energy, Tea Exports, Transportation & Logistics Sector

INTEGRATED REPORTING BOUNDARY

Operating environment (Page 101)

Business model (Page 94)

Strategy (Page 118)

Stakeholder engagement (Page 97)

Use and impacts on six capitals (Page 192)

FC MC HC IC SC NC

Materiality themes (Page 106)

Adapting business models	Geopolitical and economic factors	Sustainability and ESG integration	Stakeholder demands models

FINANCIAL REPORTING BOUNDARY

Hayleys PLC

195 Subsidiaries	7 Joint ventures and Associates	152 Local companies	51 Overseas companies

Refer to page 369 for a full list of companies included in the financial reporting boundary

STANDARDS AND FRAMEWORKS

Financial statements	Corporate Governance
⊙ Sri Lanka Financial Reporting Standards ⊙ Companies Act No.7 of 2007 ⊙ Listing Requirements of the Colombo Stock Exchange ⊙ Sri Lanka Accounting Standards	⊙ Listing Requirements of the Colombo Stock Exchange ⊙ Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)

Narrative/ Sustainability Report

	Reporting Standard	Objective of Reporting
Integrated Annual Report	• Integrated Reporting Framework	• Providing a holistic and connected view of how an organisation creates, preserves and may erode value over time
	• SLFRS S1 and S2 Sustainability Reporting Standards	• Disclosures on sustainability and climate-related risks and opportunities that may impact an entity's financial performance and position over time
	• Sustainability Accounting Standards Board (SASB)	• Disclosures on industry-specific, financially material sustainability disclosures
	• Taskforce on Nature-related Financial Disclosures	• Disclosures on nature-related risks and opportunities that may affect an organisation's strategy, risk profile and long-term value creation.
ESG Report	• GRI Standards (2021)	• Disclosures on the Group's economic, environmental and social impacts
	• Sustainable Development Goals (SDG)	• Demonstrate how the Group's operations contribute towards advancing the SDGs
	• Gender Parity Reporting Framework of CA Sri Lanka	• Disclosures on gender diversity, enabling stakeholders to assess progress toward achieving gender-balanced and inclusive workplaces.
	• 10 principles of the UN Global Compact	• Demonstrate its commitment to responsible business conduct

Welcome to Our 13th Integrated Annual Report

MATERIALITY

The content included in this Report is determined through a systematic materiality assessment process (detailed on page 106) which reflects issues that could impact the Group's ability to create value and its impacts on the society and environment. The Group adopts a 'double materiality' approach in corporate reporting, reflecting the nature of our businesses, our impacts and dependencies as well as recent developments in disclosure standards.

- **Financial materiality:** Our Integrated Annual Report is primarily designed to provide decision-useful information on matters (including sustainability-related risks and opportunities) that are likely to influence the organisation's ability to create economic value. The Report also includes a high-level overview of matters that are material from an impact perspective, complementing the assessment of financial materiality

- **Impact materiality:** The Group's ESG Report is prepared primarily on the basis of impact materiality, with emphasis placed on the Group's most significant impacts on people, society and the environment.

ASSURANCE

We ensure the integrity of both our financial and non-financial information through a combined assurance model which includes oversight by the management and the use of internal audit and external assurance providers. The different elements of our Integrated Report that were assured are set out below;

Reporting element	Internal assurance	External assurance
Financial information and relevant processes	• Regular review and evaluation of the financial reporting processes by the Internal Audit department • Executive review by CFO and finance teams • Independent oversight by Board of Directors and Audit Committee	Messrs. Ernst and Young (Page 235)
Integrated Report and relevant processes	• Verified by Board of Directors and sub-Committees • Sector level information verified by Sector leadership teams	• Integrated Reporting assurance by Messrs. KPMG (Page 320) • Evaluation of reporting processes • Descriptions relating to strategy and value creation • Application of content elements • Integrated thinking within the organisation
Sustainability-related Financial Disclosures	• Verified by Board of Directors • Sector-level disclosures verified by Sector Board of Directors	Assurance on SLFRS S1 and S2 Sustainability Disclosure Standards by Messrs. KPMG (Page 322)
GHG inventory	• Information verified by Sector-level sustainability champions and Group ESG function	Group-wide verification of the GHG inventory by Control Union in line with ISO 14064-1(2018): Greenhouse gases



STATEMENT OF COMPLIANCE

This report represents a complete set of sustainability-related financial disclosures for Hayleys PLC and its subsidiaries for the year ended 31 March 2026. The Group's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by CA Sri Lanka.

BOARD RESPONSIBILITY STATEMENT

Hayleys PLC's Board of Directors hold ultimate responsibility for ensuring the integrity of this Report. We hereby confirm that the 2025/26 Report addresses all relevant material matters and fairly represents the Group's integrated performance. We also confirm that the Report has been prepared in accordance with the Integrated Reporting Framework of the International Integrated Reporting Council. The Report is approved and authorised for publication.



Chairman & Chief Executive



Chairman of Audit Committee



Group Chief Financial Officer

FEEDBACK

We encourage our stakeholders to share their views on our Report. Kindly direct your feedback to,

info@cau.hayleys.com

Corporate Affairs Unit-Hayleys PLC

Navigation Icons

We have used the following navigation icons across the Report to improve connectivity and linkages between the different sections of the Report.

CAPITALS

- FC Financial
- IC Intellectual
- MC Manufactured
- SC Social & Relationship
- HC Human
- NC Natural

STAKEHOLDERS

- Shareholders
- Business partners
- Employees
- Communities
- Customers
- Government
- Suppliers

STRATEGIC PILLARS

- Building resilience through portfolio optimisation
- Inclusive business models
- Customer centricity
- Nurturing inspired teams
- ESG integration

SLFRS

- Interconnections between Sustainability-Related-Risks and Opportunities (SRROs)
- Connections within the information provided on SRRO
- Connections between sustainability-related financial information and general purpose financial information

Refer to more information

Website

Evolving our Report

ENHANCING CLARITY THROUGH DUAL-REPORTING APPROACH

This year marks a significant evolution in the Group's reporting journey, with the introduction of a dual-reporting approach comprising the Integrated Annual Report and a dedicated ESG Report.

Together, these form a cohesive suite of reports, each catering to distinct stakeholder needs while remaining closely interconnected. The Integrated Report continues to provide an investor-focused perspective on value creation, while the ESG Report offers a more detailed, impact-oriented view of the Group's sustainability priorities. Both reports are cross-referenced and aligned, ensuring consistency and connectivity. This transition to a dual-reporting structure was driven by several key considerations:

DISTINCT INFORMATION NEEDS

Recognising that capital providers and other stakeholders seek different types of information, the separation enables more targeted and meaningful communication aligned to these varying expectations.

STRENGTHENING CONNECTIVITY WITHOUT COMPROMISE

While presented separately, the reports remain fully aligned and cross-referenced, preserving integrated thinking while improving clarity and depth of disclosure.



IMPROVING READABILITY AMIDST EVOLVING REPORTING REQUIREMENTS

The introduction of new frameworks has significantly expanded disclosure requirements, increasing both the length and complexity of the Report and making it more challenging for stakeholders to navigate and access relevant information.

STAKEHOLDER FEEDBACK

Feedback from investors and broader stakeholder groups highlighted the need for increased clarity and clearer segmentation of financial and sustainability-related information

Our Reporting Suite

The reporting suite presented below is designed to meet the diverse information needs of our stakeholders, enabling stakeholders to fairly assess the Group's financial and sustainability performance.

Environmental, Social and Governance (ESG) disclosures

Topic-specific disclosures structured in line with the priority areas of the ESG Roadmap- the Hayleys Lifecode and designed to meet the diverse information needs of stakeholders

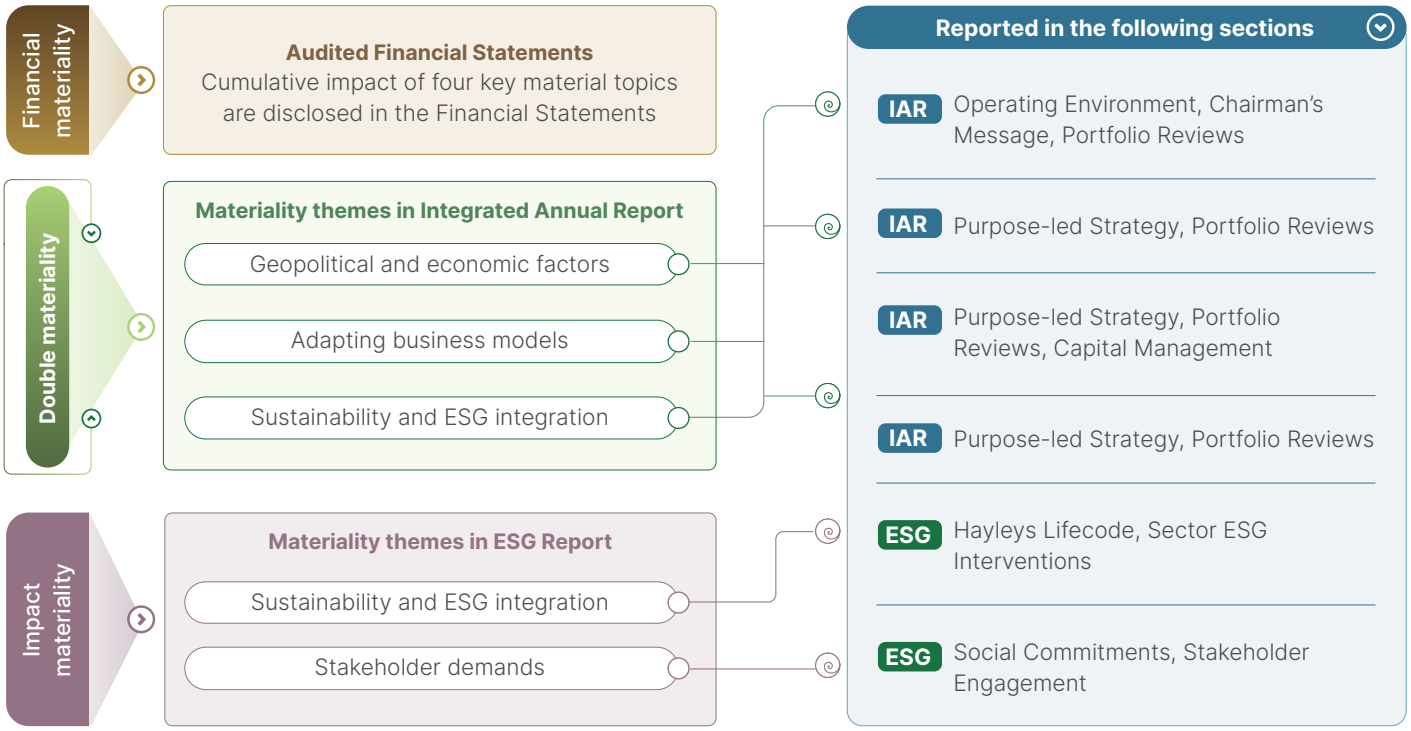


Integrated Annual Report 2025/26

Our Integrated Annual Report serves as our primary communication with our stakeholders, with key focus on capital providers

MATERIALITY

The Group's material topics have been organised into four overarching themes and the accompanying illustration demonstrates how each material theme is addressed across the Group's suite of reports, enabling stakeholders to easily navigate and access relevant disclosures.



NAVIGATING THE REPORT

This year, we have refined the structure of our Annual Report to enhance clarity, and ease of navigation, enabling stakeholders to engage more intuitively with the information presented. At the core of this evolution is a sharper strategic orientation, with strategy taking centre stage in shaping the narrative of the Report. The structure is designed to clearly demonstrate how the disciplined execution of our strategic priorities translates into sustained value creation across our six capitals, reflecting the interconnected nature of our business model. In doing so, the Report places greater emphasis on linking performance, resource allocation and outcomes within a unified framework. Further strengthening this integrated approach, interlinkages across sections are highlighted through the consistent use of navigation icons and embedded QR codes, guiding readers seamlessly to related content and providing deeper insights where relevant.

The strategic disclosure sections are mapped to the relevant capitals as illustrated below:

Strategic focus area		Link to capitals
1.	Portfolio Optimisation	Financial Capital, Manufactured Capital
2.	Customer Centricity	Social & Relationship Capital- Customers
3.	Nurturing Inspired Teams	Human Capital
4.	Inclusive Business Models	Social & Relationship Capital- Customers and Communities
5.	Strategic ESG Integration	Human Capital, Social & Relationship Capital, Natural Capital

Structural changes featured in this years' Report

- Narrative structured on 5 strategic pillars, linked to the capitals
- Impact materiality disclosures have been consolidated within the ESG Report
- Capital management disclosures have been streamlined and summarised to minimise duplication

Approach to Integrated Reporting

An integrated approach to our strategy formulation and value creation precedes the preparation of this Report, which is facilitated by organisation-wide collaboration and robust reporting processes. This process is governed by the Board of Directors, Group Management Committee (GMC) and respective functions and assured through a combined assurance model.

INTEGRATED THINKING

PURPOSE- LED STRATEGY

The Group's strategic aspirations are designed to fulfil its Purpose, which is achieved through leveraging its resources and relationships. This interaction leads to inevitable trade-offs, outputs and stakeholder outcomes, which ultimately results in the creation, preservation and erosion of value.



MATERIALITY

MATERIALITY THEMES

Geopolitical and economic factors	Adapting business models	Sustainability and ESG integration	Stakeholder demands

Disclosures available in the following sections

Reflections from Chairman, Operating environment, Portfolio Reviews	Portfolio Reviews, Purpose-led Strategy, Delivering Integrated Value	Strategic ESG Integration, Portfolio Reviews	Stakeholder Engagement, Portfolio Reviews

REPORTING PROCESSES

Plan	Formulate	Validate	Approval
Plan content based on materiality analysis, stakeholder information needs and benchmarking	Content formulated by a cross-functional team led by the Group CFO, using insights gathered through engagement with sector leaders	Combined assurance model which includes review by the GMC members and external assurance providers	The Board provides final approval of the Report with the Chairman of the Board & Audit Committee providing final sign-off for publication

COMMUNICATION

ACCESSIBILITY

Language
Chairman's Statement and Annual Report synopsis translated to Sinhalese and Tamil

Visual design
- → Use of infographics
- → Data visualisation
- → Augmented reality enabled features

Multiple formats
- → Comprehensive Annual Report
- → Mobile friendly version
- → Persona-based website
- → ChatBot with Generative AI capabilities and voice enablement

User engagement
- → Opportunities for feedback
- → Interactive elements

Improvements featured in this year's Integrated Annual Report

As part of our ongoing commitment to transparency and continuous improvement, we actively seek feedback from both internal and external stakeholders on our Annual Report each year. The feedback received this year highlighted a clear preference for simplifying the presentation of information, enhancing clarity, and improving overall readability. Stakeholders also encouraged us to reduce unnecessary complexity and streamline the Report to make it more concise and accessible. These insights have been carefully considered in shaping this year's reporting approach, guiding efforts to refine the structure, sharpen the narrative, and present information in a manner that easier for readers to navigate.

Key improvements featured in this year's report include the following:



Clarity and readability

- Integrated Report has been refined to focus primarily on investor-oriented disclosures
- Increased strategic orientation
- The Report has been streamlined with a reduction in page count compared to the previous year

Accountability

- External assurance on the SLFRS S1 and S2 Sustainability Disclosure Standards, bringing the total number of external assurances obtained to four.
  - Financial Reporting
  - SLFRS S1 & S2 Standards
  - Integrated Reporting
  - GHG Inventory

Reporting frameworks

- Adoption of Task force on Nature-Related Financial disclosures (TNFD) standards
- Increased connectivity between sustainability-related financial disclosures and general - purpose financial statements

Sustainability and emission reporting

- Widened Scope 3 disclosures with the addition of 2 new categories:
  - Fuel and energy related services
  - Capital goods
- Improvements in SLFRS S1 and S2 reporting (page 140)

Digitalisation of reporting

- Videos complementing the key chapters of the Annual Report
- Dynamic chart generators of key financial and non-financial information
- AI-enabled dashboards
- Persona-based website

Approach to SLFRS S1 and S2 Sustainability Disclosure Standards

During the year under review, sustainability related financial disclosures under the SLFRS S1 and S2 Sustainability Disclosure Standards became mandatory for the top 100 listed entities by market capitalisation on the Colombo Stock Exchange, including Hayleys PLC. Having voluntarily adopted these standards ahead of the regulatory requirement and progressively strengthened our disclosures over the past two years, the Group has transitioned towards comprehensive reporting under the standards this year.

2023/24

- Implementing relevant governance structures and risk management processes
- Climate-first reporting
- Qualitative approach to assessing financial effects
- Limited coverage of Scope 3 GHG emissions

2024/25

- Widen disclosures to include sustainability-related risks and opportunities (SRRO)
- Commenced quantification of financial effects
- Widened coverage of Scope 3 emission computation with the addition of 2 new categories

2025/26

- Improved quantification of financial effects
- Widened coverage of Scope 3 emission computation with the addition of 2 further categories
- External assurance on SLFRS S1 & S2 Disclosures



PROCESS AND DISCLOSURE IMPROVEMENTS

Process improvements

- Formalisation of Group-wide risk management procedure defining risk prioritisation criteria
- Enhanced integration of SRRO/CRRO into strategy formulation through their inclusion in the annual budgeting process
- Established quarterly reporting of SRROs to the Board of Directors of Hayleys PLC and relevant sector-level leadership
- Obtained external assurance on SLFRS S1 and S2 sustainability-related financial disclosures

Reporting improvements

- Enhanced quantification of the financial effects of SRRO/CRRO
- Strengthened connectivity between general purpose financial disclosures and sustainability-related financial disclosures
- Expanded the coverage of Scope 3 emissions to include two additional categories
- Improved readability of disclosures using graphical illustrations and visual representations

NAVIGATING OUR SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

The Group's SLFRS S1 and S2 disclosures are presented separately in the Sustainability-related Financial Disclosures chapter on page 140. To enhance connectivity across the report, these disclosures are linked to relevant sections of the Annual Report.

Pillars of SLFRS S1 and S2	Primary location of disclosures	Location of connected information
Governance	Sustainability-related Financial Disclosures: Page 144	Corporate Governance: Page 64
Strategy	Sustainability-related Financial Disclosures: Page 148	Portfolio Reviews: Page 212 to 317 Strategy and Resource Allocation: Page 118 Capital Management: Page 192 Financial Statements: Page 358
Risk Management	Sustainability-related Financial Disclosures: Page 178	Risks and Opportunities: Page 108
Metrics and targets	Sustainability-related Financial Disclosures: Page 180	Portfolio Reviews: Page 212 Capital Management: Page 192

Digitalisation of Reporting

The Group continues to leverage digitalisation to enhance the accessibility, and overall stakeholder experience of its reporting processes. Through the use of interactive and digitally enabled reporting formats, information is presented in a more engaging manner while also supporting the delivery of more targeted and relevant information to different stakeholder groups.

The Group's digital reporting was elevated during the year with the following features: This year, particular focus was placed on delivering a seamless viewing experience across all digital platforms, ensuring that stakeholders can engage with the Report in a holistic and consistent manner across devices and formats.



PERSONA-BASED WEBSITE FEATURING AI-POWERED CHATBOT AVATAR

The Annual Report website features

- AI-powered chatbot avatar with voice enabled capabilities
- Flexibility to build reports based on specific disclosure requirements
- Chart generator capabilities
- Persona-based capabilities



AI-ENABLED STORYTELLING DASHBOARDS

AI-enabled storytelling dashboards were introduced within the website to present key information through interactive and intuitive visual narratives, enhancing stakeholder engagement and accessibility.



SRI LANKA'S FIRST AUGMENTED REALITY-ENABLED ANNUAL REPORT

Selected pages within the Annual Report were enhanced with augmented reality features to provide a more immersive and engaging stakeholder experience.

Performance Highlights

		2026	Change %	2025*	2024*
EARNINGS HIGHLIGHTS AND RATIOS					
FROM CONTINUING OPERATIONS					
Revenue	Rs. mn	**585,021**	19.26	490,558	435,251
Earnings before interest, taxes, depreciation & amortization (EBITDA)	Rs. mn	**64,817**	7.56	60,261	54,224
Results from operating activities (EBIT)	Rs. mn	**49,367**	2.00	48,398	43,901
Profit before tax	Rs. mn	**38,038**	3.62	36,710	27,388
Income tax	Rs. mn	**14,587**	13.43	12,860	10,489
Profit after tax	Rs. mn	**23,451**	(1.67)	23,849	16,899
Gross profit Margin	%	**23.28**	(2.67)	23.92	24.88
Operating Profit Margin	%	**8.44**	(14.47)	9.87	10.09
Net Profit Margin	%	**4.01**	(17.55)	4.86	3.88
Earnings per share (basic) and (diluted) - Continuing Operation	Rs.	**20.34**	3.30	19.69	11.92
FROM DISCONTINUED OPERATIONS					
Profit / (Loss) After Tax from discontinued operation	Rs. mn	**(1,228)**	(8.15)	(1,337)	(2,052)
FROM ALL OPERATIONS					
Profit After Tax	Rs. mn	**22,223**	(1.28)	22,512	14,847
Profit attributable to owners of the parent	Rs. mn	**14,052**	4.48	13,449	6,889
Dividends	Rs. mn	**4,500**	0.00	4,500	4,013
Earnings per share (basic) for the group	Rs.	**18.71**	4.47	17.91	9.19
Return on Assets (ROA)	%	**3.44**	(21.94)	4.41	3.36
Return on Capital Employed (ROCE)	%	**10.73**	(22.75)	13.89	14.76
Return on equity (ROE)	%	**12.41**	(14.04)	14.44	8.59
Interest cover	No. of times	**2.88**	(13.62)	3.33	2.08
FINANCIAL POSITION HIGHLIGHTS AND RATIOS					
Total Assets	Rs. mn	**645,824**	26.46	510,693	442,044
Total Debt	Rs. mn	**289,657**	41.70	204,410	171,883
Equity attributable to equity holders of the parent	Rs. mn	**113,215**	21.55	93,142	80,163
Stated capital	Rs. mn	**1,575**	0.00	1,575	1,575
Revenue reserve	Rs. mn	**65,461**	16.01	56,425	47,896
Gearing	%	**62.95**	7.32	58.65	57.79
Debt/Equity	%	**169.89**	19.76	141.86	136.93
Equity Asset ratio	%	**26.40**	(6.43)	28.21	28.40
Net assets per share	Rs.	**150.95**	21.55	124.19	106.88
Current ratio	No. of times	**1.19**	2.50	1.16	1.14
Quick asset ratio	No. of times	**0.84**	5.08	0.80	0.76
No. of Shares in issue	No. mn	**750**	0.00	750	750
MARKET / SHAREHOLDER INFORMATION					
Market value per share	Rs.	**215.00**	56.93	137.00	82.10
Dividend per share	Rs.	**6.00**	0.00	6.00	5.35
Company market capitalisation	Rs. mn	**161,250**	56.93	102,750	61,575
Group market capitalisation	Rs. mn	**374,462**	47.03	254,688	168,127
Price earnings ratio	No. of times	**11.49**	50.22	7.65	8.94
Dividend yield ratio	%	**2.79**	(36.28)	4.38	6.52
Dividend payout ratio	%	**32.07**	(4.28)	33.50	58.25
Dividend Cover	No. of times	**3.12**	4.48	2.99	1.72

**Comparative information has been restated to reflect the Maldives hotel operation being classified as a discontinued operations.*

CONSOLIDATED STATEMENT OF ESG PERFORMANCE

		2026	Change %	2025	2024
ENVIRONMENTAL PERFORMANCE					
Total energy consumption	GJ mn	**5.95**	-10%	6.61	6.18
1-Renewable energy consumption	GJ mn	**4.47**	-9%	4.92	4.47
2-Non-renewable energy consumption	GJ mn	**1.48**	-12%	1.69	1.705
% Renewable energy consumption	%	**75**	1%	74	72
Renewable energy generation	MWh	**428,132**	6%	403,959	403,582
Renewable energy generation %					
1-Out of total energy consumed	%	**26**	4%	22	23
2-Out of total electricity consumed	%	**310**	86%	224	241
Total carbon footprint (GHG emissions)**	tCO2e	**763,955**	0%	760,245	214,008
Scope 1 emissions	tCO2e	**113,207**	0%	112,756	106,799
Scope 2 emissions	tCO2e	**72,587**	3%	70,520	71,740
Scope 3 emissions	tCO2e	**578,161**	0%	576,969	35,469
Biogenic emissions	tCO2e	**493,929**	26%	391,750	282,951
Total water withdrawal	m3 mn	**7.65**	5%	7.29	7.03
Rainwater harvested	m3	**176,022**	157%	68,600	157,049
Recycled water usage	%	**14**	1%	13	14
Solid waste	MT	**23,332**	1%	23,004	20,850
Effluents discharged	m3 mn	**5.32**	2%	5.22	4.85
Waste water treated through internal treatment plants	%	**46**	-6%	52	51
Energy intensity (energy per revenue)	GJ/USD mn	**3,097**	-23%	3997	4481
Emission intensity (emission per revenue)	tCO2e/USD mn	**97**	-13%	111	129.37
Water intensity (water withdrawal per revenue)	m3/USD mn	**3,978**	-10%	4,410	5,097
SOCIAL PERFORMANCE					
EMPLOYEES					
Employees on payroll	No.	**38,746**	2%	38,029	36,266
Female representation	%	**34**	-1%	35	35
New recruits	No.	**10,635**	0%	10,686	9,635
Payments to employees	Rs. mn	**62,330**	12%	55,856	53,122
Investment in training	Rs. mn	**325**	67%	195	183
Training hours	Hours	**579,104**	33%	434,715	369,589
Average training hours per employee	Hours	**14.95**	31%	11.43	10.19
Retention rate	%	**74**	-2%	76	74
Workplace Injuries	No.	**588**	-26%	798	390
CUSTOMERS					
Customers acquired	No.	**2,128,646**	27%	1,672,975	1,237,901
Revenue generated	Rs. mn	**585,021**	19%	492,201	436,883
No. of new products developed	No.	**785**	66%	474	624
No. of products in the pipeline	No.	**680**	-10%	757	695
Investment in R&D	Rs. mn	**969**	19%	812	548
SUPPLIERS AND BUSINESS PARTNERS					
Payments to suppliers	Rs. mn	**408,264**	20%	341,309	325,356
Proportion of spending on local suppliers	%	**59**	4%	55	54
Suppliers supported through development programs	No.	**5,512**	-6%	5,862	1,318
COMMUNITY ENGAGEMENT					
Investment in CSR	Rs. mn	**444**	-2%	451	408
CSR beneficiaries	No.	**668,859**	4%	640,270	707,580

**Represents an increase in the reporting categories of Scope 3 GHG emissions*

Performance Highlights

		2026	Change %	2025	2024
GOVERNANCE AND ETHICS PERFORMANCE					
Boards of Directors (in the Group)	No.	**327**	12%	293	367
Audit Committees (in the Group)	No.	**18**	0%	18	19
HR & Remuneration Committees (in the Group)	No.	**15**	15%	13	13
Related Party Transaction Review Committees (in the Group)	No.	**15**	15%	13	13
No. of Board meetings held	No.	**126**	2%	123	127
No. of Audit Committee meetings held	No.	**77**	3%	75	82
Female representation on Boards	%	**12**	1%	11	11
Human rights violations	No.	**Nil**		Nil	Nil
Corruption incidents	No.	**Nil**		Nil	Nil
Instances of socio-economic non-compliance	No.	**Nil**		Nil	Nil
Instances of environmental non-compliance	No.	**Nil**		Nil	Nil
ECONOMIC PERFORMANCE					
Foreign currency brought into the country	USD mn	**800**	5%	761	685
Indirect employment	No.	**25,554**	-8%	27,784	4,227
Tax paid	Rs. mn	**55,355**	22%	45,336	46,360
Innovations (total new products)	No.	**785**	66%	474	624
Job creation outside Western Province	No.	**5,407**	-4%	5,658	4,823
Economic Value Generated	Rs. mn	**172,062**	13.79	151,214	148,666
Economic Value Distributed	Rs. mn	**150,291**	12.85	133,174	137,726
Government	Rs. mn	**55,355**	22.10	45,336	46,360
Employees	Rs. mn	**62,330**	11.56	55,873	53,118
Lenders of capital	Rs. mn	**28,106**	2.34	27,464	34,235
Value Added per employee	Rs. mn	**4.44**	11.68	3.98	4.10
Group employment	Number	**38,746**	1.89	38,029	36,266
Average Revenue per employee	Rs. mn	**15**	17.05	13	12
Average operating income per employee	Rs. mn	**1.27**	0.11	1.27	1.21

Please refer to page 533 for the Basis of Preparation of the Consolidated Statement of ESG Performance.

BASIS OF PREPARATION OF THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

Principles of consolidation: Environmental disclosures including energy consumption, emissions, water and waste covers all Group-wide manufacturing sites, plantations, corporate offices and other sites. Social and governance-related disclosures also relate to the Hayleys Group comprising all entities controlled by the Group.

Materiality: In assessing whether a disclosure is sufficiently material to be included in the Group's Statement of ESG Performance, the management considers its potential impact on the Group's ability to create value in the short, medium and long-term and the extent of its social and environmental impacts.

Policies: The methods of computation and information aggregation of the ESG disclosures are set out within the relevant capital reports and have been applied consistently in the preparation of the consolidated ESG Statement.

Refer to page 533 for further information on Basis of Preparation

OUR PURPOSE

To Inspire an Inclusive World and a Thriving Planet

VISION

To be Sri Lanka's Corporate Inspiration at all Times

MISSION

Delivering Superior Shareholder Value by Unleashing the Full Potential of our People and Achieving Leadership in all our Domestic and Global Businesses

VALUES

H **Honesty and integrity** - ethical and transparent in all our dealings.

A **Accountability** - holding ourselves responsible to deliver what we promise.

Y **Yes, WE can! (Team Work)** - working with each other and with our partners across boundaries, to make things happen.

L **Love for humanity** - treating everyone with respect and dignity, providing for the development of our people and rewarding them for good performance.

E **Enduring Customer Value** - enhancing experiences for every customer, from the rural farmer to the global consumer.

Y **Yes, we WILL WIN! (a Will to win)** - exhibiting the will to win that which is important to Hayleys and its shareholders.

S **Social Responsibility as a Good Corporate Citizen** - caring for the communities in which we work, actively supporting their growth and being environmentally responsible in all we do.

&

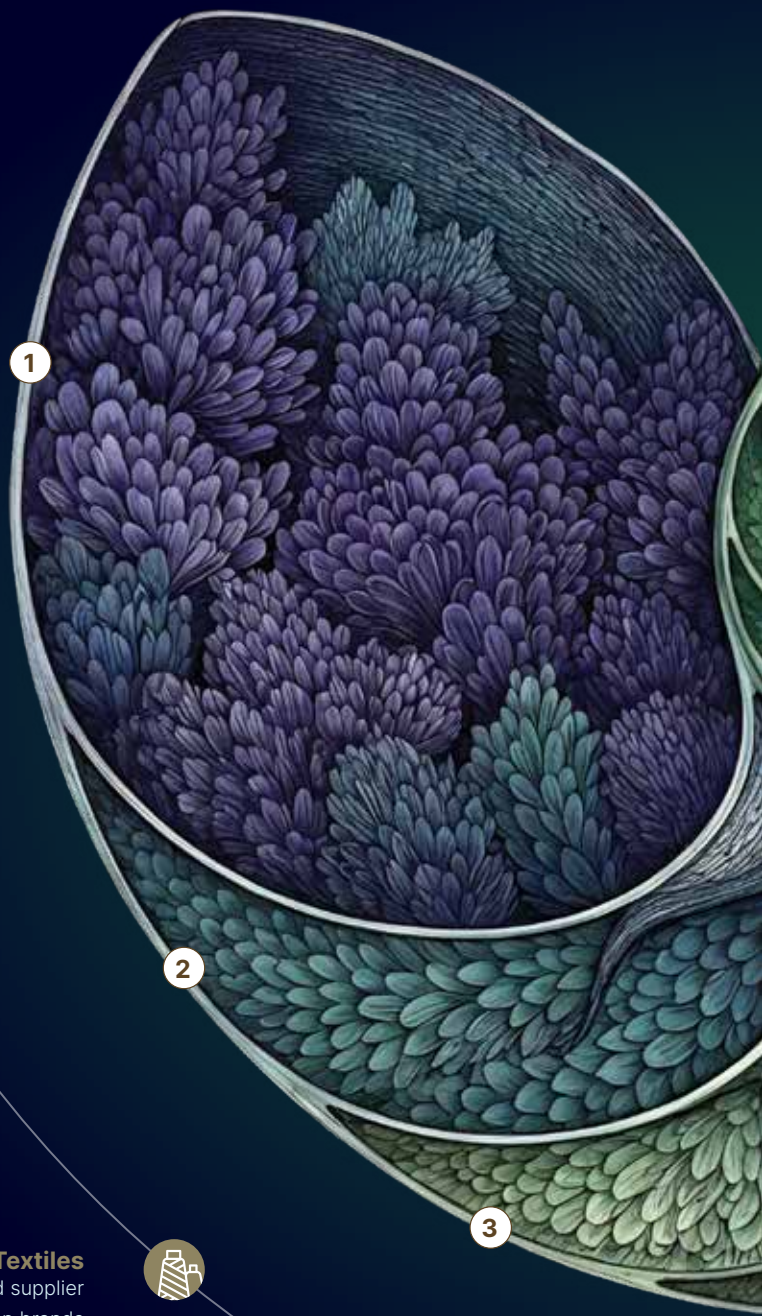
I **Innovation** - transforming ideas into products and services to create economic, social and environmental value in the pioneering spirit of Hayleys

STRATEGY

- → Portfolio optimisation
- → Customer centricity
- → Nurturing inspired teams
- → Inclusive business models
- → ESG integration



Portfolio Highlights



Consumer & Retail

Sri Lanka's leading supplier of consumer durables, Singer (Sri Lanka) PLC and exclusive distributor for P&G products in Sri Lanka and Maldives. Distributor for selected Hayleys products including Hayleys Agriculture and Mabroc Teas.

27% 29% 10% 7%

Transportation & Logistics

The leader in the country's transportation and logistics industry, offering the entire gamut of transportation-related services.

20% 15% 8% 17%

Purification

Global leader in coconut-shell-based activated carbon

11% 15% 5% 16%

Hand Protection

Manufacturer and exporter of household and industrial gloves, serving 5% of global demand

9% 11% 7% 11%

Agriculture

Industry pioneer in agricultural innovation, providing a wide range of agriculture-related solutions to the retail and export markets

8% 7% 3% 2%

Textiles

Sri Lanka's largest fabric mill and supplier of fabric to leading global fashion brands

6% 3% 9% 17%

Projects, Energy & Mobility

Offers an array of integrated solutions including solar EPC, renewable energy and mobility

5% 6% 5% 2%

Bring this Story to Life

Others

The Sector includes Hayleys Group Services and Hayleys Business Solutions International (Pvt) Ltd- provider of BPO and shared services within the Group

0% -2% 1% 1%

Leisure

The five-star city hotel- The Kingsbury, owner of a property in Maldives - NH Maldives Kuda Rah and owner, operator, and manager of hotel properties in Sri Lanka through the Amaya Resorts chain

1% 1% 4% 6%



Industry Inputs, Power & Energy

Supplier of inputs to diverse industries and renewable energy generator with an installed capacity of 54MW of hydro, solar and wind power plants

2% 3% 1% 0%

Tea Exports

The Sector comprises Mabroc (Teas) Pvt Ltd a value-added tea exporter and Martin Bauer Hayleys (Pvt) Ltd a manufacturer of tea extracts and aroma

2% 2% 1% 0%

Eco Solutions

Sri Lanka's leading manufacturer and exporter of value-added coconut fibre products

3% 0.3% 3% 2%

Construction Materials

Sri Lanka's leading manufacturer and exporter of aluminium extrusions to both residential and industrial segments

3% 3% 3% 6%

Plantations

Three leading Regional Plantation Companies (RPC) which collectively generate 4.5% and 4.8% of the country's tea and rubber production

3% 6% 40% 13%

Contribution to Group

Revenue PBT Employees
Scope 1 & 2 GHG emissions

Hayleys at a Glance

The Hayleys Group is Sri Lanka's leading diversified conglomerate and a cornerstone of the country's economic development. With extensive business interests across 14 industry verticals and globally leading market positions, the Group has propelled Sri Lankan industries forward through an illustrious history of over 145 years. It is also one of the country's most socio-economically impactful enterprises, with unparalleled depth and breadth of relationships across Sri Lanka's diverse supply chains which has enabled it to drive inclusive progress, while integrating itself with the socio-economic fabric of the nation.

Hayleys in numbers

14
SECTORS

203
COMPANIES

Rs. **585** bn
REVENUE

Rs. **38** bn
PROFIT BEFORE TAX

Rs. **646** bn
TOTAL ASSETS

What sets



Unparalleled breadth of diversification across industries and geographies



Agile and innovation led business models that continuously adapt to evolving market dynamics



A purpose-driven business with sustainability strategically embedded into its core operations.

Diverse business portfolio

Eco Solutions | Hand Protection | Purification | Textiles | Construction Materials | Plantations | Agriculture | Consumer & Retail | Leisure | Industry Inputs, Power & Energy | Transportation & Logistics | Energy, Mobility & Projects | Tea Exports | Others

us apart





Globally leading market positions across key verticals



Deeply embedded within Sri Lanka's supply chains driving socio-economic empowerment



Robust governance and risk management mechanisms supporting long-term resilience

Impacts and Outcomes

38,746
TOTAL EMPLOYEES

20,862
SUPPLIERS ENGAGED

Rs. **172** bn
ECONOMIC VALUE GENERATED

USD. **800** mn
FOREIGN EXCHANGE GENERATED

Rs. **55** bn
TAX CONTRIBUTIONS ACROSS THE GROUP

Past, Present and Future

The Hayleys Groups' remarkable journey from a manufacturer of coconut fibre of over 145 years ago, to Sri Lanka's most diversified conglomerate today has been shaped by its singular commitment to drive excellence in all spheres of its operations and creating shared value across its ecosystem of diverse stakeholders.

MILESTONES FROM OUR PAST

1878
Formation of Chas.P.Hayleys & Co. in Galle

1913
Hayley & Kenny purchase 400, Deans Road premises

1954
Hayleys becomes a public company

1958
Shipping agency department formed (forerunner of Advantis)

1973
Haycarb pioneers manufacture and export of activated carbon and export of activated carbon

1976
Dipped Products Ltd. Incorporated to manufacture rubber gloves

THE PRESENT

Sri Lanka's most **diversified conglomerate** with unparalleled socio-economic impacts



Expansion into new business verticals

Building ecosystems

Product innovation

Embracing technology and R&D

Business model innovation

Entering new markets

Across its business lines, organic and inorganic growth has always centered on enhancing value through offering innovative and sophisticated solutions catering to increasingly complex customer needs. Today, our intrinsic link to every facet of the country's economy and our deep connections to international supply chains have allowed Hayleys to showcase the best Sri Lanka has to offer in the global arena.

2011	2016	2017	2021	2023	2024	2025
Acquisition of Alumex Group	Acquisition of Fentons Limited	Acquisition of majority stake in Singer (Sri Lanka) PLC and Sri Lanka Shipping Company Ltd	Hayleys Fabric acquires South Asia Textiles Ltd	Acquisition of Horana Plantations PLC	Acquisition of Hi-Care Thai Gloves Co. Ltd in Thailand	Entry into mobility solutions through Hayleys Mobility

FUTURE





A global leader in coconut-shell based activated carbon



Serves 5% of global demand for household and industrial gloves



Sri Lanka's leading retailer of consumer durables



Sri Lanka's largest exporter of aluminium profile systems



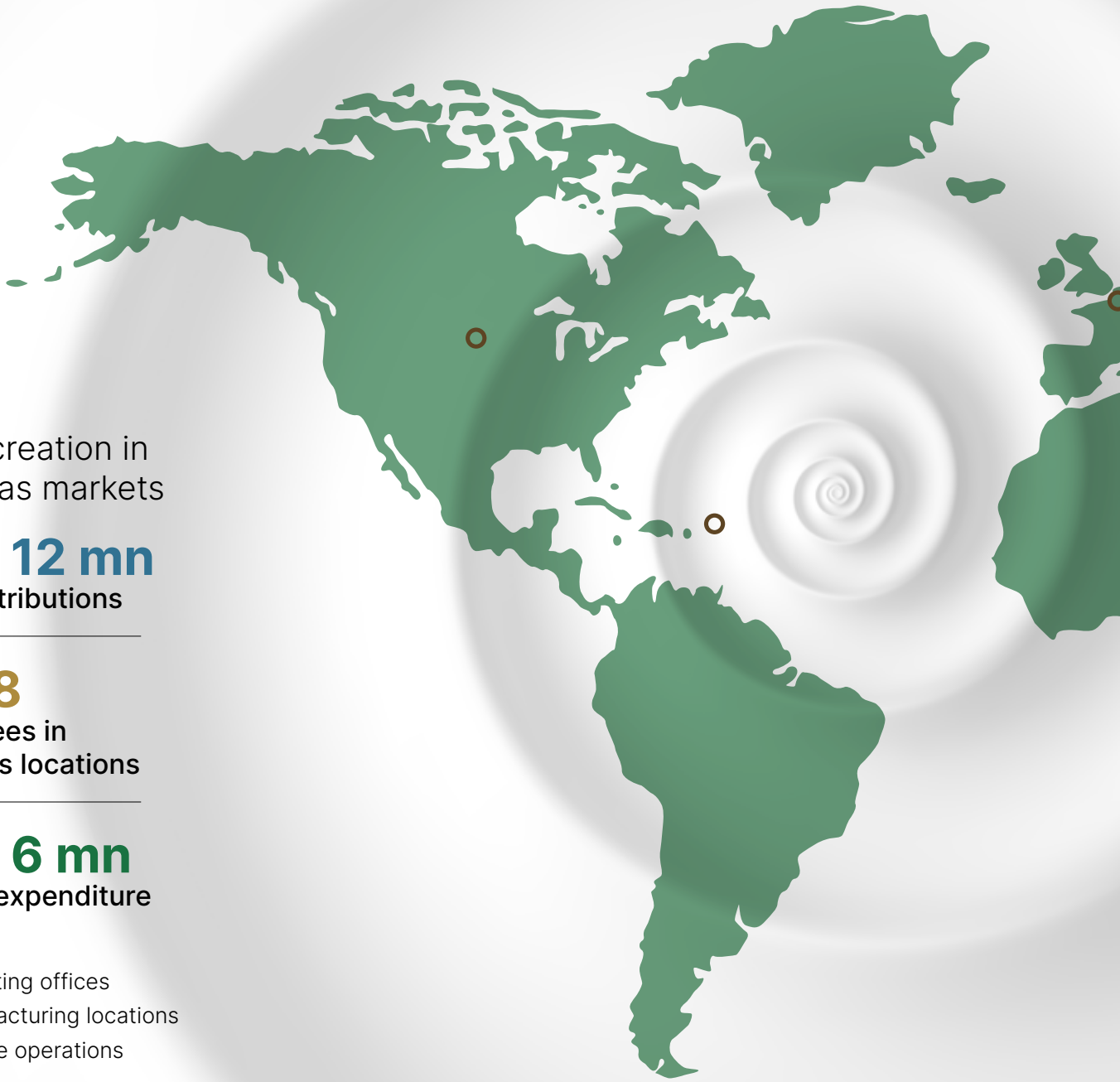
Sri Lanka's leading provider of integrated transportation and logistics solutions



Sri Lanka's largest exporter of fibre based value-added products

- Maintain global market leadership positions in key verticals
- Enter high-growth market and customer segments such as Retail
- Pursue new opportunities across verticals and customer segments
- Value addition and contribution to the domestic economy
- Strategic integration of ESG
- Digitalisation and automation across key processes

Global Footprint



Value creation in overseas markets

USD 12 mn
Tax contributions

2,178
employees in overseas locations

USD 6 mn
Capital expenditure

- Marketing offices
- Manufacturing locations
- Service operations

	Sri Lanka	Australia	Bangladesh	India	Indonesia	Italy	France	Poland
Revenue (Rs.Mn)	471,188	4,794	7,499	4,011	11,798	9,333	2,379	951
Profit before tax (Rs.Mn)	29,582	623	1,189	182	517	471	(622)	49
Tax (Rs.Mn)	12,660	175	402	63	142	99	-	-
CAPEX (Rs.Mn)	20,827	-	274	38	111	4	1	34
Total Assets (Rs.Mn)	553,513	2,983	7,168	1,622	10,104	9,296	1,728	547
Total Borrowings (Rs.Mn)	268,652	164	2,095	108	3,430	2,209	549	75
Employees (No.)	36,568	3	298	86	299	20	11	11
Carbon Footprint (tCO2e)	720,251	14	994	12,997	5,081	42	-	-

Bring this
story to life



Maldives	Myanmar	Singapore	Thailand	United Kingdom	USA	Japan	Netherlands	British Virgin Islands	Germany	Others
10,871	1,206	9,822	27,486	4,123	16,699	968	-	-	437	1,458
2,167	81	1,600	1,464	22	644	50	19	9	(1)	(9)
117	5	246	523	16	121	17	-	-	-	-
18	1	164	1,043	-	-	-	-	-	-	2
10,743	966	7,097	26,300	3,087	6,569	303	185	312	897	2,403
5,210	-	779	2,822	4	2,162	59	-	-	-	1,337
211	132	33	1,051	13	7					3
6,985	2,712	-	14,862	17	-	-	-	-	-	

Awards and Recognition

Hayleys PLC further reinforced its standing as the benchmark for corporate reporting excellence, securing the prestigious Overall Winner title at the CA Sri Lanka TAGS Awards 2025 for the fourth consecutive year, alongside being adjudged the Overall Winner at the ACCA Sustainability Reporting Awards 2025 for the third successive year.



OVERALL EXCELLENCE

32nd Annual Edition of LMD 100
Sri Lanka's No. 1 Corporate:
Hayleys PLC

CNCI Achiever Awards 2025
CNCI Top 10 Industrial Leaders:
Kelani Valley Plantations PLC

CNCI Top 10 Industrial Leaders:
Haycarb PLC

SLIM-Kantar People's Awards 2025
People's Brand of the Year -
Singer (Sri Lanka) PLC

Consumer Durables Brand of the Year -
Singer (Sri Lanka) PLC

Youth Brand of the Year - Singer
(Sri Lanka) PLC

EXPORT CONTRIBUTION

Presidential Export Awards 2025
Overall Award- Innovative Export
Product of the Year:
Ultracarb (Private) Ltd

Best Exporter- Coconut Shell Products:
Haycarb PLC

Best Exporter- Hub Operations
& Entrepot Trade:
Advantis-Free Zone

Best Exporter- Coconut Fibre Products:
Toyo Cushion Lanka (Private) Ltd

Best Exporter-Processed Fruits & Vegetables:
HJS Condiments Limited

Best Exporter- Floriculture:
Quality Seed Company (Private) Limited

CORPORATE REPORTING

CA Sri Lanka TAGS Awards 2025
Gold Awards
Overall Excellence: Hayleys PLC

Diversified Holdings (Group turnover above Rs. 100 bn): Hayleys PLC

Corporate Governance (Disclosures- Non-financial services): Hayleys PLC

Integrated Reporting: Hayleys PLC

Sustainability Reporting: Hayleys PLC

Manufacturing Sector (Group turnover above Rs.50 bn): Dipped Products PLC

Manufacturing Sector (Group turnover between Rs.10 bn-Rs. 50 bn): Haycarb PLC

Manufacturing Sector (Group turnover up to Rs.10 bn): Hayleys Fibre PLC



Service Organisations:
Hayleys Advantis Ltd.

Construction & Related Services: Hayleys Fentons Limited

Plantation Companies (Group turnover above Rs.5 bn): Kelani Valley Plantations PLC

Plantations Companies (Group turnover up to Rs.5 bn): Horana Plantations PLC

Trading Companies: Singer (Sri Lanka) PLC

Finance & Leasing Companies (Group Assets Rs.25-Rs.75 bn): Singer Finance (Lanka) PLC

ACCA Sustainability Reporting Awards 2025
Overall: Hayleys PLC

Winner-Conglomerates & Diversified category: Hayleys PLC

Winner-Special Award-Risk reporting: Hayleys PLC

Winner-Agriculture category: Talawakelle Tea Estates PLC

Winner-Manufacturing category: Dipped Products PLC

Winner-Non-financial services: Hayleys Advantis Ltd

Winner- Retail & Trading category: Hayleys Fentons Limited

SUSTAINABILITY

Best Corporate Citizen Sustainability Awards 2025
Winner-Best Corporate Citizen (Category B): Talawakelle Tea Estates PLC

Winner-Environmental Integration: Dipped Products PLC

Winner-Retail Sector: Singer Sri Lanka PLC

Winner- Construction Sector: Hayleys Fentons Ltd

PEOPLE PROPOSITION

EFC National Best Employer Awards 2025
Sri Lanka's Top 10 National Best Employers: Hayleys PLC

CIPM- Great HR Awards 2025
Joint Winner-Agriculture & Plantation Sector: Talawakelle Tea Estates PLC

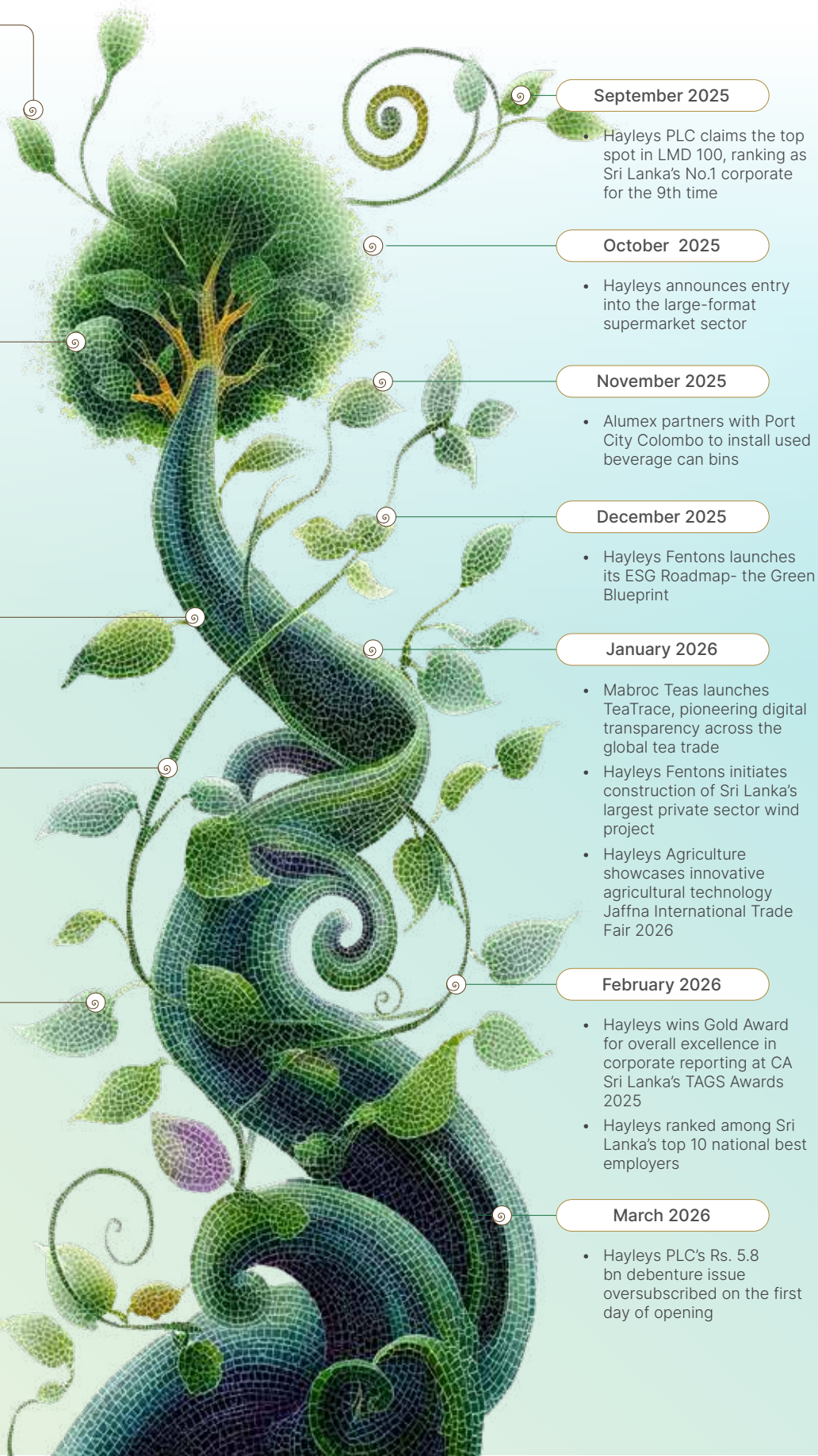
Joint Winner-Agriculture & Plantation Sector: Kelani Valley Plantations PLC

Winner - Manufacturing, Printing & Packaging Services, Gems & Jewellery Sector: Dipped Products PLC

Winner - Shipping, Logistics & Transport Sector: Hayleys Advantis Ltd

Excellence Award-Best Women-Friendly Workplace: Talawakelle Tea Estates PLC

Year at a Glance



April 2025

- Hayleys Plantations opens state-of-the-art Kiruwanaganga Tea Factory at an investment of Rs. 750 mn
- DPL commissions new natural rubber production glove facility in Hanwella at a Rs. 1.0 bn investment
- Fentons IT partnered with IceWarp to launch its global business communication platform in Sri Lanka.

May 2025

- Haywind parters Ceylon Electricity Board to develop Sri Lanka's largest private investment in wind power- 1 50MW farm in Mannar
- Hayleys PLC Rs. 7 bn debenture is oversubscribed on opening day
- DPL unveils EcoPulse nature reserve in Hanwella

June 2025

- Hayleys Fentons wins "Company with Great Managers Award", 2024 for second consecutive year

July 2025

- Hayleys Plantations accelerates leopard conservation through establishing wildlife corridors
- Hayleys Electronics Limited officially unveils its 2025 product portfolio under the tagline "Trust beyond a warranty"

August 2025

- Hayleys enters into mobility solutions with exclusive OMODA and JAECOO electric and hybrid vehicles
- US based SpaceX appoints Singer Sri Lanka as the authorised retailer of Starlink in Sri Lanka
- DPL opens latex collection centre and laboratory to build quality and rural livelihoods in Monaragala

September 2025

- Hayleys PLC claims the top spot in LMD 100, ranking as Sri Lanka's No.1 corporate for the 9th time

October 2025

- Hayleys announces entry into the large-format supermarket sector

November 2025

- Alumex partners with Port City Colombo to install used beverage can bins

December 2025

- Hayleys Fentons launches its ESG Roadmap- the Green Blueprint

January 2026

- Mabroc Teas launches TeaTrace, pioneering digital transparency across the global tea trade
- Hayleys Fentons initiates construction of Sri Lanka's largest private sector wind project
- Hayleys Agriculture showcases innovative agricultural technology Jaffna International Trade Fair 2026

February 2026

- Hayleys wins Gold Award for overall excellence in corporate reporting at CA Sri Lanka's TAGS Awards 2025
- Hayleys ranked among Sri Lanka's top 10 national best employers

March 2026

- Hayleys PLC's Rs. 5.8 bn debenture issue oversubscribed on the first day of opening

Bring this
Story to Life

A CYCLE OF SUSTENANCE

The water cycle transforms, adapts, and renews through evaporation, condensation, and precipitation. As water shifts across states and environments, it responds seamlessly to changing conditions; sustaining balance while continuously moving forward. What appears fluid and evolving is, in fact, a system of precision: circulating energy, redistributing resources, and sustaining life through a dynamic continuum.

At Hayleys PLC, our leadership is responsive to shifting conditions, yet firmly anchored in intent. Decisions are guided by insight, discipline, and foresight, enabling us to navigate complexity with agility. By aligning diverse businesses, we sustain momentum; guiding the Group forward with purpose, resilience, and a clear long-term vision.

Reflections from the Chairman & Chief Executive

As emerging avenues for growth began to take shape, we acted with a greater degree of boldness, moving decisively to strengthen our presence in new verticals as we lay the foundations for the continued evolution of our portfolio



Mohan Pandithage
Chairman & Chief Executive

Reflections from the Chairman & Chief Executive
Scan to view

Dear Stakeholder,

In my message to you last year, I reflected on how the accelerating pace of change was reshaping the business landscape, challenging established norms and redefining the pathways to growth. One year later, that pace has shown little sign of slowing and what was once viewed as cyclical disruptions have become enduring realities. However, as I observed last year, change tends to reward those with the courage to adapt and the conviction to act. Throughout the year, Hayleys demonstrated both. In a year that affirmed the strength of its character, I am proud to note that Hayleys delivered yet another year of exceptional growth, advancing innovation, expanding its operational footprint and generating value across its stakeholder universe. Against this backdrop, it is my pleasure to present the 13th Integrated Annual Report and the Audited Financial Statements of Hayleys PLC for the financial year ended 31st March 2026.

If there was one characteristic that defined the Group during the year under review, it was a willingness to act with conviction. As emerging avenues for growth began to take shape, we acted with a greater degree of boldness, moving decisively to strengthen our presence in new verticals as we lay the foundations for the continued evolution of our portfolio. These strategic interventions, combined with the diversity of our business model and the strong performance of our mature businesses, enabled the Group to deliver another year of record performance. Revenue increased by 19% to surpass the half-trillion-rupee mark for the first time, reaching a record Rs. 585.02 bn, while Profit Before Tax rose by 4% to Rs. 38.04 bn during the year under review.

The theme of this year's Report, In Full Circle, captures a belief that has long underpinned the Hayleys journey: that sustainable progress is rarely linear, but instead built through a continuous process of learning, adaptation and renewal. As we enter new businesses and broaden our portfolio, every strategic investment builds upon foundations laid before it, creating a continuum of progress that expands our sphere of value. This philosophy is evident in our contribution to the nation. During the year, Hayleys accounted for 5% of Sri Lanka's export income, generated USD 800 mn in foreign exchange earnings and provided employment to more than 38,700 people. These contributions reflect a broader principle that has guided our journey for generations: that the value we create ultimately returns in full circle to the economy, communities and stakeholders who place their trust in us.

CYCLES OF CHANGE: NAVIGATING A WORLD IN MOTION

The global economy remained resilient during 2025, expanding by 3.3% amid the gradual easing of financial conditions in advanced economies and sustained domestic demand across emerging markets. While supportive financial conditions and a moderation in trade tensions helped underpin growth, economic activity remained uneven across regions and sectors. More recently, the escalation of global geopolitical tensions has added a new layer of uncertainty, raising concerns around supply chain disruptions, energy price volatility and inflationary pressures, with growth expected to moderate in the near term.

Amidst these evolving global challenges, Sri Lanka's economic trajectory during the year offered grounds for cautious optimism, reflecting the benefits of reforms undertaken in recent years and a gradual return to stability. Sri Lanka's economic recovery gathered further momentum during 2025, with the country recording GDP growth of 5% as macroeconomic fundamentals continued to strengthen. Supported by a clear political mandate and policy continuity, the reform agenda remained firmly on course, encompassing fiscal and tax reforms, strengthened governance and anti-corruption frameworks, and broader structural measures aimed at enhancing productivity and competitiveness. These efforts continued to bolster investor confidence and reinforce the credibility of the country's economic direction. Growth was broad-based, with the Industrial Sector expanding by 8.0%, Services by 3.4% and Agriculture by 1.2%.

The year also saw further improvements in monetary and external sector conditions. Supported by accommodative monetary policy and low inflation, market interest rates continued their downward trajectory, creating a more conducive environment for business activity. Meanwhile, the country's external position strengthened with the current account recording a surplus of USD 1.7 bn and gross official reserves increasing to USD 7.0 bn by end-March 2026. Despite the Sri Lankan Rupee depreciating by 6.3% against the US Dollar, exchange rate movements remained broadly stable, reflecting improved economic fundamentals and growing confidence in the recovery. Nevertheless, the recent escalation of tensions in the Middle East serves as a timely reminder of the fragility of the global recovery. While the ultimate outcome remains uncertain, a prolonged period of instability has the potential to affect energy prices, trade flows and investor confidence, with broader implications for economic growth and stability.

PERFORMANCE OVERVIEW

The Group's performance during the year reflects the continued execution of a strategy designed to strengthen resilience while positioning the portfolio for future growth. In recent years, we have focused on broadening our geographical footprint, diversifying customer segments, investing in new growth platforms and enhancing our value proposition through innovation and operational excellence. Against this backdrop, the Hayleys Group delivered the highest Revenue in its history, with Revenue from Continuing

Reflections from the Chairman & Chief Executive

Operations increasing by 19% to Rs. 585.02 bn during the year under review. Growth was broad-based, led by the Consumer & Retail Sector, which recorded a 44% increase in top line to Rs. 156.74 bn, reflecting the success of timely market activations amid evolving consumer demand. Despite global market volatilities our export-oriented businesses also delivered a commendable performance, collectively recording Revenue growth of 14%, supported by market diversification and a continued focus on value-added products. Reflecting the strength of the Group's underlying operating performance, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased by 8% to Rs. 64.82 bn, while Profit Before Tax from continuing operations rose to Rs. 38.04 bn. Consumer & Retail, Transportation & Logistics, Purification and Hand Protection emerged as key contributors to profitability, underscoring the value of a portfolio that combines the stability of established businesses with the growth potential of emerging opportunities.

CAPITAL STRENGTH FOR FUTURE AMBITION

The Group placed considerable emphasis on further strengthening its financial position during the year, ensuring that its balance sheet remains capable of supporting both current operations and future growth ambitions. A key milestone was the successful completion of a Rs. 9 bn Rights Issue, the first undertaken by the Company since 2005, which was oversubscribed and reflected the confidence shareholders continue to place in the Group's long-term prospects. The proceeds are being utilised to optimise the capital structure through the partial settlement of debt while enhancing the Group's capacity to pursue strategic investments. This was complemented by the successful issuance of Rs. 12.9 bn in listed, rated, senior, unsecured redeemable debentures, further supporting long-term capital management objectives.

Total Assets increased by 26% to Rs. 645.82 bn, driven by ongoing investments in property, plant and equipment, strategic capacity expansion initiatives and higher working capital requirements associated with increased business activity. Total equity increased by 18% to Rs. 170.50 bn, driven by strong profit retention and the successful Rights Issue. Total borrowings increased to Rs. 289.66 bn, reflecting the growing deposit portfolio of Singer Finance, increased working capital requirements of Singer (Sri Lanka) PLC together with funding deployed towards new investments. Resultantly, the Group's debt-to-equity ratio increased to 1.70 times. Nevertheless, cash flow generation and debt servicing capacity remained strong, supported by the Group's market leadership and diversified business portfolio. This was reflected in Hayleys retaining its national long-term credit rating 'AAA (lka)' by Fitch Ratings with a stable outlook, reaffirming confidence in the Group's financial strength.

SHAREHOLDER VALUE

Strategic clarity, coupled with disciplined execution, has provided a strong foundation for consistently delivering shareholder value. During the year, Hayleys PLC paid an interim dividend of Rs. 6 per share while Earnings per Share (from continuing operations) increased to Rs.20.34 (from Rs. 19.69) while Net Assets per Share also increased by 22% to Rs.150.95. The Hayleys share price recorded impressive gains, closing the year at Rs.215 per share compared to Rs.137 the previous year.

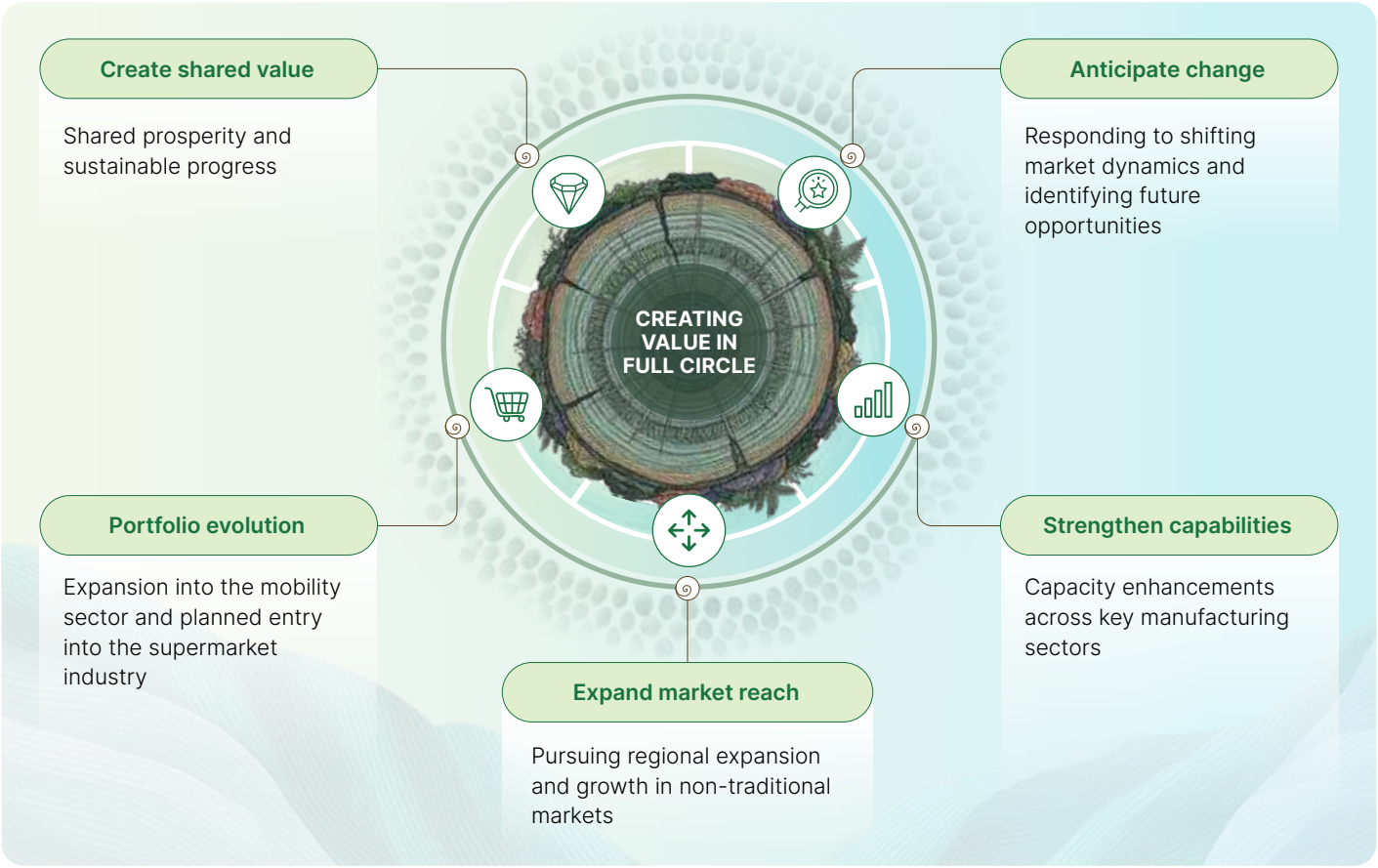
ORBITS OF OPPORTUNITY

As one opportunity gives rise to the next, the Group continues to broaden its horizons while remaining anchored in the capabilities that have shaped its success. Our aspiration has always been to build businesses that lead their industries, with the ambition of achieving market leadership wherever we compete. In this spirit, the Group's entry into the large-format supermarket sector marked a significant milestone in the evolution of the portfolio. While representing a new business vertical, it builds upon capabilities Hayleys has cultivated over decades across sourcing, logistics and customer engagement. As consumer expectations around quality, convenience and service continue to evolve, we believe modern retail presents a compelling long-term opportunity. During the year, significant progress was made in establishing the foundations of the business, including the recruitment of a highly experienced leadership team, the establishment of key operating structures and the securing of strategic locations to support the phased rollout of the supermarket network.

The formation of Hayleys Mobility marked another important step in the Group's pursuit of emerging opportunities. Through our entry into the electric and hybrid vehicle market, we are positioning ourselves at the forefront of Sri Lanka's transition towards cleaner mobility solutions. By partnering with some of the world's fastest-growing new energy vehicle manufacturers and curating a differentiated portfolio of offerings, we have already established a meaningful presence within this evolving sector. While still in its formative stages, the progress achieved to date reinforces our confidence in its long-term potential and its ability to become a meaningful contributor to the Group's future growth.

ADVANCING THE CONTINUUM OF CAPABILITY

While the Group continued to pursue new avenues of growth during the year, equal focus was placed on strengthening the long-term competitiveness of our existing businesses. Across the portfolio, we continued to invest in areas where we see the greatest potential to deepen differentiation and advance further up to higher-value segments. In line with this strategic direction, the Group committed Rs. 33.37 bn in capital expenditure during the year, advancing several transformative initiatives aimed



at enhancing capabilities and expanding into higher-value segments. Within the Purification Sector, an investment of USD 18.18 mn is underway to expand the Group's energy storage solutions capacity, positioning the business to capitalise on the growing global demand for advanced energy storage applications. The Hand Protection Sector continued to strengthen its presence in specialised segments through investments in new production lines for sports and electrical safety gloves, complemented by the integration of advanced automation technologies. Mabroc Teas also commenced the development of a significantly larger manufacturing facility to support future growth ambitions while the Agriculture Sector is establishing a coconut water concentrate facility as part of its ongoing focus on value addition and product diversification. Collectively, these investments underscore our confidence in the future and our commitment to continuously reshaping the portfolio towards sectors, products and capabilities that will define the Group's next phase of growth.

PEOPLE - THE CIRCLE THAT SUSTAINS US

Having had the privilege of working alongside the Hayleys family for several decades, I remain firmly convinced that the achievements of the Group are ultimately a reflection of the commitment and character of our people. Across our diverse operations, geographies and cultures, over 38,700 employees bring to life the values, capabilities and entrepreneurial spirit that have shaped this organisation for generations. As workplaces continue to evolve, organisations are being challenged to respond to shifting aspirations of a younger workforce. Accordingly, our people strategy during the year remained focused on creating a more connected and future-ready workforce through the continued digitalisation of HR processes, investments in leadership development and targeted upskilling initiatives designed to build capabilities in emerging areas. We also continued to invest in initiatives that promote the physical, mental and emotional wellbeing of our people, recognising that this remains intrinsically linked to the long-term success of the organisation.

INTELLIGENCE IN MOTION

Few forces are reshaping the global business landscape as profoundly as digital technology. The convergence of data, automation and intelligence is

Reflections from the Chairman & Chief Executive

redefining how organisations operate while simultaneously altering customer expectations and the very nature of work itself. Recognising this reality, we launched a Group-wide Digital Roadmap during the year to provide a clear and coordinated framework for our digital transformation journey, structured around the pillars of Digital Innovation, Digital Literacy, Digital Product Delivery, Data-to-Value, and Change & Communication.

The emergence of Artificial Intelligence has added a new dimension to this transformation. While the pace at which AI is reshaping industries has been remarkable, our approach remains deliberate and grounded in responsible adoption. Across the Group, we have begun exploring a range of AI applications spanning advanced analytics, intelligent automation, customer engagement and manufacturing quality solutions, with a focus on delivering tangible business value. At the same time, we remain mindful of the ethical considerations that accompany these technologies. Anchored on a human-in-the-loop philosophy, our approach combines the capabilities of AI with appropriate governance, security and oversight.

GOVERNANCE-THE COMPASS THAT ANCHORS US

Over the years, Hayleys has developed a governance architecture that reflects the scale and complexity of its operations, while remaining sufficiently agile to respond to an increasingly dynamic operating environment. Governance structures facilitate strong alignment between the Board and the Group Management Committee (GMC), a dynamic that is especially critical in an organisation as diverse as Hayleys, where coordinated leadership and unified strategic direction are vital.

During the year, we continued to strengthen the Board's collective skill profile and broaden diversity across the Group's Boards. I am pleased to welcome Ms. Rumal Fernando to the Hayleys PLC Board as an Independent, Non-Executive Director, bringing valuable expertise in supply chain management and logistics. We also made encouraging progress in enhancing gender diversity across our Boards, reflecting our belief that diverse perspectives lead to improved depth and effectiveness of decision-making. Key areas of Board focus during the year included strengthening governance frameworks relating to the implementation of the Personal Data Protection Act and oversight of sustainability-related risks and opportunities in line with the mandatory application of the SLFRS S1 and S2 Sustainability Disclosure Standards during the year. Meanwhile, the GMC was further strengthened during the year with the appointment of Mr. Choliya De Silva, Mr. Ruwan Rajapakse and Mr. Brahman Balaratnarajah, whose deep industry expertise and diverse leadership experience further enhance the Group's strategic and operational capabilities.

CATALYSING THE ENERGY TRANSITION

The global transition towards a lower-carbon future is becoming a defining feature of the economic and industrial landscape, creating both challenges and opportunities for businesses worldwide. At Hayleys, we view this transition as a powerful intersection between commercial opportunity and environmental stewardship. Accordingly, the Group continues to play an increasingly prominent role in advancing Sri Lanka's energy transition through investments spanning renewable energy generation, solar solutions, sustainable mobility and energy infrastructure.

During the year, the Energy, Mobility & Projects Sector (previously the Projects & Engineering Sector) reinforced its leadership in rooftop solar, surpassing 500 MW of installations and maintaining an estimated market share of 20%. The Group also significantly expanded its renewable energy generation portfolio

Our aspiration has always been to build businesses that lead their industries, with the ambition of achieving market leadership wherever we compete. In this spirit, the Group's entry into the large-format supermarket sector marked a significant milestone in the evolution of the portfolio.

through the commencement of a 50 MW wind power project, the development of a further 149 MW of solar projects and the acquisition of controlling stakes in several renewable energy companies, adding 60 MW of wind and 150 MW of solar capacity. Together with the Industry Inputs, Power & Energy Sector's current 54 MW existing renewable energy portfolio, these investments strengthen our position as a leading contributor to Sri Lanka's low-carbon transition. Our entry into the electric and hybrid mobility sector further supports the decarbonisation of transportation, one of the country's largest sources of emissions.

Beyond the solutions we provide, we remain focused on reducing the environmental footprint of our own operations. Renewable energy now accounts for 75% of the Group's energy consumption and, despite significantly higher levels of business activity, Scope 1 and Scope 2 Green House Gas (GHG) emissions increased by just 1% during the year, reflecting the effectiveness of our ongoing decarbonisation efforts.

VALUE THAT ENDURES

Over the years, I have observed environmental and social sustainability move from the periphery of the Boardroom to one of immediate strategic relevance, driven by the growing realities of climate change, biodiversity loss and resource scarcity. As a Group whose operations remain closely linked to natural ecosystems through our plantations, agriculture-related value chains, renewable energy businesses and hospitality operations, we witness these realities firsthand. We recognise that responding to these challenges requires the systematic integration of environmental, social and governance considerations into the way organisations think, operate and create value over the long term. Guided by the Hayleys Lifecode, the Group's ESG roadmap, we continued to strengthen this integration. All sectors have now launched dedicated ESG roadmaps, translating Group-wide priorities into targeted action plans and measurable outcomes. As a result, ESG-related targets are actively monitored across the Group, supported by initiatives spanning emissions reduction, water stewardship, waste management, biodiversity conservation and social impact. Hayleys PLC, together with nine Group companies, remains committed to the Ten Principles of the United Nations Global Compact and the CEO Water Mandate. The progress achieved against our broader environmental, social and governance priorities are discussed in greater detail on page 133 of this Report

Few organisations have roots that extend as deeply into the economic and social fabric of Sri Lanka as Hayleys. Across our businesses, we are connected to thousands of employees, customers, suppliers, smallholder farmers, business partners and communities whose livelihoods and aspirations are intertwined with our own. Guided by our Purpose, we remain committed to ensuring that the impact we create is shared broadly and responsibly across all those who contribute to our success.

A PORTFOLIO IN MOTION: REVIEW OF BUSINESS VERTICALS

Robust growth across the Group's domestic businesses was complemented by the resilience of its export-oriented operations, which continued to navigate a challenging global environment. Together, these performances highlight the strength derived from the Group's diversified business model. The following sections provide a high-level overview of the performance of the Group's business sectors. Please refer to pages 212 to 314 for detailed Portfolio Reviews.

Consumer & Retail

The Consumer & Retail Sector emerged as the Group's largest contributor to both Revenue and profitability during the year, delivering a record performance as it successfully capitalised on the recovery in consumer demand. Revenue increased by 44% to Rs. 156.74 bn, while Profit Before Tax rose by 76% to Rs. 11.46 bn, supported by timely market activations, strategic portfolio expansion and continued investment in brand visibility. The Sector further reinforced its market leadership through onboarding leading global brands such as Starlink, Hikvision and HP during the year, while also expanding its presence into the emerging light mobility and electric vehicle segments. Reflecting its enduring brand equity, Singer was recognised as the People's Brand of the Year for the 20th consecutive year at the SLIM-Kantar People's Awards 2026. Meanwhile, Singer Finance delivered another year of exceptional growth, with Profit Before Tax increasing by 82% to Rs. 2.65 bn, supported by strong growth in lending activities and an expanding geographical footprint.

Despite the near-term uncertainty, the medium-to-long-term outlook for the Sector remains favourable, supported by improving disposable incomes and evolving consumer aspirations. Against this backdrop, the Sector will continue to focus on customer-centricity, portfolio optimisation and digital transformation, while further strengthening its market position through product innovation, customer service excellence and deeper engagement across multiple consumer segments.

Transportation & Logistics

The Transportation & Logistics Sector leveraged the strength of its diversified business model and growing regional presence to deliver a Revenue growth of 10% to Rs. 117.50 bn, supported by strong contributions from the Freight Management, Integrated Logistics and Travel & Aviation clusters. While Profit Before Tax declined by 8% to Rs. 6.0 bn, reflecting challenges within the Marine & Energy and Projects & Engineering divisions, the Sector's broad earnings base and geographical diversification continued to underpin overall resilience.

The Sector remained focused on executing its long-term strategy of expanding beyond Sri Lanka through a geo-product operating model, with India and Indonesia continuing to emerge as key growth markets. During the year, further progress was made in strengthening its regional footprint, while Bangladesh and Myanmar also recorded encouraging momentum. Complementing this growth agenda was a continued emphasis on digital transformation, AI integration and people development. The Sector's long-term growth potential remains strong, given its' expanding regional presence and Sri Lanka's strategic position within global supply chains. As part of our ongoing efforts to sharpen strategic focus and better reflect the evolving nature of our portfolio, the Construction and Engineering Cluster will be separated from the Transportation & Logistics Sector and positioned as a distinct Sector in future reporting periods.

Purification

The Purification Sector delivered another year of commendable growth during the year, reinforcing its position as a global leader in sustainable purification

Reflections from the Chairman & Chief Executive

solutions. Revenue increased by 56% to Rs. 66.77 bn, while Profit Before Tax grew by 7% to Rs. 5.89 bn despite significant raw material cost inflation and margin pressures. Performance was supported by strong demand across core applications, higher volumes and a favourable shift in product mix towards value-added carbon solutions, underscoring the effectiveness of the Sector's long-standing strategy of moving up the value chain.

A key focus during the year was the continued expansion of the Sector's energy storage solutions portfolio, which is emerging as an increasingly important growth driver. Supported by accelerating demand stemming from electric vehicle adoption, AI-driven data centres and grid stabilisation requirements, Haycarb continued to strengthen its position within this high-growth segment through investments in product development and capacity expansion. The Sector also continued to invest in supply chain resilience through backward integration initiatives and the expansion of its regional manufacturing footprint. The Sector remains exceptionally well-positioned to benefit from increasingly stringent environmental regulations and the growing demand for advanced carbon solutions that support the transition to a lower-carbon economy.

Hand Protection

The Hand Protection Sector delivered a strong performance during the year, demonstrating the benefits of its continued focus on innovation, operational excellence and value-added product development. Revenue increased by 10% to Rs. 51.1 bn, while Profit Before Tax grew by 13% to Rs. 4.36 bn, supported by volume growth, a more favourable product mix and ongoing efficiency improvements across the manufacturing network.

The continued expansion of the Sector's value-added product portfolio remained a priority during the year, with particular emphasis on specialised industrial, sports and electrical safety gloves catering to niche market segments. This was complemented by significant investments in manufacturing capacity, including the commencement of construction of the Sector's sixth manufacturing facility in Sri Lanka, the commissioning of new production lines and the deployment of advanced technology. Growing global demand for occupational safety and specialised protective solutions, coupled with an expanding manufacturing footprint and a strong innovation agenda, is expected to support the Sector's long-term growth trajectory.

Agriculture

The Agriculture Sector delivered a resilient performance during the year, with Revenue increasing by 18% to Rs. 44.28 bn and Profit Before Tax rising by 8% to Rs. 2.82 bn. Performance was supported by strong contributions from the agricultural equipment business, export operations and Haychem Bangladesh, highlighting the strength of its diversified portfolio and deep integration across the agricultural value chain. The Sector continued to strengthen its position as a critical enabler of Sri Lanka's agricultural ecosystem, supporting farmers through extension services, technology transfer, mechanisation solutions and access to high-quality agricultural inputs. Further progress was made in expanding the product portfolio across crop protection, agricultural equipment and animal health, while digital initiatives enhanced farmer engagement and traceability across the value chain. The Sector also advanced its regional expansion agenda, with Bangladesh remaining a key growth market and an increasingly important contributor to profitability.

While the evolving global geopolitical situations in the near-term uncertainties through its potential impact on energy prices, input costs and supply chains, the Sector's long-term outlook remains positive. Increasing agricultural mechanisation, growing demand for climate-smart solutions and opportunities for regional expansion are expected to support future growth.

Rs. 585 bn
REVENUE

Rs. 646 bn
TOTAL ASSETS

Rs. 4.5 bn
DIVIDENDS

Textiles

The Textiles Sector operated in one of the most challenging environments experienced in recent years, as global demand remained subdued and several key customers recalibrated their sourcing strategies, resulting in lower order volumes across the industry. Against this backdrop, Revenue declined by 13% to Rs. 37.79 bn, while Profit Before Tax amounted to Rs. 1.04 bn. Beyond these near term uncertainities the Sector responded with agility to shifting market dynamics while maintaining its focus on long-term competitiveness.

A key strategic priority during the year was the continued diversification of both the customer and product portfolio. The Sector broadened its engagement with emerging and fast-growing brands, particularly within the athleisure

segment, while reducing concentration risk across key markets. In parallel, it continued to accelerate its transition towards differentiated, value-added fabric solutions. These efforts were complemented by the implementation of the Group's operational excellence programme, which delivered meaningful efficiency gains. While near-term uncertainty remains, the Sector is well-positioned to capitalise on emerging opportunities within specialised and value-added segments, supported by its strong innovation capabilities, diversified customer base and continued focus on operational excellence.

Energy, Mobility & Projects

The Energy, Mobility & Projects Sector recorded a near 6% increase in Revenue to Rs. 28.31 bn despite a more challenging operating environment for the renewable energy industry. Profit Before Tax moderated to Rs. 2.33 bn, reflecting pressures within the renewable energy cluster, including lower feed-in tariffs, and power curtailments. The Sector maintained a long-term approach to value creation, strengthening its growth platform through strategic diversification, geographical expansion and the development of new business verticals.

As described on page 38, the Sector reinforced its leadership position in Sri Lanka's energy transition while also expanding its renewable energy generation portfolio through large-scale projects and acquisitions. The formation of Hayleys Mobility was also a key milestone during the year, marking Group's entry into the electric and hybrid vehicle market through partnerships with some of the world's fastest-growing new energy vehicle brands. The Sector is aptly positioned to benefit from the country's accelerating energy transition, growing infrastructure activity and increasing adoption of sustainable mobility solutions.

Plantations

Against a backdrop of mounting structural challenges facing Sri Lanka's plantation industry, the Sector continued to advance its transformation agenda, recording a 4% increase in Revenue to Rs. 19.97 bn despite a marginal decline in tea production and significant cost pressures. Profit Before Tax declined by 24% to Rs. 2.21 bn, primarily reflecting the sharp increase in wages and other operating costs. Building on its leadership position, the Sector continued to drive its long-term transformation through crop diversification, workforce innovation and a steadfast commitment to sustainability.

Further progress was made in expanding higher-value and climate-resilient crops such as coffee and cinnamon, while efforts to transform traditional estate employment through revenue-sharing models gained momentum, improving productivity and creating more equitable value for workers. Sustainability also remained a key differentiator, with all three plantation companies continuing to set industry benchmarks in responsible agriculture, decarbonisation and ecosystem stewardship. While industry-wide challenges persist, the Sector remains focused on enhancing competitiveness through diversification, operational efficiencies and sustainability-led value creation.

Construction Materials

The Construction Materials Sector delivered a year of mixed performance during the year; Revenue increasing by 23% to Rs. 16.12 bn, supported by improving demand conditions and continued momentum in export markets. Profit Before Tax, however, moderated by 9% to Rs. 1.04 bn, reflecting temporary operational disruptions, together with elevated aluminium prices and competitive pressures across certain markets.

A key focus during the year was the continued expansion of the export business, with efforts directed towards diversifying markets and reducing concentration risk amidst evolving global trade dynamics. Leveraging its differentiated product portfolio and reputation for quality, export volumes increased by 16% during the year. The Sector also became the first aluminium extruder in Sri Lanka to obtain the Aluminium Stewardship Initiative (ASI) certification, a significant milestone that strengthens its sustainability credentials and enhances access to developed markets. In parallel, investments were made to enhance manufacturing capabilities through advanced extrusion and processing technologies, while digital and AI-enabled initiatives were deployed to improve resource utilisation. Looking ahead, the Sector remains well-positioned to benefit from the recovery of the construction industry, growing demand for sustainable building materials and continued opportunities across international markets.

Eco Solutions

The Eco Solutions Sector delivered a strong recovery during the year, with Revenue increasing by 18% to Rs. 15.11 bn while Profit Before Tax increased to Rs. 98.93 mn compared to losses of Rs. Rs. 523.92 mn the year before. Performance was driven primarily by the Eco Fibre segment, which benefited from stronger market penetration and the growing global preference for sustainable material.

During the year, the Sector focused on the continued expansion of the Eco Fibre business into new markets and applications. The Sector strengthened its presence in non-traditional markets while broadening its offering across high-value horticulture applications including growing media solutions for specialised crop cultivation. Meanwhile, the completion of the fibre extraction

Reflections from the Chairman & Chief Executive

facility in Nikaweratiya marked an important milestone in strengthening backward integration and supply chain resilience, enhancing long-term raw material security. Demand dynamics remain positive supported by increasing global demand for sustainable coir-based solutions, supported by continued innovation and market expansion.

Tea Exports

The Tea Exports Sector operated in an increasingly competitive global environment during the year, with lower-cost tea origins continuing to exert pressure across key international markets. Against this backdrop, Revenue declined by 20% to Rs. 10.55 bn, while EBIT decreased by 8% to Rs. 557.51 mn. Mabroc continued to strengthen its market diversification strategy, maintaining its position as the largest Sri Lankan tea exporter to China while expanding its presence in non-traditional markets. The business also continued to sharpen its premium positioning through customised tea blends and differentiated product offerings.

Meanwhile, Martin Bauer Hayleys delivered a record performance during the year, with the Group's share of profit from the joint venture more than tripling to Rs. 319.32 mn. Growth was driven by strong demand for its tea aroma products, particularly in the United States, together with the successful expansion of relationships with leading multinational customers across Asia. As the leading exporter of Ceylon tea aroma and one of Sri Lanka's largest exporters of tea extracts, the business continues to demonstrate the significant potential of innovation-led value addition within the global tea value chain.

Industry Inputs, Power & Energy

The Industry Inputs, Power & Energy Sector experienced a challenging year, with Revenue declining by 5% to Rs. 10.51 bn and Profit Before Tax moderating to Rs. 1.22 bn. Performance was impacted by subdued demand across several export-oriented industries and the normalisation of interest income recognised in the previous year relating to renewable energy receivables. Despite these headwinds, the Sector continued to strengthen its long-term growth platform through portfolio diversification, regional expansion and investment in emerging opportunities.

Across its Industrial Raw Materials, Lifesciences and Engineering businesses, the Sector broadened its product and service offering while strengthening its presence in regional markets including the Maldives and Bangladesh. Key initiatives during the year included the commencement of commercial production of Aquaspersions products, the introduction of new medical technologies and the expansion of engineering solutions through new principal partnerships. The Sector also reinforced its contribution to Sri Lanka's energy transition through the commissioning of the 4 MW Matara Solar 2 project during the year. Given increasing competitive intensity in the Sector, regional expansion will remain a key strategic priority in diversifying revenue streams, broadening the customer base and strengthening long-term resilience.

Leisure

The Leisure Sector delivered a mixed performance during the year, with Revenue from continuing operations increasing by 8% to Rs. 8.68 bn, supported by the continued recovery in tourist arrivals and improved occupancy levels across the portfolio. Profit Before Tax from continuing operations amounted to Rs. 411.58 mn, reflecting varying performance across properties and heightened competitive pressures within certain markets. The flagship properties including The Kingsbury Colombo and Amaya Lake continued to strengthen their competitive positioning, supported by strong guest satisfaction levels, service excellence and differentiated hospitality offerings.

During the period under review, the Group entered into a binding contract to transfer the headlease and operating assets of Luxury Resort (Pvt) Ltd reflecting a strategic decision to sharpen focus on leisure investments within Sri Lanka. Across the portfolio, continued investments were made in guest experiences, talent development and service excellence, reinforcing the Sector's ability to differentiate itself within an increasingly competitive market. Looking ahead, the Sector remains encouraged by the long-term prospects of Sri Lanka's tourism industry, supported by growing international arrivals, improving destination appeal and continued opportunities for product differentiation.

Others

Hayleys PLC recorded a 13% increase in dividend income to Rs. 6.47 billion during the year, reflecting the strong performance of its operating subsidiaries. In line with the Group's decision to transfer the headlease and major operating assets of Luxury Resort (Pvt) Ltd, Hayleys PLC recognised an impairment loss of Rs. 6.89 billion on its investment and related receivables. Despite a 28% reduction in net finance costs to Rs. 2.29 billion, supported by fair value gains on equity investments, the Company reported a Loss Before Tax of Rs. 1.58 billion for the year.

Hayleys Business Solutions International delivered another year of strong growth, recording a 12% increase in Revenue and a 7% increase in Profit Before Tax. Performance was driven by continued expansion in the Australian market and the strategic evolution of its service portfolio towards higher-value, knowledge-based offerings. The Company further strengthened its market presence through the establishment of Hayleys Business Solutions Pacific, while

continuing to invest in digital capabilities, including AI, robotics and process automation, to enhance service delivery and operational efficiency.

COMMITMENT TO EXCELLENCE

The year also brought significant external recognition. The Group was once again ranked the No. 1 Corporate in Sri Lanka in the 32nd edition of the LMD Top 100, reinforcing its standing as one of the country's most admired and influential corporate institutions. Hayleys further strengthened its reputation for reporting excellence by securing the Overall Excellence Award at the TAGS Awards 2025 for the fourth consecutive year, together with four category Gold Awards. Complementing this achievement, the Group was named Overall Winner at the ACCA Sustainability Reporting Awards 2025 for the third consecutive year, reflecting its continued leadership in transparency, accountability and sustainability reporting.

THE NEXT ARC OF GROWTH

As we look ahead, the path forward is unlikely to be without uncertainty. Recent global geopolitical developments have reinforced the fragility of the global operating environment, heightening uncertainty around energy security, supply chain continuity and broader economic stability. For Sri Lanka, any prolonged disruption could have wider implications for tourism, foreign exchange earnings and overall economic activity. In such an environment, visibility remains limited and prudence will remain essential. We therefore continue to monitor developments closely, remaining attentive to both the risks and opportunities that may emerge. Yet, if there is one lesson Hayleys has learned over the course of its long history, it is that periods of uncertainty often create the conditions for renewal. The Group has never been defined by the circumstances it encounters but by its ability to adapt and evolve. Our diversity, entrepreneurial mindset and long-term orientation have repeatedly enabled us to navigate complex environments while continuing to deliver lasting value.

Encouragingly, the domestic environment continues to exhibit signs of strengthening. The restoration of macroeconomic stability, improving policy consistency and the continued advancement of structural reforms have contributed to a more stable foundation for investment and economic activity. While the journey towards sustained prosperity remains ongoing, the progress achieved thus far provides grounds for confidence in the country's longer-term trajectory.

Against this backdrop, I believe Hayleys is entering its next chapter from a position of strength. We have built a portfolio that is broad in scope and adaptable in character, supported by deep capabilities, strong market positions and a disciplined approach to capital allocation. As we pursue new avenues for growth, we will continue to actively refine the portfolio, directing resources towards businesses and opportunities that are most closely aligned with our long-term strategic aspirations. This process of renewal and reinvention has been a defining feature of the Hayleys story for generations and will remain central to how we create value in the years ahead.

ACKNOWLEDGEMENTS

As I reflect on the year, I continue to be inspired by the people who make Hayleys what it is. Across our offices, factories, estates, hotels and operations around the world, I have witnessed an extraordinary commitment to doing the right thing and supporting one another in the pursuit of a common purpose. I extend my heartfelt appreciation to every member of the Hayleys family for the dedication, professionalism and care they bring to their work each day.

I also wish to thank our Co-Chairman, Mr. Dhammika Perera, for his active involvement in shaping the Group's strategic direction and providing invaluable guidance on key decisions. My sincere appreciation extends to my fellow Board members and the members of the Group Management Committee, whose wisdom, judgement and stewardship continue to guide the organisation forward. I would also like to take this opportunity to express my sincere appreciation to Mr. Aravinda Perera, who retired from the Board during the year, for his valuable contribution and guidance throughout the year.

I also wish to acknowledge and thank Mr. Rajeev Goonetilleke, who retired from the Group Management Committee during the year, for his many years of dedicated service to the Group. On behalf of the Board, I extend my best wishes for his future endeavours.

Finally, I thank our shareholders for their continued confidence, and our customers, suppliers and business partners for the trust and support they have extended to us throughout our journey. Your partnership remains integral to all that we have achieved and aspire to accomplish in the years ahead.



Mohan Pandithage
Chairman & Chief Executive
29th May 2026

Principal Decisions in 2025/26

Strategic diversification

- Hayleys (through Hayleys Fentons) entered the electric and hybrid vehicle market via an exclusive distribution partnership with Cherry Automobile Co., Limited, thereby introducing the brands of OMODA & JAECOO to the local market
- Investment in 40.63% shares of Harishchandra Mills PLC and 9.48% of Diesel & Motor Engineering PLC

Strengthening balance sheet

- Rights issue of Rs.9 bn during the year to enhance capital base and support strategic investments
- Issue of two Rs. 12.9 bn Listed, Rated, Unsecured, Senior, Redeemable debentures

Capacity expansions

- Expansion of value-added energy storage manufacturing capacity within the Purification Sector
- Strengthening the manufacturing footprint of the Hand Protection Sector with 2 capacity expansions and 1 factory acquisition
- Commenced construction of new facilities in the Agriculture and Tea Exports Sectors

Entry in to large scale supermarket sector

- The Group announced entry into the large-format supermarket sector during the year, marking a key milestone in its portfolio evolution
- Aspires to build a value-driven retail ecosystem across the island, leveraging its unparalleled reach across value chains and commitment to sustainable business.

Digital Transformation

- Multiple digital interventions which serve as a cross-cutting enabler of strategic pillars
- Launch of Digital Transformation Roadmap



Impact of geopolitical tensions



IMPACT OF GEOPOLITICAL TENSIONS IN THE MIDDLE EAST

The geopolitical landscape of the Middle East underwent a significant escalation in early 2026, with far-reaching consequences for global trade, energy markets, and macroeconomic stability. An escalation of tensions in February 2026 triggered a wave of retaliatory attacks across the region subsequently leading to the closure of the Strait of Hormuz - a critical waterway barrels of crude oil and fuel transit daily, representing nearly a fifth of global consumption. As of the time of reporting, the United States and Iran were engaged in negotiations, though the path to a durable resolution remained uncertain.

- Increase in energy and fuel costs
- Impacts on remittances and migrant workers
- Impacts on tourist arrivals from disruptions to aviation routes
- Supply chain disruption
- Currency fluctuations

Potential implications on Hayleys

Given the breadth of the Group's operations across sectors and geographies, the conflict has the potential to generate wide-ranging implications for Hayleys, as outlined below.

Immediate term

- Increase in energy and input costs can directly impact margins across manufacturing and other energy-intensive sectors
- Spike in freight rates could benefit Hayleys Advantis although exposing customers to cost shocks that could soften volumes
- Direct impact on hotel occupancy levels within the Leisure Sector arising from an increase in booking cancellations
- Escalation in commodity prices stemming from supply chain disruptions could impact Sectors reliant on imported raw materials
- Demand uncertainty across key export markets

Short-to-medium term

- Conflict-driven economic hardship and disrupted trade logistics across Gulf markets could suppress buyer demand for Sectors such as Tea Exports
- Fuel price hikes and resultant inflation could hamper household disposable income and dampen consumer spending
- Cost of agro-chemicals and fertilisers are likely to rise, compressing margins in the Agriculture and Plantations Sectors
- Infrastructure and construction activity linked to government spending may slow if fiscal pressures re-emerge due to rising energy import costs and declining reserves.

ADDRESSING AND MITIGATING RISKS

- Deploy the Group's inherent diversification as a natural hedge
- Increased focus on domestic guests by the Leisure Sector reducing reliance on international tourists
- Export market diversification: intensify efforts to penetrate non-traditional markets across key business lines
- Supply chain security: Review and diversify sourcing for key raw materials and inputs vulnerable to Middle Eastern supply chain disruption
- Strengthen foreign currency hedging positions across export-earning subsidiaries

Board of Directors



MOHAN PANDITHAGE
Chairman & Chief Executive



DHAMMIKA PERERA
Co-Chairman & Non-Executive Director



SARATH GANEGODA
Executive Director



MS. JAYANTHI DHARMASENA
Executive Director



ROHAN KARR
Executive Director



JONATHAN ALLES
Independent Director



RAJITHA KARIYAWASAN
Executive Director



DR. HARSHA CABRAL, PC
Non-Executive Director



RUWAN WAIDYARATNE
Executive Director



GAMINI GUNARATNE
Non-Executive Director



TIMOTHY SPELDEWINDE
Independent Director

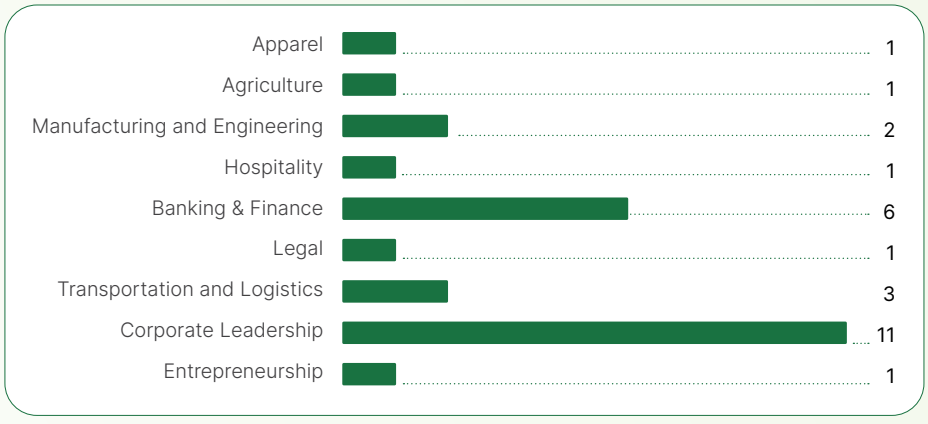


YOHAN PERERA
Senior Independent Director



MS. RUMAL FERNANDO
Independent Director

DIVERSITY OF EXPERTISE



Board of Directors

MOHAN PANDITHAGE
Chairman & Chief Executive

Appointed as Chairman and Chief Executive in July 2009

Appointed to the Board on 1st October 1998

Skills and experience

Since assuming the role of Chairman and Chief Executive in 2009, Mr. Pandithage's strategic vision has redefined the growth trajectory of Hayleys, transforming the Group to one of Sri Lanka's most diversified, sustainable and socio-economically impactful enterprises. His foresight in capturing emerging opportunities and driving strategic investments in key industries have significantly enhanced the Group's earnings potential and long-term resilience and he was named as 'Business Leader for the Year 2025' by LMD. Mr. Pandithage assumed the role of Chairman and Chief Executive in 2009 and his visionary leadership has redefined the growth trajectory of Hayleys, transforming the Group to one of Sri Lanka's most diversified, sustainable and socio-economically impactful enterprises Mr. Pandithage is an accomplished industry veteran and respected leader in the field of transportation and logistics, having led the Group's Transportation Sector prior to this appointment as Chairman of the Group. He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport and has been honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association.

He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon.

Mr. Pandithage also serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka.

Other appointments

Executive Chairman of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Singer (Sri Lanka) PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC, The Kingsbury PLC, Hayleys Leisure PLC and non-listed subsidiaries of the Group. He also serves as a Non-Executive Director on the Board of Diesel and Motor Engineering PLC.

DHAMMIKA PERERA
Co-Chairman & Non-Executive Director

Appointed to the Board on 1st October 2024

Skills and experience

Mr. Dhammika Perera is one of Sri Lanka's most dynamic and inspirational business leaders. Over the years, he has built an outstanding reputation for reviving and growing businesses, firmly establishing himself as a highly regarded turnaround strategist.

Mr. Perera provides strategic leadership shaped by decades of experience building and transforming businesses across multiple sectors. His ability to identify growth opportunities, navigate complex market dynamics and guide long-term strategic direction supports the Group's continued expansion and resilience.

With more than 35 years of experience building and leading enterprises across diverse industries including manufacturing, banking and finance, leisure, renewable energy and retail business, he brings exceptional strategic foresight and strong governance expertise. His experience serving on the boards of numerous quoted and unquoted companies has provided him with broad insight into corporate strategy, business transformation and long-term value creation.

Other appointments

Mr. Perera serves as Chairman of Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC and Summer Season Ltd and Chairman/ founder of Dhammika & Priscilla Perera Foundation.

SARATH GANEGODA
Executive Director

Appointed to the Board on 24th September 2009

Skills and experience

An accomplished corporate leader counting over 30 years of multifaceted experience across diverse industries, Mr. Ganegoda has held several senior leadership positions in large private sector organisations in Sri Lanka and overseas. Having served the Hayleys Group between 1987 and 2002, he rejoined in 2007 and was appointed to the Group Management Committee the same year. He is currently responsible for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC.

Mr. Ganegoda holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is a Fellow Member of CA Sri Lanka and a Member of the Institute of Certified Management Accountants of Australia.

Other appointments

Deputy Chairman of Alumex PLC, Non-Executive Director of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Hayleys Leisure PLC. He serves on the Boards of several private and unlisted public companies in the Hayleys Group.

RAJITHA KARIYAWASAN
Executive Director

Appointed to the Board on 1st June 2010

Skills and experience
Mr. Kariyawasan counts extensive leadership experience in the manufacturing sector, which includes over 15 years in the Hayleys Group.

He was appointed to the Group Management Committee in February 2010 and currently holds overall responsibility for the Purification Sector. Prior to joining Hayleys, Mr. Kariyawasan held the position of Director/General Manager of Ansell Lanka (Pvt) Ltd. He has also served as the Chairman of the Manufacturing Association of the Export Processing Zone, Biyagama.

He holds a BSc. Eng. (Electronics and Telecommunications) from the University of Moratuwa, Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants, UK. In addition, he is also a Six Sigma (Continuous Improvement Methodology) Black Belt, certified by the Motorola University, Malaysia.

Other appointments
Deputy Chairman of Dipped Products PLC, Managing Director of Haycarb PLC and a Non-Executive Director of Hayleys Fibre PLC. Director of the companies in the Purification Sector, Hand Protection Sector and the Eco Solutions Sector of the Hayleys Group. Serves on the Board of Sri Lanka Institute of Nanotechnology (SLINTEC) as the nominee Director of Hayleys PLC.

DR. HARSHA CABRAL, PC
Non-Executive Director

Appointed to the Board on 7th February 2011

Skills and experience
A President's Counsel of Sri Lanka and a renowned lawyer with an illustrious practice in the Commercial High Courts and the Supreme Courts of Sri Lanka, Dr. Cabral counts over thirty-eight (38) years' experience in the field of Intellectual Property Law, Company Law, Commercial Law, Commercial Arbitration, Securities Laws and International Trade Law covering both civil and criminal aspects. He has been instrumental in drafting several key legislations including the current Companies Act No.7 of 2007, Arbitration Act, No. 11 of 1995, and the Intellectual Property Law. Dr. Cabral holds a doctorate in Corporate Law from the University of Canberra, Australia.

Dr. Cabral served as a sitting member of the International Chamber of Commerce (ICC) International Court of Arbitration in Paris for a period of six years till 2021. Dr. Cabral was a member of the Law Commission of Sri Lanka and a member of the Advisory Committee on Intellectual Property Law. He is also a member of the Corporate Governance Committee of the Institute of Chartered Accountants of Sri Lanka. Further, he was a nominee on the Post Graduate Institute of Medicine (PGIM). Further, he was appointed to the Board of Management of the Post Graduate Institute of Management.

In addition to his extensive practice in courts, Dr. Cabral also plays an active role in nurturing the next generation of legal professionals through ongoing engagement as a senior visiting lecturer in several local and international universities. He has also published several books on corporate law, intellectual property law and corporate governance among others.

Other appointments
Chairman of the Tokyo Cement Group and Non-Executive Director of several subsidiaries of the Tokyo Cement Group, Chairman of National Savings Bank, Director of Alumex PLC, Diesel & Motor Engineering PLC, Ceylinco Life Insurance Company Limited, Chevron Lubricants PLC, CCC-ICLP International ADR Centre (Guarantee) Limited, Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT), SLIIT International (Private) Limited, Nanadiriya (Guarantee) Limited (Chairman). Through these appointments he serves on several Audit Committees, Nominations and Governance Committees, Remuneration Committees, Recoveries Committees and Related Party Transactions Review Committees, chairing most of them.

RUWAN WAIDYARATNE
Executive Director

Appointed to the Board on 1st April 2013

Skills and experience
Mr. Waidyaratne counts over 40 years of experience in the transportation and logistics industry, primarily in the Hayleys Advantis Group in which has held several senior leadership positions. He was appointed to the Hayleys Group Management Committee and as Managing Director of the Hayleys Advantis Group in 2011. He is a former Chairman of the Ceylon Association of Shipping Agents (CASA) and the Sri Lanka Logistics and Freight Forwarders' Association (SLFFA).

He holds an MBA from the Edith Cowan University of Western Australia and has undergone executive development programmes with the National University of Singapore, Indian School of Business and INSEAD. He is also a Chartered Member of the Chartered Institute of Logistics & Transport of Sri Lanka.

Other appointments
Vice President of the Sri Lanka - Japan Business Council, Executive Committee Member of the Council for Business with Britain, Council Member representing the Transport & Logistics Services Group at the Council of the Employers' Federation of Ceylon (EFC) and Chairman of the EDB Advisory Committee on Logistics Sector. He is an Executive Committee Member of the Ceylon Chamber of Commerce. Mr. Waidyaratne is the Hon. Consul of the Kingdom of Cambodia in Sri Lanka.

Board of Directors

MS. JAYANTHI DHARMASENA
Executive Director

Appointed to the Board on 1st April 2018

Skills and experience
Ms. Dharmasena joined the Hayleys Agriculture Sector as a Management Accountant in 1991, rising to the rank of Managing Director of Hayleys Agriculture Holdings and its subsidiary companies and to the Group Management Committee in 2018.

Ms. Dharmasena is a Fellow Member of the Chartered Institute of Management Accountants, UK. She has attended Leadership and Executive Management Programmes at the Indian School of Business Hyderabad and at the National University of Singapore.

Other appointments
Ms. Dharmasena has been on the Committee of the Ceylon Chamber of Commerce representing Agriculture since 2021 and was nominated to the Ceylon Chamber Board for the 2025–2026 term.

ROHAN KARR
Executive Director

Appointed to the Board on 1st June 2019

Skills and experience
Mr. Karr has a distinguished career in the hospitality sector with core expertise in hotel operations, brand development, strategic leadership, and international hospitality management. He served for over 16 years with John Keells Holdings PLC in senior leadership roles and as General Manager of Cinnamon Hotels & Resorts, playing a key role in shaping the strategic direction of the portfolio, heading the brand development for Cinnamon. He holds a Master's Degree in Hospitality and Business Studies from the United Kingdom and brings over 40 years of extensive experience in the international hospitality industry, in Sri Lanka and the United Kingdom. During his two decades in the United Kingdom hospitality industry, he served in several senior leadership positions, ending his stint as General Manager of Bristol Marriott and Marriott Marble Arch, London.

Other appointments
Managing Director of the Hayleys Leisure sector which includes The Kingsbury PLC, Hayleys Leisure PLC and its subsidiaries Amaya Resorts & Spas. He serves as a Non Executive Director in The Fortress Resorts PLC, Summer Seasons Ltd, and Greener Water Ltd.

GAMINI GUNARATNE
Non-Executive Director

Appointed to the Board on 1st October 2019

Skills and experience
Mr. Gunaratne has held diverse leadership positions in both private and state sector organisations. He previously served as the Vice Chairman of the National Water Supply and Drainage Board.

Other appointments
Independent Director of Dipped Products PLC, Horana Plantations PLC, Swisstek Ceylon PLC, Vallibel Power Erathna PLC, East West Properties PLC. He also serves on the Boards of Hiru Rice Products (Private) Limited, Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT) and College of Fasion Design (Pvt) Ltd. He is the Chairman of Lanka Hotels and Residencies (Pvt) Ltd (Sheraton Colombo).

TIMOTHY SPELDEWINDE
Independent Director

Appointed to the Board on 3rd January 2024

Skills and experience
Mr. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK. He possesses wide experience in managing local as well as international facilities and has been an integral member of the MAS Group for over 26 years. He served as the CEO of Stretchline Holdings headquartered in Hong Kong, with manufacturing facilities in Sri Lanka and overseas.

Other appointments
Independent of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC. Independent and the Audit Committee Chairman of The Kingsbury PLC, Horana Plantations PLC, Ceylon Grain Elevators PLC, Three Acre Farms PLC and WealthTrust Securities PLC. He is also Director of Contemporary Ceylon (Pvt) Ltd.

YOHAN PERERA
Senior Independent Director

Appointed to the Board on 1st April 2024

Skills and experience
Mr. Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA- CA Sri Lanka) and a Fellow Member of the Chartered Institute of Management Accountants (FCMA), UK. He served as the Managing Partner of KPMG Sri Lanka, while also serving on the on the KPMG Middle East & South Asia Board during his tenure as Managing Partner of the Firm. Prior to being appointed as Managing Partner he functioned as the Head of HR, Risk Management Partner and Chief Operating Officer.

Mr. Perera counts over 40 years of experience in audits of conglomerates and listed companies with diversified business interests. He served as the President of the Institute of Chartered Accountants of Sri Lanka during the years 2006 and 2007 and as Chairman of the Sri Lanka Auditing Standards Committee from year 2009 to 2013. He also served as a Board Member of Confederation of Asian and Pacific

Accountants (CAPA), one of four regional organisations recognised by the International Federation of Accountants (IFAC).

Other appointments

Independent Director of Haycarb PLC, Dipped Products PLC, Commercial Bank of Ceylon PLC, Overseas Reality (Ceylon) PLC, E B Creasy & Company PLC, Laxapana PLC and Muller & Phipps (Ceylon) PLC. Has served as a Member of the Securities and Exchange Commission of Sri Lanka, Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and Member of the Governing Council of the Post Graduate Institute of Management of the University of Sri Jayawardenapura.

JONATHAN ALLES

Independent Director

Appointed to the Board on 1st October 2024

Skills and experience

Mr. Alles was the Managing Director/ Chief Executive Officer of Hatton National Bank PLC ('HNB') and 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 was a Director of the Sri Lanka Banks' Association (SLBA) and its Chairman from 2014 to 2016. He served as Chairman of the Asian Bankers Association for 3 years from 2018 onwards, was a member of its Board of Directors and also served as the Chairman of its Advisory Committee. Mr. Alles holds a MBA in Finance (Firstclass) from the University of Stirling in United Kingdom. He is an Associate Member of the Institute of Bankers of Sri Lanka.

Other appointments

Independent Director of Singer (Sri Lanka) PLC, The Kingsbury PLC, Alumex PLC, United Motors Lanka PLC, Ceylon Beverage Holdings PLC, Lion Brewery Ceylon PLC, Vallibel One PLC, DHT Cement (Private) Limited, New Wave Consultants (Private) Limited and Laugfs Holdings Limited. Non Executive Director of Singer Finance (Lanka) PLC

MS. RUMAL FERNANDO

Independent Director

Appointed to the Board on 17th September 2025

Skills and experience

Ms. Rumal Fernando is an accomplished supply chain leader with over 25 years of experience in consumer and retail industry. Throughout her career she has led functions across sales, procurement, customer service and logistics. Joined as the first female field sales manager at Unilever Sri Lanka Ltd and held several pivotal leadership roles over the years. She executed numerous transformational initiatives with both suppliers and customers, strengthening service resilience, improving operational efficiencies, implementing cost-optimization strategies and ensuring high standards of quality and safety in her areas of responsibility.

Ms. Fernando holds a B.Sc. (Hons) degree from the University of New Delhi and Master of Business Administration in International Trade and Logistics from the Post Graduate Institute of Management, University of Sri Jayawardenepura. Member of the Chartered Institute of Purchasing and Supply (UK). Chartered Member of the Institute of Logistics and Transport (UK).

Other appointments

Chairperson of Women in Logistics and Transport (WiLAT) Sri Lanka, Independent Director of Diesel & Motor Engineering PLC. Member of the Women's Chamber of Industry and Commerce (WCIC).

Group Management Committee



DR. ROSHAN RAJADURAI
Managing Director – Hayleys Plantations



ROHAN GOONETILLEKE
Managing Director – Hayleys Fabric Group



MS. DARSHI TALPAHEWA
Head – Group Human Resources & Legal



MAHESH WIJEWARDENE
Managing Director – Singer Group



DR. WASABA JAYASEKERA
Managing Director – Hayleys Aventura Group and Hayleys Consumer



RUWAN RAJAPAKSE
Managing Director – Eco Solutions Group



PRAMUK DEDIWELA
Managing Director – Alumex Group



NIRAN RANATUNGA
Managing Director – Mabroc Group



HASITH PREMATILLAKE
Managing Director – Hayleys Fentons Group



PUSHPIKA JANADHEERA
Managing Director –
Hand Protection Group



MILINDA HEWAGAMA
Group Chief Financial Officer



CHOLIYA DE SILVA
Managing Director – Construction
& Engineering Sector



BRAHMAN BALARATNARAJAH
Deputy Managing Director -
Purification Group

The following Executive Directors are also represented in the Group Management Committee

MOHAN PANDITHAGE, SARATH GANEGODA, RAJITHA KARIYAWASAN, RUWAN WAIDYARATNE, MS. JAYANTHI DHARMASENA, ROHAN KARR

Please refer profiles in Board of Directors

Group Management Committee

DR. ROSHAN RAJADURAI

Appointed to the GMC in January 2013

Skills and Experience

An industry veteran with over 42 years of experience in the plantations sector, Dr. Rajadurai currently serves as the Managing Director of Hayleys Plantation Sector comprising Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC and Horana Plantations PLC. He joined the Hayleys Group in 2013, prior to which he held senior leadership positions in several leading plantation companies. He was also formerly the Chairman of the Planters' Association of Ceylon, Board Member of the Sri Lanka Tea Board, Tea Research Institute, Rubber Research Board, Tea Small Holdings Development Authority and the Tea Council of Sri Lanka, Chairman of Tea Research Institute Consultative Committee Estates & Consultative Committee Research.

He holds a Ph.D in Management, D.Sc in Agriculture, MBA and M.Sc in Agriculture and Plantation Crops from the Postgraduate Institute of Agriculture and a M.Sc. in Organisational Behaviour. He also holds a B.Sc Honors in Plantation Management.

Other appointments

Chairman of the Sustainability Working Group, serves on the "Standing Committee on Agriculture of the University Grants Commission," Member of Public Expenditure Review Committee (PERC) for Ministry of Plantations.

ROHAN GOONETILLEKE

Appointed to the GMC in March 2013

Skills and experience

Mr. Rohan Goonetilleke is the Managing Director/CEO of the Textiles Sector in the Hayleys Group, heading Hayleys Fabric PLC, which he joined in March 2013, and South Asia Textiles Limited which Hayleys Fabric PLC acquired in 2021. Prior to joining Hayleys Fabric PLC, Mr. Goonetilleke served as Director of Brandix X'pressions (Pvt) Ltd, and was appointed to the Board of CLT Apparel (India) (Pvt) Ltd in January 2011, a fully-owned subsidiary of Brandix Lanka Ltd. He also served as the Managing Director/CEO of Textured Jersey Lanka (Pvt) Ltd, Linea Clothing (Pvt) Ltd, a subsidiary of MAS Holdings (Pvt) Ltd and the CEO of Elpitiya Plantations Ltd.

He received his higher education in the United Kingdom, receiving a B.Sc in Engineering qualifying as a Graduate Engineer (B. Sc. Eng.).

Other appointments

He also serves on the Board of Hayleys Fabric Solutions Limited and served on the Board of Sri Lankan Airlines Ltd up to 31st March 2026.

MS. DARSHI TALPAHEWA

Appointed to the GMC in November 2015

Skills and experience

A lawyer by profession, Ms. Talpahewa is responsible for the Human Resources and Legal Services of the Hayleys Group. Her diverse experience spans across government, non-government, academia, private and the corporate sector including the banking sector. She holds a LLB from the University of Colombo and Attorneys-at-Law with First Class Honours from Sri Lanka Law College. She also holds a Master's Degrees in Human Resource Management from the University of Northampton, Master's Degree in International Relations and a Master's Degree in Law from the University of Colombo.

Other appointments

Non-Executive Director of Singer Finance (Lanka) PLC, Director of Sunfrost (Private) Limited and Hayleys Group Services (Private) Limited.

PRAMUK DEDIWELA

Appointed to the GMC in July 2018

Skills and experience

Mr. Dediwela is the Managing Director of the Alumex Group, at which he commenced his career in 1989. He has over 37 years of diverse experience within the Alumex Group covering the areas of Marketing and Sales, Material and Logistics, Finance, Manufacturing and Administration and Human Resources.

A marketer and financial economist, Mr. Dediwela holds a Master's in Financial Economics from the University of Colombo, MBA from the University of Southern Queensland, Postgraduate Diploma in Business and Financial Administration (CA Sri Lanka/Cranfield UK), Postgraduate Diploma in Marketing from the Chartered Institute of Marketing, UK and Diploma in Management from the Open University of Sri Lanka.

Other appointments

Member of the Advisory Committees on Light Engineering Sector & Metal Sector under EDB/Ministry of Industries, Member of the Sri Lanka Economic Association Council and Member of the Foundry Development & Services Institute of Sri Lanka

NIRAN RANATUNGA

Appointed to the GMC in July 2018

Skills and experience

A founder of Mabroc Teas (Pvt) Ltd, Mr. Ranatunga held the position of Commercial Director with the responsibility for marketing bulk tea and branded teas in international markets, prior to his appointment as Managing Director in 2014. He commenced his career in tea tasting in 1980 serving as an auctioneer and tea broker at John Keells Ltd. He has received training in tea tasting and blending at UK's Lyons Tetley and R. Twinnings & Co. Ltd. He spearheaded the initiative to launch the world's first ethical tea brand at the United Nations Global Compact.

Other appointments

Director of Hayleys Plantation Services (Pvt) Ltd.

HASITH PREMATILLAKE

Appointed to the GMC in October 2018

Skills and experience

Mr. Prematillake serves as the Managing Director of Hayleys Fentons Limited and its subsidiaries. Prior to this, he was the Country Director and General Manager of Ansell Lanka (Pvt) Ltd and Chief Executive Officer of Phoenix Industries Ltd. He also held a managerial position at Chevron Lubricants Lanka.

He holds a Master of Business Administration Degree (Merit pass) from the University of Colombo where he was awarded the prestigious Dr. Linus Silva Medal for Best Overall Performance. He also holds a B.Sc. Engineering Degree (Hon's.) from University of Moratuwa. He is a Fellow Member of the Chartered Institute of Management Accountants, Member of the Chartered Institute of Marketing, Passed Finalist of CA Sri Lanka and a Graduate of the British Computer Society. He is also a certified Lean Six Sigma Black Belt and a Member of the Council of Chamber of Construction Industry Sri Lanka (CCISL).

MAHESH WIJEWARDENE

Appointed to the GMC in November 2018

Skills and experience

Mr. Wijewardene serves as an Executive Director and Group Managing Director of Singer (Sri Lanka) PLC and its subsidiary companies. He counts over 30 years of managerial experience in diverse disciplines. He is a former Chairman of Ceylon Chamber of Commerce - Import Section and Sri Lanka - China Business Council. Mr. Wijewardene holds a Master's Degree in Business Administration from the University of Southern Queensland and received the Dean's Award for Outstanding Academic Achievement.

He also holds a Diploma in General Management from the Open University of Sri Lanka and has attended Executive Business Studies at Harvard Business School - Boston & National University of Singapore and McKinsey & Company, Singapore.

Other appointments

Vice President of Sri Lanka Retailers' Association, Committee Member of Ceylon Chamber of Commerce, Committee Member of Employers' Federation of Ceylon, Member of the International Chamber of Commerce - Policy Committee, Director of Singer Finance (Lanka) PLC, Regnis Appliances (Private) Limited Realty & Distributors Ltd.

DR. WASABA JAYASEKERA

Appointed to the GMC in August 2021

Skills and experience

Dr. Jayasekera is the Managing Director of both Hayleys Aventura (Pvt) Ltd. and Hayleys Consumer Products Limited. He has extensive international and domestic experience in the areas of Marketing and Sales, Trading, Finance and Controlling, Business restructuring and Management Information Systems.

He holds a Doctorate in Business Administration (DBA) from the University of Kelaniya. He also holds a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura and a Bachelor's Degree in Physical Science, from the University of Kelaniya.

Dr. Jayasekera is a fellow Member of CA Sri Lanka and a Life Member of the Sri Lanka Institute of Marketing. He also holds a Diploma in Computer Systems and Design from the National Institute of Business Management (NIBM).

PUSHPIKA JANADHEERA

Appointed to the GMC in January 2023

Skills and experience

Mr. Janadheera is the Managing Director of Dipped Products PLC. Prior to his appointment in January 2023, he functioned as the Deputy Managing Director of DPL. He has over 25 years' experience in the field of manufacturing of value-added rubber products and marketing of tyres, rubber gloves and other rubber related products, both locally and internationally.

Mr. Janadheera holds an MBA and a B.Sc in Accountancy (Special) Degree from the University of Sri Jayewardenepura. He is a Fellow Member of CA Sri Lanka, Associate member of the Chartered Institute of Management Accountants (CIMA) of UK, Associate member of Global Management Accountants (CGMA) of UK and Associate member of the National Institute of Accountants of Australia.

Other appointments

Chairman of the Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP), Member of the Sri Lanka Institute of Directors, Served as a Council Member of the Institute of Chartered Accountants of Sri Lanka, and the Plastics and Rubber Institute of Sri Lanka, Former Member of the Advisory Committee of Rubber and Rubber Based Products & Plastics Sector of the Export Development Board and Member of the Polymer Advisory Committee of the Ministry of Industries.

MILINDA HEWAGAMA

Appointed to the GMC in January 2023

Skills and experience

Mr. Hewagama is a highly skilled finance professional with nearly two decades of diverse experience spanning Financial Management, Reporting, Budgeting and Financial Planning & Analysis. He currently serves as the Group Chief Financial Officer of Hayleys PLC, with responsibility for the Group's Finance & Reporting, Environmental, Social and Governance (ESG), Tax, Risk & Safety and Corporate Secretarial functions among others. Since joining Hayleys PLC in 2010, he has progressed steadily within the Group, assuming increasingly senior roles and building

Group Management Committee

extensive experience across a broad spectrum of finance disciplines. He has also played a pivotal role in driving the Group's ESG agenda and has been instrumental in advancing the Group's corporate reporting practices, helping to ensure that the Hayleys PLC's Annual Report continues to set benchmarks in corporate and sustainability reporting. Since his appointment to the GMC, he has contributed actively to the organisation's strategic direction and growth aspirations. Mr. Hewagama is also currently spearheading the Group's foray into the Retail Sector, providing strategic direction in driving operational execution and positioning the sector for sustainable long-term growth.

He is a Member of the CA Sri Lanka and holds an MBA and BBA (Special) in Finance from the University of Colombo. He is a Director of several fully-owned subsidiaries of the Group.

Other appointments

Director of Talawakelle Tea Estates PLC

Director of The Kingsbury PLC

Director of Hayleys Leisure PLC

Director of Kelani Valley Plantations PLC

Director of several fully-owned subsidiaries of the Hayleys Group

Board Member of the United Nations Global Compact

Served as a Member of the Corporate Governance Committee of CA Sri Lanka

CHOLIYA DE SILVA

Appointed to the GMC in October 2025

Skills and experience

A senior financial professional, Mr. De Silva has over 35 years of experience across diversified conglomerates, multinational FMCG organizations, and investment banking. His career includes 14 years at Nestlé Lanka PLC and 9 years at Coca-Cola Sri Lanka, of which 7 years were spent in overseas assignments. Mr. De Silva holds a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is also an alumnus of the University of Stellenbosch Business School in South Africa and has completed an Executive Development Programme at Hult Ashridge Business School in England. He is a Fellow Member of CA Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants (UK), and a Fellow Member of CPA Australia.

Other appointments

Former Group Chief Financial Officer of Hayleys PLC and Head of Finance Coca-Cola Sri Lanka, former governing Council Member of AAT Sri Lanka and former Board Member of the United Nations Global Compact Network (UNGC) Sri Lanka

RUWAN RAJAPAKSE

Appointed to the GMC in April 2026

Skills and experience

Mr. Ruwan Rajapakse serves as the Managing Director of the Eco Solutions Sector.

Mr. Rajapakse possesses over 30 years of professional experience with more than 20 years of international exposure, serving in senior leadership positions across global manufacturing, supply chain management, agriculture, and international trade.

Mr. Rajapakse is a member of the Institute of Certified Management Accountants, Australia. He holds a Bachelor Degree in Physical Science from the University of Kelaniya and an MBA from the University of Colombo. He is also Lean Six Sigma Black Belt qualified in Manufacturing.

Other appointments

Former Global Chief Production officer of the Jiffy Group and a Member of the Group's top management team, headquartered in Rotterdam, Netherlands, where he led the company's global production, operations and supply chain across multiple facilities in Europe, North America and Asia.

BRAHMAN BALARATNARAJAH

Appointed to the GMC in April 2026

Skills and experience

An engineer by profession, Mr. Balaratnarajah possesses extensive experience in engineering project management, manufacturing operations and sustainability. Having joined Haycarb PLC in 1996 as a Maintenance Engineer, he progressed to the position of General Manager in 2010, following his leadership of Recogen Operations from 2004 to 2010. With a career at Haycarb spanning nearing three decades, he currently oversees all manufacturing operations, engineering projects, the Environmental Engineering Segment, corporate sustainability and the European market expansion.

Mr. Balaratnarajah holds a First Class Degree in Mechanical Engineering from the National Institute of Technology, India, and is an alumnus of the Indian Institute of Management, Ahmedabad. He is a member of the American Society of Mechanical Engineers.

Other appointments

Immediate past Chairman of the Industrial Association of Sri Lanka, Ceylon Chamber of Commerce for 2024/25.

Corporate Governance

Ensuring and Preserving Value

Board refreshment
Strengthened Board composition and diversity with the appointment of new Director

Risk management
Strengthened approach to risk management by implementation of a Group-wide risk management procedure



Strategic integration of ESG
Improved Sector-level alignment to the Group's ESG Roadmap

Personal Data Protection
Enhanced governance structures and mechanisms in line with the requirements of the Personal Data Protection Act

Corporate Governance practices in place	
⊙ Majority of Directors are Non-Executive	⊙ Board and Sub-Committee evaluations
⊙ Annual election of 1/3rd of Directors through majority voting	⊙ Comprehensive Board-approved policy framework
⊙ Board and Sub-Committee evaluations	⊙ Proactive, year-round stakeholder engagement programmes
⊙ Regular review of Board composition and structure	⊙ No super majority power in governing documents

Board Compliance

- The Board is satisfied that it discharged its duties and obligations effectively during the 2025/26 financial year
- The Board confirms that the organisation has fully complied with the Corporate Governance Rules set out in the Listing Rules of the CSE
- The Company's Independent Directors meet the criteria for determining independence as per the Listing Rules of the CSE
- The Chairman & Chief Executive and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE
- The Board confirms compliance with the requirements of the Policy on Matters Relating to the Board of Directors
- During the year under review, there were no material violations of any laws or regulations nor any material fines or penalties imposed on the Company for contraventions of any laws and regulations

GOVERNANCE RESPONSE TO SHIFTS IN OUR LANDSCAPE

The Group persistently reviews and evaluates trends in the operating landscape, adapting its governance frameworks to ensure relevance in changing dynamics.

Trend	Governance response
Opportunities presented by a fairer and more competitive environment for the private sector following changes in the political leadership	⊙ Increased focus on mitigating the risk of corruption and bribery ⊙ Strategic alignment with the country's national economic development agenda
Regulatory reporting requirements and escalating customer concerns on sustainability considerations	⊙ Regular monitoring of ESG risk landscape with its integration to the Group's enterprise risk management framework ⊙ Monitoring progress against the aspirations and targets of the Group's ESG strategy
Providing oversight on digital transformation, data privacy and the use of data	⊙ Fit-for-purpose digital transformation strategy which is reviewed by the Board ⊙ Continued monitoring of digital and cybersecurity risks as part of the Group's enterprise risk management

Corporate Governance

APPROACH TO CORPORATE GOVERNANCE

The Hayleys Group's transformation over the decades has been anchored by its enterprise-wide corporate governance framework, which has allowed the Group to evolve its structures, processes and decision-making to remain agile in shifting operating dynamics. Good governance is embedded in long-standing principles that are designed to ensure longevity of the Group's multi-stakeholder value creation, driven by our purpose of Inspiring an Inclusive World and a Thriving Planet. Our fit-for-purpose governance approach is designed to comply with the relevant regulations and legislation and is supplemented by alignment to governance best practices and relevant voluntary frameworks as set out below.

External frameworks

Regulatory frameworks

- Companies Act No.7 of 2007
- Sri Lanka Accounting and Auditing Standards Act No.15 of 1995
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021
- Continued Listing Requirements of the Colombo Stock Exchange
- Inland Revenue Act No. 10 of 2006 and amendments
- Inland Revenue Act No. 24 of 2017 and amendments thereto
- Customs Ordinance No. 17 of 1869
- Foreign Exchange Act No. 12 of 2017
- Industrial Disputes Act No. 43 of 1950
- The Shop and Office Employees Act No. 15 of 1954
- Factories Ordinance No. 45 of 1942
- Finance Business Act No.42 of 2011 and amendments thereto
- SLFRS S1 and S2 Sustainability Disclosure Standards
- Anti-Corruption Act No. 9 of 2023

Voluntary standards, codes and frameworks

- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants (2023)
- 10 principles of the United Nations Global Compact
- Integrated Reporting Framework
- Global Reporting Initiative Standards
- Sustainability Accounting Standards Board (SASB) Disclosures
- Requirements of Environmental & Social Certifications
- Quality standard certifications obtained by companies

Internal Mechanisms

POLICIES AND FRAMEWORKS

- Articles of Association
- Board and Sub-Committee Charters
- Policy framework

ORGANISATIONAL CULTURE

- The Hayleys Way- Ethical roadmap for employees
- Corporate Values

GOVERNANCE

- Structures and delegation
- Strategic leadership
- Controls and assurance
- Responsible corporate citizenship

HAYLEYS LIFECODE

- 100% compliance to relevant laws and regulations
- Meaningful and impactful stakeholder relationships
- Internal and external reporting on ESG factors
- Effective ESG risk management
- Zero tolerance of bribery and corruption

Governance outcomes

Performance and sustained value creation	Stakeholder relations and legitimacy	Effective control	Ethical culture	ESG integration
59-61	75-76	109	74	133-135

ACTIVE GOVERNANCE DRIVING LONG-TERM VALUE

The Group's governance approach supports long-term value creation in the short, medium and long-term by enabling strategic oversight, providing guidance on resource allocation and ensuring adequate controls to preserve the interests of our stakeholders and capitals. These actions are summarised below and described in further detail throughout this Chapter.

Monitoring execution of strategy and performance

Capitals impacted

FC MC HC SC

Strengthening risk management

Capitals impacted

FC MC HC SC NC

Digital transformation

Capitals impacted

FC MC IC

ESG integration

Capitals impacted

HC NC SC

MONITORING EXECUTION OF STRATEGY AND PERFORMANCE

Evolving the Group's strategy was a key agenda item during the year, with considerable emphasis given to the Group's new industry verticals. The Board provides substantive input into the formulation and oversight of the strategy, with focused deliberation on execution, progress, and the implications of evolving conditions within the operating environment. This process is further strengthened by the active engagement of the Group's Executive Directors, who represent key business verticals and contribute domain expertise and sector-specific insights to strategic decision-making.

The effectiveness of the Board's decision-making is enhanced through the following interventions.



Corporate Governance

Key strategy-related Board interventions during the year are summarised below:

	How governance supports delivery of strategy	Information shared with Board	Active governance in 2025/26
Portfolio optimisation	Optimal capital allocation between new, high-growth ventures and mature businesses	⊙ Performance against financial and operational targets and metrics ⊙ Developments in external landscape including political, macro-economic and social matters	⊙ Overseeing the Group's strategic direction and approval of Annual Corporate Plan and budgets ⊙ Evaluation and assessment of new ventures and market opportunities ⊙ Approving the annual, interim and quarterly financial results
Customer centricity	Alignment of organisational policies, culture and leadership with customer expectations	⊙ Developments in the competitive landscape ⊙ Results of customer acquisition and retention ⊙ Results of customer satisfaction surveys	⊙ Evaluation of opportunities in new markets and customer segments ⊙ Monitoring performance of new products and services ⊙ Monitoring customer satisfaction levels against defined targets
Nurturing inspired teams	Ensure the Group's employee value proposition is tailored to attract and retain the talent required to drive its strategy	⊙ People-related developments including changes in headcount, health and safety and engagement initiatives ⊙ Results of employee satisfaction survey	⊙ Assess impact of Cyclone Ditwah on employee living conditions and well-being ⊙ Review and approval of remuneration guidelines and parameters ⊙ Ensure effective succession planning is in place for key management personnel
Inclusive business models	Prioritise inclusive business models and ensure engagement in strategic CSR initiatives	⊙ Metrics on supplier value creation and retention ⊙ Outputs and outcomes associated with community engagement mechanisms	⊙ Receive updates on the Group's major suppliers and value creation ⊙ Monitor progress of supplier development programmes ⊙ Monitor progress of key community engagement initiatives
ESG integration	Strategic integration of ESG across all decision-making, functions and processes	⊙ ESG risks and opportunities ⊙ Performance against ESG targets ⊙ External developments (including client requests and regulations) relating to sustainability	⊙ Oversight on ESG risk management processes ⊙ Monitoring of ESG performance against defined targets

RISK MANAGEMENT

Risk management remained a core area of focus during the year, as the Group navigated through complexities stemming from the internal and external operating landscape. The Board and risk-related committees (refer table below) provided oversight on the impacts of macro-economic and geopolitical developments, regulatory changes as well as implications of Cyclone Ditwah on operations, supply chains and employees.

Interventions in 2025/26: The Group made significant improvements to its risk governance, processes and procedures during the year as summarised below and described in further detail in the Risks and Opportunities Section on pages 108 to 116 of this Report.

Risk-related interventions in 2025/26



Discharge of risk-related responsibilities

Function	Mandate and Activities
Risk Management Committee	⊙ Oversee and advise the Board on current and emerging risk exposures across the following categories of risk- strategic, financial, operational and sustainability ⊙ Oversee, assess and monitor the adequacy and effectiveness of the Group's Risk Management Procedure for identifying, assessing, prioritising and reporting current and emerging risks **Sector-level interventions** In addition to Audit Committees in listed subsidiaries, significant unlisted sectors have also established Audit Committees
Board Audit Committee (Please refer to page 68 for the Composition, Scope and functions of the Audit Committee)	⊙ Oversight responsibility on selecting and applying accounting policies and maintaining an appropriate relationship with the external auditors ⊙ Reviews internal control issues and risk management measures identified by MA & SRD and evaluate the adequacy and effectiveness of the risk management and internal control systems including financial reporting **Sector-level interventions** In addition to Audit Committees in listed subsidiaries, significant unlisted sectors have also established Audit Committees
ESG Steering Committee	⊙ Review and monitor ESG related risks, opportunities and impacts and recommend the implementation of appropriate measures to effectively address these dynamics All Sectors operate ESG Steering Committees with board representation, facilitating a bottom-up approach to managing ESG-related risks across the Group

Corporate Governance

Function	Mandate and Activities
Internal Audit (Management Audit & System Review Department)	⊙ Vital role in assessing the effectiveness of controls and strengthening them and establishing new controls where necessary ⊙ Direct channel between the Head of MA & SRD and the Chairman of the Audit Committee without the interference of any Directors or Executives. ⊙ Reports are made available to the Chairman & Chief Executive and the Chairman of the Audit Committee
External Audit and Auditor Independence	⊙ The Group's external auditors (for financial reporting) are Messrs. Ernst & Young and the principal does not engage in any services which are in the restricted category as stipulated by the CSE for external auditors ⊙ The Audit Committee reviews the independence, the skills and experience and the work of the external auditors annually and recommends appointment accordingly to the Board ⊙ The Audit Committee conducts an in-camera meeting with the external auditors on completion of the audit to identify any areas of concern ⊙ The Audit Committee also monitors non-audit work done by the external auditors to ensure their independence

DIGITAL TRANSFORMATION

The Board exercises governance and strategic oversight on the Group's digital and technology infrastructure ensuring that technology initiatives serve as a cross-cutting enabler across all strategic pillars. During the year, the Group officially launched its Digital Transformation Roadmap, clearly articulating five key pillars driving the transformation agenda (refer to page 137 for further information on related interventions) The Head of Group IT Services, supported by specialised resources across the Group supports the Board in discharging its IT-related duties and providing oversight on the management of technology assets.



Oversee implementation of the Group's digital transformation roadmap

Monitor progress of strategic IT initiatives and significant technology programmes

Monitor the availability, security and stability of systems

Monitor the management of IT and cyber-related risks

The Group's approach to IT and cybersecurity management includes suitable governance structures, policies and processes as is given below

Policy framework

Hayleys IT policy

Acceptable use policy

Group access policy

Strategic alignment

Alignment to the Group's overall business objectives

Compliance

Regulations and compliance standards including data protection laws

Risk management

Identification, monitoring and management of IT-related risks (refer to page 63)

Resource and performance management

Budgeting, capacity building and monitoring metrics

Governance structure

1st LINE OF DEFENSE

Management controls

Internal control measures

2nd LINE OF DEFENSE

Financial control Security

Security Risk Management

Quality

Inspection

Compliance

3rd LINE OF DEFENSE

Internal Audit

Commitment to personal data protection: The Group is strengthening its commitment to data privacy through the implementation of a comprehensive Personal Data Protection framework, aligned with the Sri Lanka Personal Data Protection Act (PDPA). This initiative is guided by the core objectives of PDPA—ensuring lawful and transparent processing of personal data, enhancing accountability, and safeguarding the rights of individuals while enabling responsible, data-driven business operations. The following interventions undertaken during the year were aimed at embedding data protection within the Group's operating model, thereby strengthening regulatory alignment and reinforcing stakeholder trust.

Establishment of a structured governance mechanisms which includes the appointment of a Group Data Protection Officer (DPO) to provide central oversight

Appointment of a network of Sector Data Protection Leads, ensuring consistent adoption of data protection principles across all business units



Sector based assessments are conducted to evaluate current practices, identify improvement opportunities, and prioritise key areas of focus

Data Protection Impact Assessments (DPIAs) are being undertaken for priority initiatives

Corporate Governance

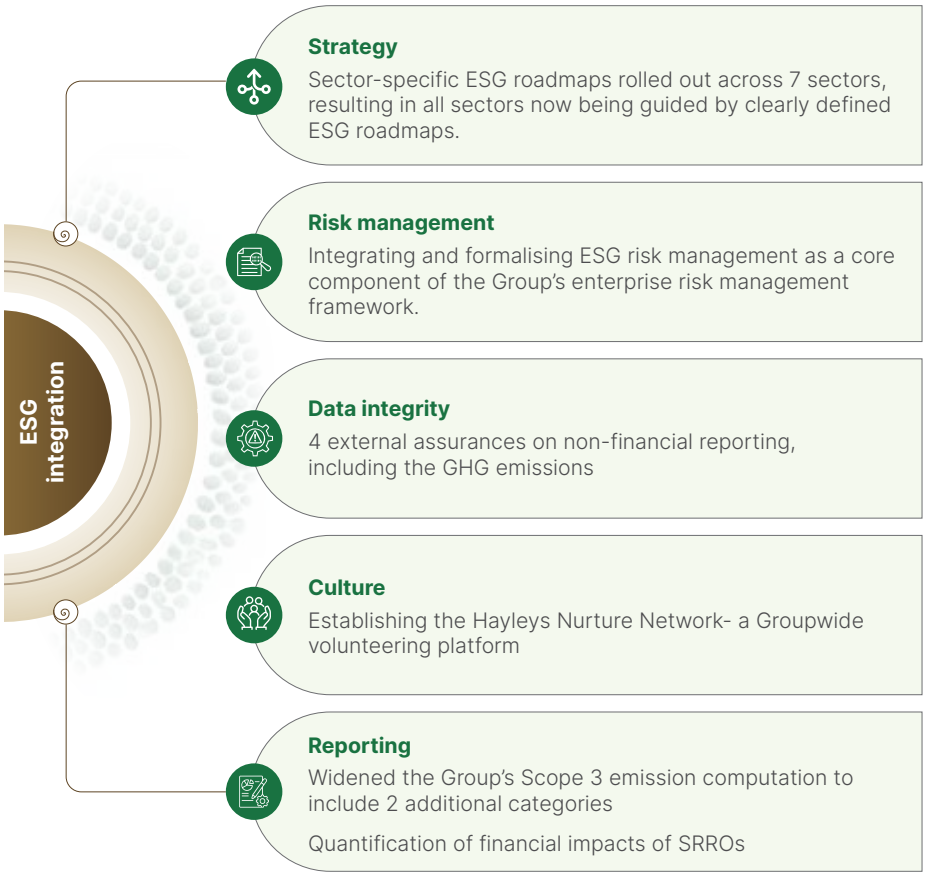
Board's role in management of impacts and ESG oversight: The Board holds apex responsibility for formulating and updating the Group's goals, strategies and policies related to sustainable development. These aspirations are set out in the Hayleys Lifecode, the Group's ESG Roadmap; the Board reviews performance against the ESG targets set out in the Hayleys Lifecode on a quarterly basis while also providing oversight on policy updates, target revisions and strategic actions whenever required. Established reporting lines both at Group and Sector-level also enable the Board to play a central role in overseeing due diligence processes to identify impacts on the economy, environment and society. In fulfilling this responsibility, the Board considers insights derived from stakeholder engagement mechanisms, ensuring that stakeholder perspectives are meaningfully integrated into strategic decision-making.

The Group ESG Steering Committee (comprising 3 Executive Directors and 3 GMC members) assists the Board in the discharge of its ESG-related duties. The mandate of the ESG Steering Committee includes providing oversight and monitoring the execution of the Group's ESG Roadmap, identifying ESG related risks, opportunities and impacts and providing guidance on ESG related policies and programmes among others.

Board responsibility sustainability reporting: The Board retains ultimate responsibility for ensuring the integrity and relevance of the Group's disclosures, including the formal approval of material topics at the outset of each reporting cycle. In addition, the Annual Report is subject to comprehensive review and approval by the Board prior to publication.

Refer the Group's ESG Report for further information on ESG Governance

Key achievements in ESG integration in 2025/26



BOARD MEETINGS

Board meetings are scheduled early and duly informed to the Directors at the beginning of each calendar year. During the year, the Board convened 13 times while 1 special meeting was also held to discuss specific issues as illustrated below. Clear guidelines and processes are defined and communicated to ensure effectiveness of Board meetings.

Board and Sub-Committee meeting schedule 2025/26

JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
B	B	B	B	B	B	B	B	B	B B	B	B
		A			A			A			A
		RP			RP			RP			RP
			N								N
						RE			RE		RE

B Board A Audit Committee RE Remuneration Committee N Nominations & Governance Committee RP Related Party Transactions Review Committee

Directors	Board	Audit Committee	Remuneration Committee	Nominations & Governance Committee	Related Party Transactions Review Committee
Mr. A. M. Pandithage	13/13				
Mr. K. D. D. Perera	7/13				
Mr. S. C. Ganegoda	12/13				
Mr. H. S. R. Kariyawasan	13/13				
Dr. H. Cabral PC	13/13	4/4	3/3	3/3	4/4
Mr. L. R. V. Waidyaratne	12/13				
Ms. J. Dharmasena	13/13				
Mr. R. J. Karunarajah	13/13				
Mr. K. D. G. Gunaratne	12/13	4/4	3/3	3/3	4/4
Mr. T. A. B. Speldewinde	12/13	4/4	3/3	3/3	4/4
Mr. P. Y. S Perera	13/13	4/4	3/3	3/3	4/4
Mr. A. J. Alles	13/13	4/4	3/3	3/3	3/3
Ms. S. R. Fernando (appointed on 17th September 2025)	10/10				
Mr. M. Y. A. Perera (resigned with effect from 15th September 2025)	2/3	1/1			1/1

OVERVIEW OF CORPORATE GOVERNANCE FEATURES

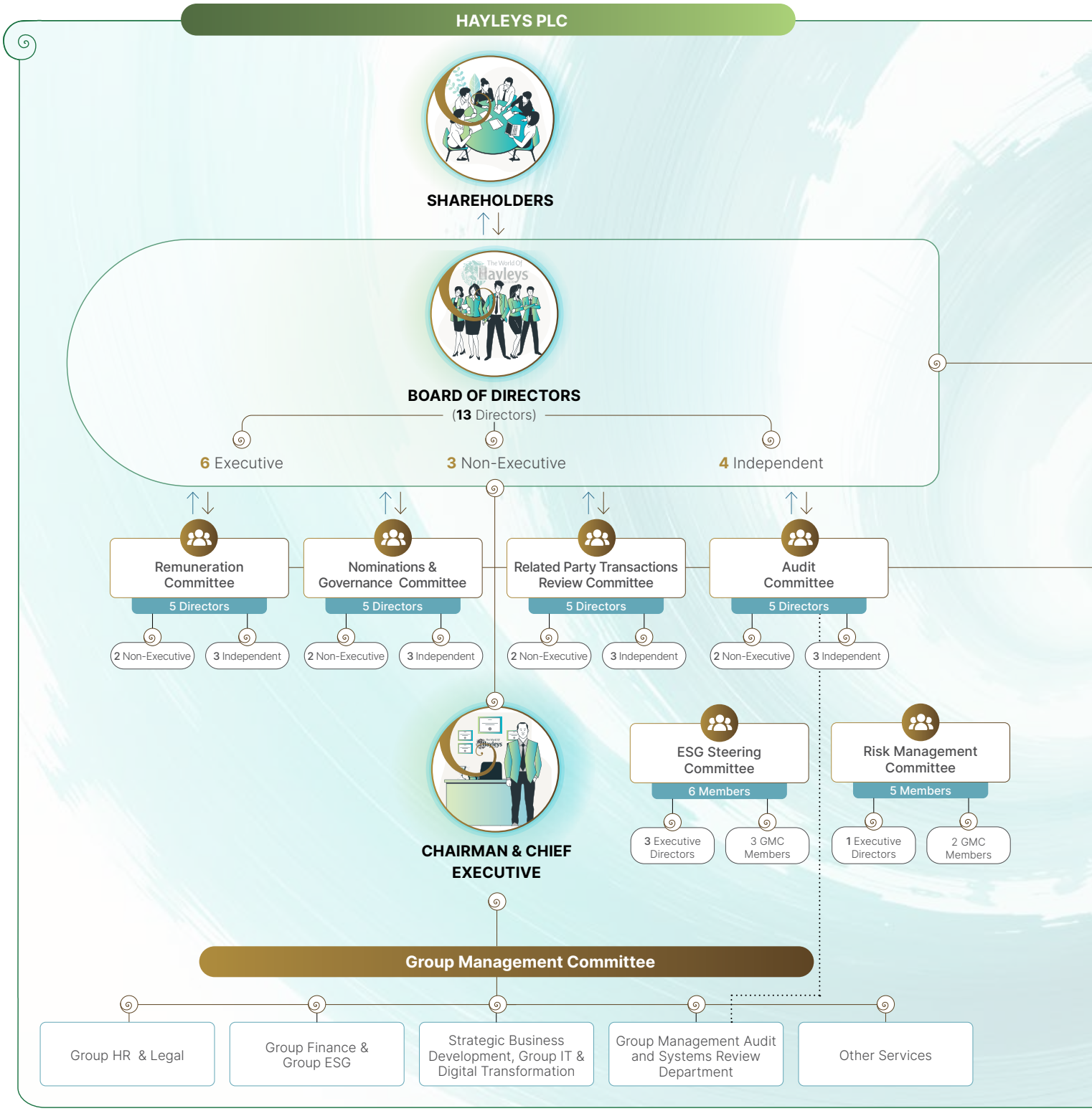
The Group's corporate governance structures and frameworks continued to evolve during the year, remaining aligned with applicable best practices and statutory developments. These frameworks support effective oversight and decision-making, and are integral to preserving and safeguarding stakeholder value.

Board Structure	Unitary Board comprising both Executive and Non-Executive Directors	13 Directors	54% Non-Executive Directors
	1/3rd of Directors in office retire at each AGM by rotation	Senior Independent Director	31% Non-Executive Independent Directors
Delegation	4 Statutory sub-committees	Audit, Remuneration, Nominations & Governance, Related Party Transactions Review Committee comprises exclusively of Non-Executive Directors	2 discretionary committees (hybrid) ⊙ ESG Steering Committee ⊙ Risk Management Committee
Policy Framework (refer to page 71 for full list)	⊙ Board Charter ⊙ Policy on Matters Related to the Board of Directors ⊙ Policy on Corporate Governance ⊙ Board Committee Charters ⊙ Bribery and Anti-Corruption Policy ⊙ Shareholder and Investor Communications Policy		
Shareholder rights	All issued ordinary shares rank equally with the same rights	All holders of the same share class treated equally	Single class of ordinary shares which are publicly traded

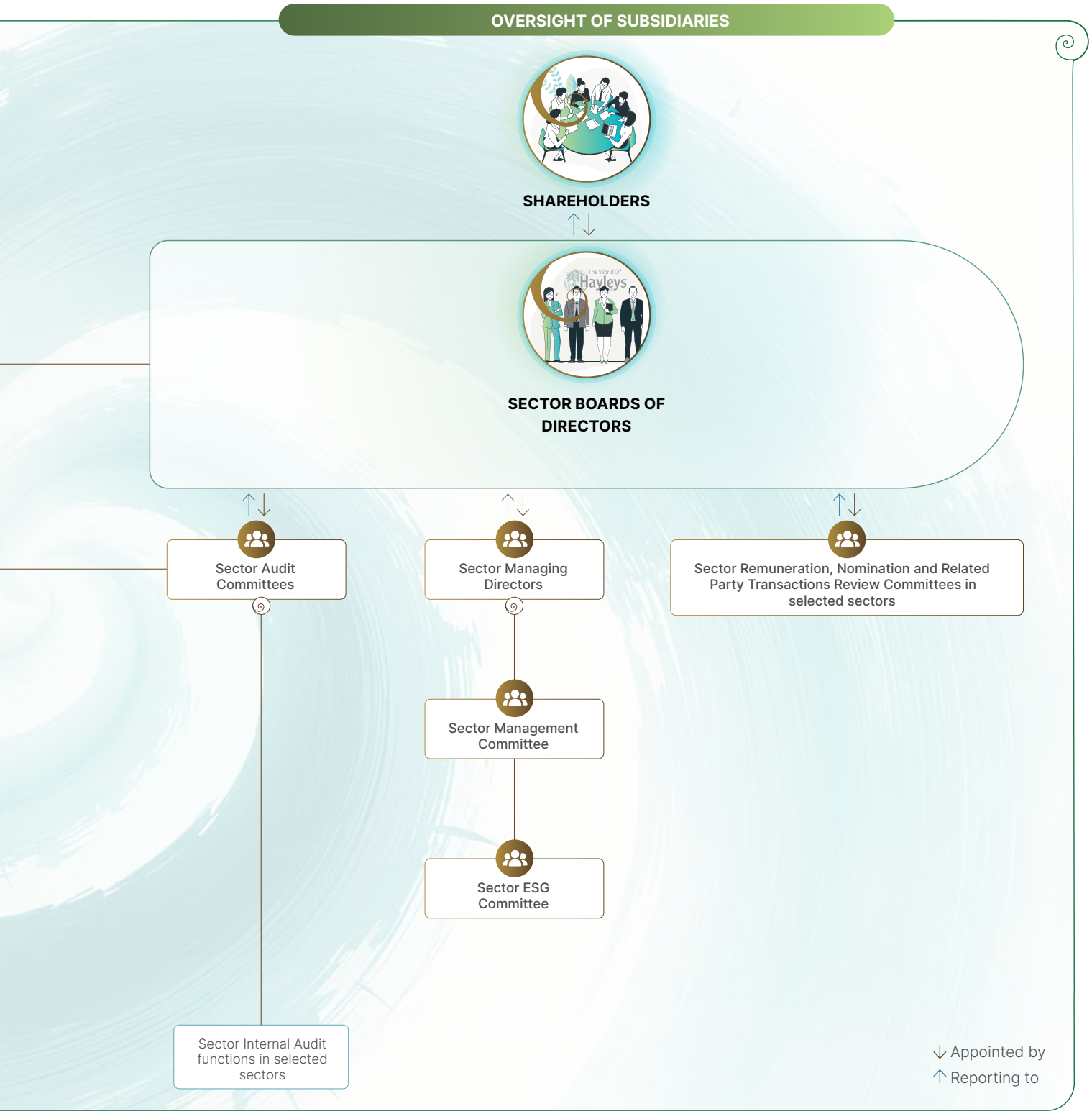
Corporate Governance

BOARD STRUCTURE AND DELEGATION

The Group's governance structure has evolved over time to reflect the increasing diversity and depth of the Group's operations. As set out below, the Board of Hayleys PLC has line of sight to the Group's industrially and geographically diverse businesses and



is adequately robust to enable judicious delegation and the agility to respond to requirements of a large entity operating across multiple jurisdictions



Corporate Governance

RESPONSIBILITIES OF THE BOARD

As the apex governing body of the Group, the Board of Directors provide strategic guidance while setting the tone for ethical, transparent leadership across the organisation. The Group is supported by 6 sub-committees and the Group Management Committee, which is responsible for the execution of the strategy and management of the business.

Powers retained by the Board of Directors (as defined in the Board Charter)

- Formulating and steering the Group's strategy
- Oversee performance against strategy and financial and non-financial targets
- Approving policy and programmes
- Stakeholder engagement
- Shaping Organisational culture
- Risk Management and Internal Controls

Group Management Committee

Led by the Chairman & Chief Executive and includes the Group's Executive Directors, Sector Heads, Group Chief Financial Officer and Head of Group Legal & Human Resources. The GMC engages in weekly deliberations on,

- Sector-level internal and external developments
- Updates from Hayleys PLC center functions including HR, Treasury, Corporate Communications, Group Tax, Strategic Business Development, Group IT and Group ESG
- Any emerging developments which are pertinent to the Group's performance

BOARD SUB-COMMITTEES

The Board sub-committee structure provides an opportunity to leverage director's expertise in specialised areas such as risk management, audit and sustainability. When determining committee composition, the Board considers relevant regulations, the skills and experience of its members and responsibilities of the Committee. Board committees report to the Board of Directors in detail on key discussions and activities and each sub-committee has a formal Terms of Reference that is reviewed annually. Please refer to pages 343 to 352 for further information on the activities of the Sub-Committees during the year.

Audit Committee

(Refer page 343 to 345 for Report of the Committee)

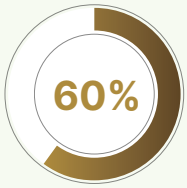
- Evaluating the integrity of the financial statements and adequacy of internal controls
- Review of the key risk exposures and measures in place to mitigate risks
- External audit
- Internal audit

Relevance to value

FC IC MC

Focus on strategic priorities

% of committee members who are independent



Skill mix

- Accounting, finance and corporate finance
- Law and commercial arbitration
- Banking
- Corporate leadership

Remuneration Committee

(Refer page 349 to 350 for Report of the Committee)

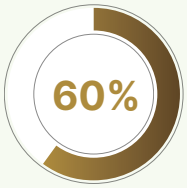
- Remuneration policy for Group with particular reference to Key Management Personnel
- Organisation structure
- HR Policy
- Goals and targets for Key Management Personnel
- Performance evaluation

Relevance to value

FC IC MC

Focus on strategic priorities

% of committee members who are independent



Skill mix

- Accounting, finance and corporate finance
- Law and commercial arbitration
- Banking
- Corporate leadership

Nominations and Governance Committee

(Refer page 346 to 348 for Report of the Committee)

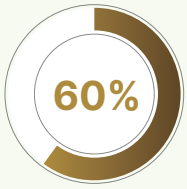
- Appointment of Key Management Personnel
- Establish and maintain a formal procedure for the appointment of new directors
- Succession planning
- Code of Ethics
- Effectiveness of the Board and its Sub-Committees

Relevance to value

HC SC IC

Focus on strategic priorities

% of committee members who are independent



Skill mix

- Corporate leadership
- Law and commercial arbitration
- Banking

Related Party Transactions Review Committee

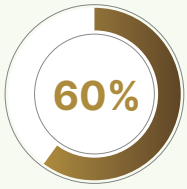
(Refer page 351 to 352 for Report of the Committee)

- Review of all proposed related party transactions of the Group
- Monitor that all related party transactions are transacted on normal commercial terms
- Oversight on disclosure of related party transactions

Relevance to value

FC SC IC

% of committee members who are independent



Skill mix

- Corporate leadership
- Law and commercial arbitration
- Banking

ESG Steering Committee

- Oversight and monitor the execution of the Hayleys Lifecode
- Review and provide guidance on ESG related policies and programmes
- Review emerging trends and issues in the ESG areas

Relevance to value

HC SC NC

Focus on strategic priorities

3
Executive Directors

3
GMC

Skill mix

- Corporate leadership
- Business sustainability
- Human resource management
- Accounting and finance

Risk Management Committee

- Oversee and advise the Board on current and emerging risk exposures
- Review risk management policies and procedures
- Assess viability of Group's business continuity programmes

Relevance to value

FC HC SC NC

Focus on strategic priorities

1
Executive Director

2
GMC

Skill mix

- Corporate leadership
- Business sustainability
- Accounting and finance
- Human resource management

Corporate Governance

THE COMPANY SECRETARY

Company secretarial services are provided by Hayleys Group Services (Pvt) Ltd., who are competent secretarial professionals registered as company secretaries with the Registrar of Companies. The role of the Company Secretary has been defined in line with the provisions set out in the Code and include the following:

The role of the Company Secretary has been defined in line with the provisions set out in the Code and include the following:

- Facilitating the efficient conduct of Board meetings and ensuring that all proceedings of meetings are properly minuted.
- Ensuring that all Board Committees are properly constituted and provided with clear terms of reference.
- Ensuring that an Annual General Meeting is held in line with regulatory requirements and that all notices, forms and reports necessary for the meeting are disseminated with approval of the Board.
- Maintaining the registers required by regulations and filing of all statutory returns and documents with the Registrar of Companies.
- Advising Directors with respect to their duties and responsibilities in compliance with regulatory requirements.
- Acting as a channel of communication and information for the Non-Executive Directors.
- Ensuring good relationships with shareholders.
- Filing and updating information of the Group Companies with the Registrar of Companies.
- Making timely disclosures to the Colombo Stock Exchange in terms of the Listing Rules and other regulatory body including disclosures on related parties and related party transactions.

BALANCE OF POWER

The functions of Chairman & Chief Executive are vested in one person due to the diversity and scale of operations of the Group and the Board is of the view that this is the most appropriate arrangement for Hayleys PLC. The Board has also appointed Mr. P. Y. S. Perera Non-Executive Director as Senior Independent Director to facilitate board balance and ensure effective engagement with Non-Executive Directors. Meanwhile, the balanced distribution of authority among Executive, Non-Executive and Independent Directors enhances decision-making while promoting independent judgement.

Contribution of NEDs

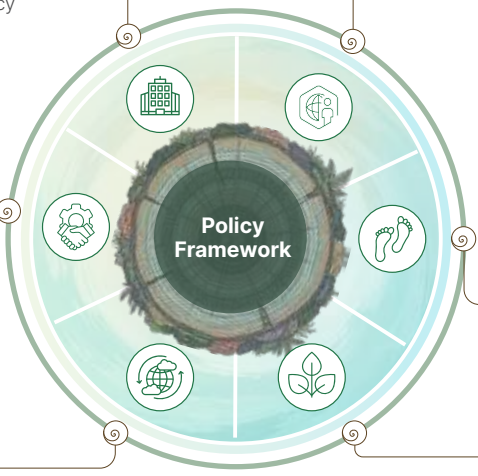
- Objective advice
- Diverse perspectives
- Domain specific specialist insights
- Act in best interest of all stakeholders

Contribution of Independent Directors

- Mitigating conflicts of interest
- Ensure fairness and accountability in executive remuneration
- Build trust and maintain investor confidence

Contribution of SID

- Upholding ethics, integrity and probity
- Facilitate discussion among NEDs and EDs on governance matters
- Facilitate equitable balance between stakeholder interests
- Act on the results of any performance evaluation of Chairman



Responsible work place

- Industrial Relations policy
- Talent Management and Succession Planning policy
- Disciplinary policy
- Grievance handling policy
- Recruitment policy
- Learning & Development policy
- Performance Management Policy
- Human Rights Policy
- Anti-Sexual Harassment policy
- Health and Safety Policy

Partnering progress

- Customer Management Policy
- Procurement Policy
- CSR Policy

Accelerating climate action

- Energy and emissions management policy

Responsible and responsive corporate citizenry

- Policy on Matters Related to the Board of Directors
- Policy on Corporate Governance
- Board Committee Charters
- Bribery and Anti-Corruption Policy
- Policy on Risk Management and Internal Controls
- Shareholder and Investor Communications Policy
- Rewards and Remuneration Policy
- IT policy
- Intellectual Capital Policy
- Information Security policy
- Business data back-up policy

Optimising resource footprint

- Material and Waste Management Policy
- Chemical Management Policy

Restoring and regenerating nature

- Water Management Policy
- Biodiversity Conservation Policy

POLICIES AND PROCEDURES

A comprehensive and robust policy framework (listed above) applicable across all Group entities ensures a structured and consistent approach to processes and decision-making. Policies are reviewed and revised annually to ensure relevance in evolving operating conditions. During the year, Hayleys PLC formalised Standard Operating Procedures (SOPs) for key divisions and functions ensuring consistency and efficiency across the organisation.

Scan the QR code to view the Group's mandatory policies.
https://www.hayleys.com/our-policies/#our-policies

STANDARD OPERATING PROCEDURES

The following SOPS were formulated during the year

- Secretarial
- ESG
- Tax
- Fire & Safety

STRATEGIC LEADERSHIP

Skills and expertise

Given the breadth and complexity of the Group's operations, an appropriate balance of experience, perspectives, knowledge, and skills is essential for the Board to discharge its responsibilities effectively. The Board Nominations and Governance Committee reviews the Board's composition against the required mix of expertise in response to the Group's strategic aspirations and rapidly evolving environment. The Board's expertise across the areas of Finance and Accounting, Corporate Leadership and Governance and industry-specific skills is elaborated below.

Finance and Accounting

In a diversified conglomerate of the scale and complexity of Hayleys, strong finance and accounting expertise at Board level is fundamental to effective oversight and long-term value creation. Such skills enable the Board to rigorously evaluate capital allocation decisions, assess performance across sectors and geographies, and maintain disciplined stewardship over risk, liquidity and balance sheet strength.

Finance and Accounting skills on board	
Executive Directors	Non-Executive Directors
S. C. Ganegoda, H. S. R. Kariyawasan, Ms. J. Dharmasena,	T. A. B. Speldewinde, P. Y. S. Perera, A. J. Alles

Corporate Leadership

Directors with strong corporate leadership acumen bring the ability to translate purpose and strategy into coherent, long-term priorities, while ensuring that the capabilities of the talent pool keeps pace with the Group's evolving portfolio. These perspectives support a holistic approach to risk management, where strategic, operational, people and sustainability risks are considered in an integrated manner thereby supporting the long-term resilience of the business.

Corporate Leadership skills on board	
Executive Directors	Non-Executive Directors
A. M. Pandithage, K. D. D Perera, S. C. Ganegoda, H. S. R. Kariyawasan, L. R. V. Waidyaratne, Ms. J. Dharmasena, R. J. Karunarajah	Dr. H. Cabral, K. D. G. Gunaratne, T. A. B. Speldewinde, A. J. Alles, Ms. S. R. Fernando

Industry-specific skills

For a conglomerate such as Hayleys, with significant exposure to manufacturing, transportation and logistics, agriculture and hospitality, domain knowledge enables the Board to engage meaningfully with management on operational realities, sectoral risks and long-term value drivers. This depth of understanding enhances the quality of governance and depth of decision-making.

Sustainability-related skills

The Board's competencies in sustainable development are continually strengthened through targeted knowledge enhancement initiatives facilitated by the Group ESG function. These include periodic briefings, training sessions and updates on emerging sustainability trends, regulatory developments and best practices, ensuring that Directors remain well-equipped to provide informed oversight and strategic direction on sustainability-related matters.

Industry-specific skills on board	
Executive Directors	Non-Executive Directors
H. S. R. Kariyawasan (Manufacturing) A. M. Pandithage, L. R. V. Waidyaratne (Transportation & Logistics), Ms. J. Dharmasena (Agriculture), R. J. Karunarajah (Hospitality)	T. A. B. Speldewinde (Manufacturing), Ms. S. R. Fernando (FMCG), A. J. Alles (Banking)

Corporate Governance

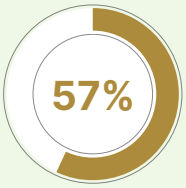
Diversity

Best practice in corporate governance underscores the need for Boards to comprise a diverse mix of independence, experience and expertise to effectively discharge their duties. At Hayleys, this diversity is reflected across multiple dimensions, including age, gender and tenure, as illustrated below. Board refreshment during the year enhanced.

INDEPENDENCE

Majority of the Board comprises Non-Executive Directors (7), of which four (4) are independent, thereby enriching discussions and bringing objective judgement to Board decisions

Board composition



DIVERSITY OF AGE

With **31%** of Directors **below the age of 60**, the Board is diverse in its age representation, thereby combining both experience and fresh perspectives.

SKILL COMPOSITION

Transportation & Logistics	3
Corporate leadership	11
Entrepreneurship	1
Banking and Finance	6
Manufacturing & Engineering	2
Corporate governance & legal	1
Agriculture	1
Hospitality	1
FMCG	1

GENDER DIVERSITY

11 Males

02 Females

SUCCESSION AND DIVERSITY OF TENURE

Average tenure	Years of service	Number of Directors
9 years	< 3	5
	3-5	-
	5-9	3
	>9	5

Periodic introduction of new members bringing in new perspectives and skills, while continuity and valuable industry expertise is retained through long-standing Directors.

LINK OF SKILL PROFILE TO INTEGRATED VALUE

FC	Financial accounting, Tax, Auditing and Internal controls
MC	CAPEX, Asset management
IC	Innovation, Intellectual property, Digital transformation
HC	People management
SC	Stakeholder engagement, Community empowerment, Supply chain management
NC	Management of natural resources, environmental risk management

Board changes: During the period under review Mrs. S. R. Fernando was appointed as an Independent Non-Executive Director (refer to page 51 for profile). Meanwhile, Mr. M. Y. A Perera who served as an Independent Non-Executive Director and the Senior Independent Director resigned from the Board with effect from 15th of September 2025 having completed the 9 years of service. Following his resignation, Mr.P. Y. S. Perera was appointed as the Senior Independent Director.

Fit & Proper Assessment: The Group's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

Appointment, rotation and re-election of Directors: The Group's Board succession management framework ensures continuity at the Board and Sub-Committee levels. Board appointments follow a formal and transparent manner, as determined by the Nominations and Governance Committee, which assesses the Group's strategic demands as well as diversity, skills and competencies of the Board. The Board considers the recommendations of the Nominations Committee and recommends suitable candidates for appointment or re-election by the shareholders at the Annual General Meeting under the advisement of the Nomination Committee.

- 1/3rd of Directors in office retire at each AGM by rotation, with the directors who have served for the longest period since their appointment/re-appointment retiring first
- Retiring Directors are eligible for re-election
- The Board can appoint Directors to fill any casual vacancies that may arise during the year and such Directors can hold office until the next AGM and seek election by the shareholders

BOARD AND COMMITTEE EVALUATIONS

The Board and Sub-Committee evaluations for 2025/26 comprised a self-assessment which included assessment of appropriateness of Board composition, mix of skills and ability to deliver strategic aspirations.

Areas of focus	Score
Board dynamics	95.95%
Performance of Chairman	90.77%
Performance of Board Sub-Committees	89.23%
Board agility	93.08%
Governance practices	97.54%

Board Evaluation Process

Assessment questionnaires

- Strategies developed and implemented
- Compliance with laws and regulations
- Quality of participation at meetings
- Effectiveness of systems and processes

Review of responses

- Review of responses by the Chairman
- Report feedback to the Board of Directors

Formulation of response

- Implementation of remedial measures for improvement

The Chairman and Remuneration Committee are responsible for evaluating the performance of the Executive Directors and Committees through an annual self-evaluation of its own performance. The responses are submitted to the Chairman for discussion at the Board meeting. Board members expressed high levels of satisfaction with the performance of the Chairman and the Board's relationship with management. Although no areas of major concern were identified, further improvements were proposed.

BOARD INDUCTION AND TRAINING

The Group maintains a comprehensive induction programme for newly appointed Directors, enabling them to familiarise themselves with the organisation and contribute effectively from the outset. The induction programme includes a briefing on essential company and procedural information, updates from key management personnel and trends in the business. In addition, Directors are given the opportunity to engage in site visits across the Group's key verticals, thereby obtaining deeper insights in to the workings of the Sectors.

In addition, Directors are kept abreast of relevant developments through ongoing training including formal sessions, distributing of reading materials and deep dives into specific aspects. Directors are also encouraged to attend sessions conducted by the Sri Lanka Institute of Directors. Many of the Directors also conform to the Continuing Professional Development requirements of the respective professional organisations. Future-focused themes such as risk management, ESG and technology featured prominent on the 2025 board training calendar.

Director Training in 2025/26

- ESG developments
- Risk Management
- Technology and digital transformation

Corporate Governance

ETHICS AND CULTURE

The Board holds apex responsibility for entrenching ethical leadership and setting the tone at the top through demonstrating integrity, transparency and the highest ethical standards. Against the backdrop of new regulations and a sustained national emphasis on good governance amid shifts in the country's political landscape, the Group continued to reinforce organisation-wide efforts to minimise bribery and corruption risks, while ensuring that its ethics framework remains relevant in an evolving operating environment.

Our Values

- **H**-Honesty and Integrity
- **A**-Accountability
- **Y**-Yes, WE can!
- **L**-Love for Humanity
- **E**-Enduring Customer Value
- **Y**-Yes, WE WILL WIN!
- **S**-Social Responsibility as a Good Corporate Citizen
- **I**-Innovation

Regulatory

- Companies Act No. 7 of 2007
- Anti-Corruption Act No.9 of 2023
- Listing Rules of Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)



Structures and Processes

- Audit Committee
- Nominations & Governance Committee
- Remuneration Committee
- Group ESG Steering Committee
- Group Risk Management Committee

Policies and Frameworks

- Whistleblowing policy
- Bribery and Anti-Corruption policy
- Employee contracts
- Procurement policy
- Guidelines on share dealing and insider
- The Hayleys Way

APPROACH TO BRIBERY AND ANTI-CORRUPTION

Bribery and corruption management is integrated into our compliance and risk management programmes with multiple processes, frameworks and standards in place to govern ethics management, political contributions, gifts, donations and facilitation payments among others. Following the implementation of the new policy last year, emphasis is placed on raising employee awareness and capacity building during the year key elements of the policy include,

- Zero tolerance to bribery and corruption
- Guidelines on gifts, hospitality and charitable donations
- Retaliations or threats against whistle blowers is prohibited
- Prohibition of political contributions, donations to political parties and candidates
- Prohibition of facilitation payments to government officials
- Due diligence of partners: inclusion of anti-bribery clauses in agreements/contracts

WHISTLEBLOWER POLICY

The Group's Whistleblower Policy provides an effective mechanism for employees to raise concerns where the interest of the organisation is at risk. The Policy ensures confidentiality and anonymity and encourages the reporting of concerns such as fraud, improper conduct and breach of the Hayleys Way among others. Two-way communication is facilitated by providing the Whistleblower feedback on the actions taken if he/she so requests. Key elements of the policy are set out alongside;

Aspects of the Whistleblower Policy

- Guidelines on procedure to raise a concern
- Management responses and steps taken
- Details of the internal inquiry process including composition and quorum of the Internal Inquiring Committee
- Maintaining confidentiality

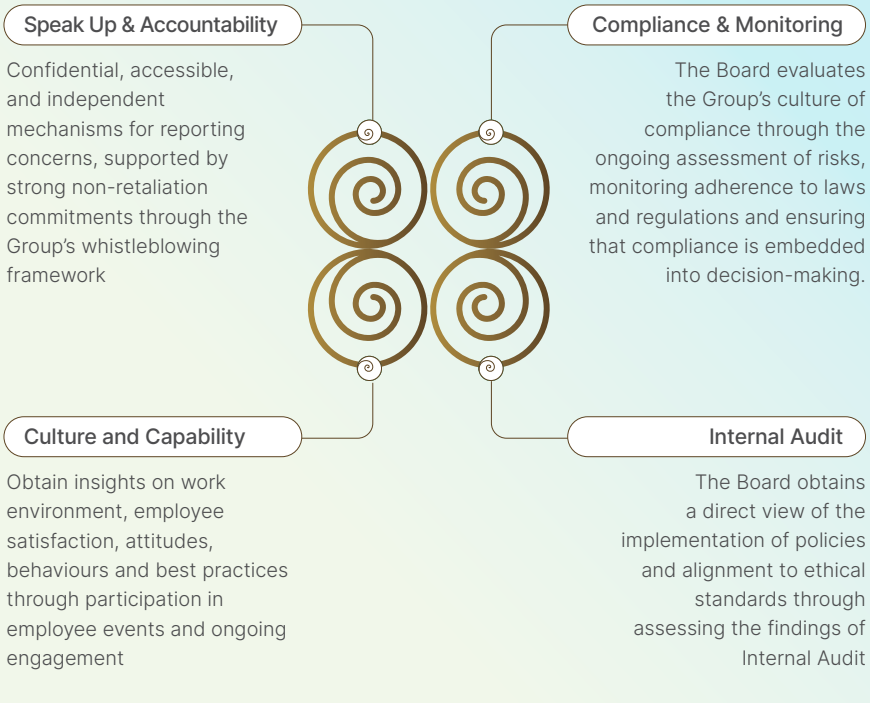
PRESERVATION OF HUMAN RIGHTS

As a signatory to the United Nations Global Compact, Hayleys has committed to Principle 1 and 2 of the UNGC Principles of Human Rights. The Group has also implemented a Human Rights Policy which aims to foster an organisational culture that embraces internationally recognised guidelines on human rights while eliminating the risk of human rights abuse. Key aspects of the Policy include the following:

- **Fair treatment:** Quality of opportunity and treatment for the purposes of eliminating discrimination
- **Non-harassment:** Creating an environment free of all forms of workplace harassment
- **Abolishing child, forced and compulsory labour** in both our operations and along our value chain in working with subcontractors and suppliers
- **Freedom of Association and Collective Bargaining**
- **Promoting health and safety** by providing appropriate safety measures and precautions at all locations

Conflicts of interest: The Group-wide Corporate Governance policy sets out guidelines on effectively managing actual and perceived conflicts of interest, particularly relating to Directors. For instance, Board members must inform the Chairperson of the Board and the Company secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. Meanwhile, employees are expected to disclose any material interests they may have in outside business interests and obtain prior approval if considered required

Board engagement with culture



STAKEHOLDER RELATIONSHIPS

The Group adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of stakeholders in the best interests of the Group. Stakeholder relationship management is decentralised and integrated into the operations of the Sectors and individual businesses, with ongoing formal and informal engagements conducted by the functions best positioned to interact with each stakeholder group. The Board monitors the quality of stakeholder relationships through oversight of employee, supplier and community-related matters.

The quality of the Group's stakeholder relationships are high, as reflected by strong employee retention levels, high customer satisfaction rates, strong financial performance, effective working relationships with suppliers and meaningful community engagement initiatives in the societies we operate.

Corporate Governance

SHAREHOLDER ENGAGEMENT

The Group ensures that the rights of all shareholders are preserved and has established procedures to ensure the fair and equitable treatment of all shareholders. As described on pages 75 to 76, an array of measures are also in place to ensure that shareholder views are identified and fully considered. Platforms driving shareholder communication are as follows

- **Annual General Meeting:** The AGM is the main forum for engaging with shareholders and the Group has a history of well attended shareholder meetings
- **Quarterly results updates** with accompanying reviews and timely updates of price sensitive information to the Colombo Stock Exchange
- **Hayleys website**: Includes comprehensive information including Annual Reports, interim reports, investor presentations, ESG related information and department-level information
- **The Annual Report**: A track record of setting benchmarks for corporate reporting affirms the Group's commitment to disclosure and transparency. Assurance on financial statements, sustainability information and compliance with the Integrated Reporting Framework supports the reliability of the information contained in the annual report which provides comprehensive information on relevant matters to the shareholders. The Reports and other information are available on the Company's website and price sensitive information is also available on the Colombo Stock Exchange website.
- **Interaction through Corporate Secretarial Division**: Shareholders have the opportunity to directly address concerns, suggestions or any other queries to the Corporate Secretarial Division of Hayleys PLC.

Communication of critical concerns:
Critical concerns identified through stakeholder engagement processes are systematically communicated to the Board through established reporting structures. Insights derived from mechanisms such as customer satisfaction surveys, employee engagement assessments and community grievance channels are consolidated and presented at quarterly Board meetings by the respective business and functional heads.
This ensures that emerging issues, stakeholder concerns and areas requiring attention are brought to the timely attention of the highest governance body

Stakeholder Group	Quality of Relationship	Metric
Employees	Strong	Retention rate: 74%
Customers	Strong	Satisfaction rate: 95%
Shareholders	Strong	Share price increase: 57%
Suppliers	Strong	Supplier payments increase: 20%
Regulators	Strong	No major fines/penalties
Communities	Strong	CSR investment : Rs. 444 Mn

Refer to page 97 for further information on the Group's stakeholder engagement practices

SHAREHOLDER AND INVESTOR COMMUNICATIONS POLICY

Purpose of policy:
Ensuring that all shareholders and investors have equal and timely access to accurate and publicly available information about the Company

Includes details on,

- Communication platforms
- Social media presence
- Shareholder enquiries
- Shareholder privacy
- Financial and ESG Reporting

OUTLOOK

Looking ahead, we will continue to evolve our corporate governance practices in step with the expansion of our businesses and the pursuit of our strategic priorities. Our focus will be on maintaining a fit-for-purpose governance framework that is robust yet adaptable, capable of supporting effective oversight while remaining resilient in the face of future shocks. Through this ongoing refinement, we seek to ensure that our governance structures remain aligned with the Group's risk profile and long-term value creation objectives.

Focus areas for FY 2026/27

Leverage digital tools and advanced analytics to deliver timely, high-quality insights to the Board, thereby strengthening the rigour and effectiveness of decision-making.

Strengthen governance mechanisms to enhance organisational resilience while preserving the agility required to adapt to an evolving risk and operating landscape

Enhance risk management practices by deepening the integration of social and environmental risk considerations into governance processes, enabling more informed decision-making and enhancing the Group's long-term resilience.

REMUNERATION REVIEW

Remuneration remains a critical lever in reinforcing a culture of performance, fairness and accountability, while supporting the Group's ESG commitments and the development of future-fit leadership. The remuneration framework is designed to remain relevant to the operating landscape and aligned with the Group's strategic aspirations, with performance criteria calibrated to drive sustained high performance without encouraging excessive risk-taking. Despite the volatilities that prevailed during the year, the Group ensured that remuneration outcomes remained consistent with our philosophy and stakeholder expectations.

Remuneration Governance

The Board Remuneration Committee provides oversight regarding remuneration-related matters within its mandate. The Committee thereby determines the remuneration of the Chairman/Chief Executive and the Executive Directors and sets guidelines for the remuneration of the management staff within the Group. The Remuneration Committee Report along with the Summrised Terms of Referance are set out on page 349. Additionally, some selected sector holding companies which are Groups in their own right, have also established their own remuneration committees to address the specific concerns within the industry in which it operates.

Key decisions and activities of the Remuneration Committee

- Review the performance of the Chairman & Chief Executive, Executive Directors and Group Management Committee based on defined targets and determined the bonus payable and the annual increments.
- Review Executives' compensation and implement market corrections to Executives total compensation in line with the market median.
- Recommend the bonus payable and annual increments to be paid to Executive and Non-Executive staff based on the ratings of the Performance Management System.

The Board as a whole determines the remuneration of the NED's who receive a fee for being a Director of the Board and additional fee for being a member of a Committee. They do not receive any performance related incentive payments. Remuneration Committee consults the Chairman about its proposal relating to the remuneration of other Executive Directors and have access to professional advice from within and outside Hayleys PLC, in discharging their responsibilities. No Director is involved in deciding his own remuneration. The Board is not currently assessed based on the organisation's impacts on the economy, environment and society; however, the Group intends to progressively strengthen this aspect as part of its evolving governance and sustainability framework.

Remuneration Policy

The Remuneration policy is designed to encourage the drive the achievement of the Group's strategic aspirations, which is designed to generate sustainable value for all our stakeholders. The policy details how the organisation's total rewards should be managed with the aim of aligning rewards and remuneration with the organisation's business strategy, objectives, risk tolerance levels, values and long-term interests. Key objectives of the policy are,

- Driving the achievement of the Group's strategic aspirations
- Attracting and retaining high-performing talent
- Promote internal equity through fair and transparent remuneration schemes
- Optimum allocation of resources in driving positive outcomes
- Nurture an ethical culture and responsive and responsible corporate citizenry

Corporate Governance

LEVEL AND MAKE-UP OF REMUNERATION

The Group's performance management system is graphically illustrated below. Performance based incentives ensure that the total earnings of the executives are aligned with the achievement of objectives and budgets of the Group companies. Presently the Group does not have an Executive Share Option Schemes. The Remuneration Committee follows the provisions set out in Schedule D of the Code as required. No special early termination clauses are included in the contract of employment contract of Executive Directors that would entitle them to extra compensation. However, any such compensation would be determined by the Board of Directors.

Remuneration Principles

- Open and Transparent
- Fair and free from discrimination
- Market competitive
- Performance-orientation

A GOAL-SETTING FRAMEWORK CENTERED ON,
Impact goals aligned to the Group's competencies -Learning and development goals

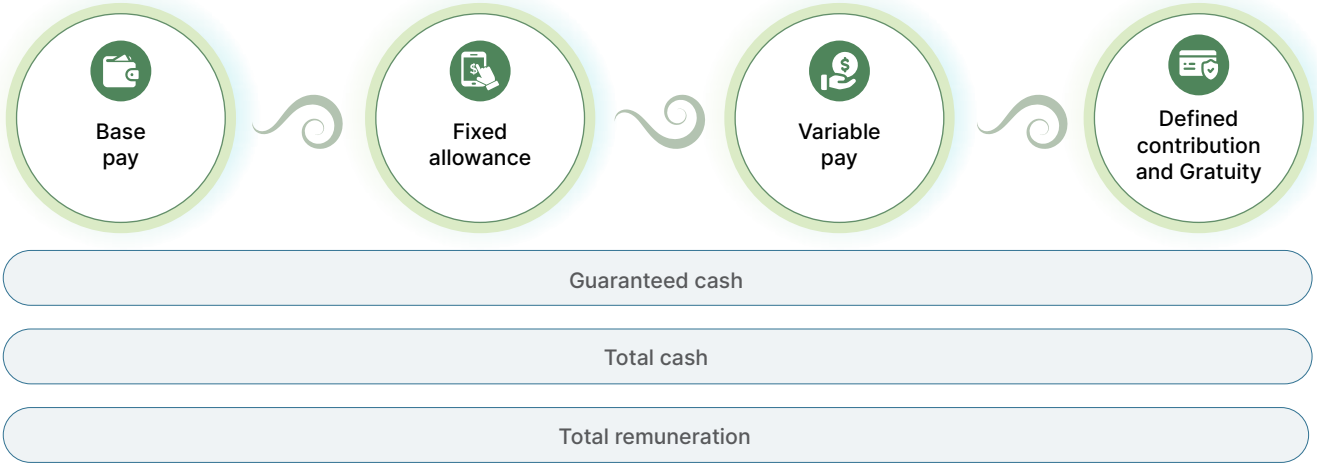
TWO REVIEWS DURING WHICH RATINGS WILL BE SUBMITTED
Mid-year review
Final appraisal

PERFORMANCE RATING
that motivate high performance and addresses underperformance
Performance-based remuneration

The Remuneration Committee determines the combination of remuneration needed to attract, retain and motivate Executive Directors of the quality required to achieve corporate goals. The Remuneration Committee ensures that the remuneration of executives of each level of management is competitive and in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is competitive with those of comparative companies. Remuneration for Non-Executive Directors reflect the time commitment and responsibilities of their role, taking into consideration market practices. Non-Executive Directors are not included in share options as there is no scheme in existence.

The Report of the Remuneration Committee is set out on page 349 which includes a statement on Remuneration Policy. Please refer page 330 for the total Directors' Remuneration.

Remuneration elements



REMUNERATION OUTCOMES DURING THE YEAR

The Group's agility to evolving dynamics in the economic and industry landscapes underpinned a resilient performance, supporting the following remuneration outcomes.

- 11.56% increase in value created to employees.
- Across FY 2025/26, salary adjustments were effected for employees at all levels, with increment levels calibrated to individual performance evaluations.

Statement of Compliance pertaining to the Companies Act No. 7 of 2007

Section	Requirement	Complied	Reference (within the Report)
168 (1) (a)	The nature of the business together with any change thereof during the accounting period.	Yes	Annual Report of the Board of Directors (Section 2.1)
168 (1) (b)	Signed financial statements of the Company and the Group for the accounting period	Yes	Financial Statements
168 (1) (c)	Auditors' Report on financial Statements of the Company and the Group	Yes	Independent Auditor's Report
168 (1) (d)	Accounting policies and any changes therein	Yes	Annual Report of the Board of Directors (Section 2.5)
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period.	Yes	Annual Report of the Board of Directors (Section 2.6)
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company and the Group during the accounting period.	Yes	Annual Report of the Board of Directors (Section 2.7)
168 (1) (g)	Corporate donations made by the Company and the Group during the accounting period.	Yes	Annual Report of the Board of Directors (Section 2.8)
168 (1) (h)	Information on the Directorate of the Group and its subsidiaries during and at the end of the accounting period	Yes	Annual Report of the Board of Directors (Section 11)
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period.	Yes	Annual Report of the Board of Directors (Section 23)
168 (1) (j)	Auditors' relationship or any interest with the Group and its Subsidiaries	Yes	Annual Report of the Board of Directors (Section 23)
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Annual Report of the Board of Directors
168 (2)	Information Specified in paragraph (b) to (j) of Subsidiaries	Yes	Financial Statements, Annual Report of the Board of Directors, Group Companies

Corporate Governance

Compliance with CSE Continuing Listing Rules – Section 7.6

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
7.6 (i), (ii)	Names of persons who were Directors of the Company and principal activities of the Company and its subsidiaries during the year	Compliant	Report of the Board of Directors Pages 326 to 338
7.6 a(iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Share Information pages 502 to 504
7.6 (v)	Directors' and CEO's(MD's) holding in shares	Compliant	Share Information pages 502 to 505
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on pages 108 to 116
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on pages 204 to 205
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate Pages 498 to 501
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors Pages 326 to 338
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information pages 502 to 504
7.6 (xi)	Ratios and Market Price Information		Refer pages 502 to 504
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	Please refer pages 498 to 501
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	Compliant	The Company raised funds through a Rights Issue subsequent to the reporting date, details of which are set out in the Report of the Board of Directors on page 328.
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Compliant	Company does not have Employee Share Ownership Schemes
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report pages 81 to 85
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower. Details of investments in a Related Party and amounts due from a Related Party	Compliant Compliant	Refer Related party transaction on page 472 Details are set out in pages 470 to 474
7.6 (xvii) to 7.6 (xxii)	Disclosure relating to Foreign Currency denominated Securities, listed GSS+Bonds, Perpetual Debt Securities, Infrastructure Bonds, Shariah compliant Debt Securities, High Yield Corporate Debt Securities	N/A	N/A
7.7	Securities Certificates	N/A	Share certificates were dematerialised in accordance with the Directive under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)
7.8	Disclosure of Dealings by Directors and CEOs	Compliant	Report of the Board of Directors Pages 326 to 338

CORPORATE GOVERNANCE RULES

The Company complied fully with the Corporate Governance Rules applicable to listed entities stipulated under Section 9 of the Listing Rules of the Colombo Stock Exchange. The Company and the Group also adopted the Code of Best Practice on Corporate Governance (2023) by CA Sri Lanka

Compliance with CSE Corporate Governance Principles – Section 9 of the Listing Rules

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Hayleys' Extent of Adoption
9.1.3	A statement confirming compliance with Corporate Governance Rules	Compliant	The Company has stated that it complies with the Corporate Governance Rules within the Annual Report of the Company.
9.2.1- 9.2.3 (i) - (ii)	Policies	Compliant	The Company established and continues to maintain the policies on Matters relating to the Board of Directors, Board Committees, Corporate Governance, Nominations and Re-election, Remuneration, Internal Code of Business Conduct and Ethics for all Directors and Employees including policies on trading in the Company's listed securities, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social Governance and Sustainability (Hayleys Lifecode'), Control and Management of Company Assets, and Shareholder Investments, Corporate Disclosures, Whistleblowing and Anti Bribery and Corruption. All policies are published on the Hayleys website www.hayleys.com.
9.2.4	Request by shareholders	Compliant	Policies are made available to shareholders upon a written request
9.3.1 (a-d)	Board Committees	Compliant	The Company continues to maintain the Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee (RPTRC). The Committees are functioning effectively and the Audit and RPTRC meet on a quarterly basis. The other two committees meet as and when necessary.
9.3.2	Composition and disclosures	Compliant	All the Committees comply with the required rules. Please refer the respective Committee Reports.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board of Directors
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings detailing the number of votes in favour or against or abstained for resolutions, and number of shares regarding proxy appointments
9.4.2 (a) – (d)	Communication and Relations with shareholders	Compliant	The Company has a Shareholder Communication and Relations Policy, and it is published on the corporate website and mentioned in the Annual Report. The contact person is mentioned. The policy includes a process whereby Directors are informed of major issues and concerns of shareholders through the Company Secretaries. Guidelines of the Stock Exchange are followed if shareholder meetings are held as virtual or hybrid meetings
9.5.	Policy on matters relating to the Board of Directors	Compliant	The Company maintains a Policy on Matters relating to the Board of Directors which addresses the requirements in rules 9.5.1 and 9.5.2
9.5.1 (a)	Formal policy governing matters relating to the Board	Compliant	The Company maintains a balance of representation between Executive and Non Executive Directors and has adopted a procedure for the appraisal of Board performance and appraisal of the CEO. Details are given in page 71.

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Hayleys' Extent of Adoption
9.5.1 (b)(i)	Chairperson and CEO	Compliant	The roles of the Chairperson and CEO are combined and held by the same person. The rationale for combining the two roles is given in Note 11 (b) of the Annual Report of the Board of Directors
9.5.1 (b)(ii)	Board Charter	Compliant	The Board Charter contains the Terms of Reference and powers of the SID. Refer Senior Independent Directors Report.
9.5.1. (c)	Diversity in Board Composition	Compliant	There is diversity in the composition of the Board and a range of skills, competencies, gender, industry and age. Details are set out in pages 72 to 73
9.5.1.(d)	Maximum number of Directors	Compliant	Maximum number of Directors is fourteen (14). Executive Directors represent the business verticals. Due to the need to have a balance between Executive and Independent Directors the maximum number is set at fourteen in the Articles of Association.
9.5.1 (e)	Frequency of Board meetings	Compliant	The Board meets on a monthly basis to review the sector performance against set targets and important matters relating to Group Companies.
9.5.1 (f)	Mechanism to keep the Directors updated on the Listing Rules and ongoing compliances	Compliant	Presentations are done during meetings to update the Directors on changes to Listing Rules and ongoing compliances together with an overview of obligations arising under such rules.
9.5.1 (g)	Minimum number of meetings a Director must attend	Compliant	A Director is required to attend at least 50% of the meetings held during the year, in order to avoid being deemed to have vacated his position.
9.5.1 (h)	Trading in securities	Compliant	The Policy on Matters Relating to the Board of Directors stipulates the requirements regarding trading in securities.
9.5.1 (i)	Maximum number of Directorships	Compliant	The Company Policy on Matters Relating to the Board of Directors stipulates that the maximum number of Directorships a Director can hold in listed companies is twenty (20).
9.5.1 (j)	Right to participate in meetings via audio Visual Communication	Compliant	The Company Policy on Matters Relating to the Board of Directors permits Directors to participate in Board and Sub Committee meetings via audio visual communication, and are counted in the quorum
9.5.2	Compliance with the requirements of the Policy	Compliant	The Company is fully compliant with the requirements of the Policy on Matters relating to the Board of Directors
9.6.1 & 9.6.2	Chairperson and Chief Executive Officer	Compliant	Since the Chairperson and the Chief Executive of the Company is the same person, a market announcement was made on 1st November 2023 stating the rationale for combining the two roles
9.6.3 (a)	Senior Independent Director (SID)	Compliant	The Company has a Senior Independent Director since the Chairperson and the Chief Executive are the same person.
9.6.3 (b)	SID meeting with Independent Directors	Compliant	The Independent Directors met once during the Financial year 2025/26, chaired by the SID without the presence of other Directors to discuss matters and concerns relating to the Company and Group and the operations of the Board. Thereafter the SID provided feedback and recommendations to the Chairman and the other board members.
9.6.3 (c)	SID meeting with Non-Executive Directors	Compliant	The SID chaired a meeting once during the Financial year 2025/26 with the Non Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Hayleys' Extent of Adoption
9.6.3 (d)	SID has a casting vote	Compliant	The SID is entitled for a casting vote in the meetings convened by the SID
9.6.3 (e)	SID's disclosure on effectiveness of duties of the SID	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in the Statement by the Senior Independent Director. Refer Page 340.
9.6.4	Rationale for appointing a SID	Compliant	The rationale is given in the Report of the Board of Directors (No. 11 (b)
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules
9.7.2	Ensure nominees meet the fit and proper criteria	Compliant	The Nominations and Governance Committee reviewed the fitness and proprietary of the Directors who are eligible to be re-elected, before nominating them to be re-elected by the shareholders at the shareholder meeting. Please refer pages 346 to 348
9.7.3	Assessment of Fit and Proper criteria	Compliant	Ensured that the Directors fulfill the Fit and Proper assessment criteria of honesty, integrity, reputation, competence, capability and financial soundness.
9.7.4	Declaration of Fitness of Directors and CEO	Compliant	The Directors and the Chief Execyutive have provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.7.5	Disclosures on Fit and Proper Assessment criteria	Compliant	The Annual Report of the Board of Directors provides the relevant disclosure in section 11.4.
9.8.1	Minimum number of Directors	Compliant	The minimum number of Directors of the Company is five (5) as per the Articles of Association of the Company.
9.8.2	Independent Directors ('IDs')	Compliant	One third (1/3) of the Board of Directors are Independent as at date.
9.8.3 (i)-(ix)	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence as per the criteria set by Hayleys PLC, which is in line with the regulatory requirements.
9.8.5 (a)-(c)	Disclosure relating to Directors	Compliant	Each ID signed and submitted a declaration regarding his independence. The Board assessed the independence declared by the Director. Currently there are four (4) Independent Directors.
9.9 (a)-(c)	Alternate Directors	Compliant	The Board does not have any alternate directors.
9.10.1	Policy on maximum number of Directorships	Compliant	Company Policy on maximum number of Directorships which a Director can hold in listed companies is 20.
9.10.2	Disclosure relating to Directors upon new Appointments	Compliant	The appointments of new Directors is disclosed to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board. Please refer pages 48 to 51 for the brief resume of each Director.
9.10.3	Changes to the composition of Board of Directors and/or Board Sub-Committees	Compliant	All changes to the composition of Board of Directors and the Board Sub-Committees were immediately informed to the Colombo Stock Exchange.
9.10.4 (a)–(b)	Disclosure in relation to the Directors	Compliant	Refer the Profiles of Board Directors

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Hayleys' Extent of Adoption
9.10.4 (c)	Material business relationships	Compliant	None of the Directors or close family members have any material business relationship with other Directors of the Company.
9.10.4 (d) & (e)	Disclosure relating to Directors' other Directorships	Compliant	Pages 537 to 539 the Annual Report contains the relevant information regarding the total number and names of companies in Sri Lanka in which the Director serves as a Director or Key Management Personnel
9.10.4 (f)-(h)	No. of meetings attended, names of committees, attendance at committee meetings	Compliant	Refer Governance Report page 65
9.10.4 (i)	Terms of Reference and Powers of SID	Compliant	Refer Report of the Senior Independent Director on page 340
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 347 to 348.
9.11.4.1 - 9.11.4.3	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises three (3) Independent Non Executive Directors and two (2) Non-Executive Directors. There are no Executive Directors on the Committee. Please refer the Report on Pages 347 to 348.
9.11.5 (i)-(x)	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 347 to 348
9.11.6 (a)-(m)	Disclosures in Annual Report	Compliant	Refer the Nominations and Governance Committee Report on pages 347 to 348
9.12.1 - 4	Remuneration Committee, definition of remuneration and Policy on remuneration of Executive and Non-Executive Directors	Compliant	Refer the Remuneration Committee Report on pages 349 to 350 and Corporate Governance Report.
9.12.5	Terms of Reference for the Remuneration Committee	Compliant	The Remuneration Committee has written Terms of Reference
9.12.6	Composition of the Remuneration Committee	Compliant	Remuneration Committee comprises Five (5) Directors, out of which 3 are Independent. The Chairman of the Committee is the Senior Independent Director.
9.12.7	Functions of Remuneration Committee	Compliant	The Remuneration Committee recommends the remuneration payable to the Executive Directors and the Chief Executive. No Director is involved in fixing his own remuneration.
9.12.8 (a)-(c)	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	Names of the Committee members are given in the Remuneration Committee Report on pages 349 to 350. Aggregate remuneration of Executive and Non Executive Directors are also given in the Report.
9.13.1	Audit and Risk Functions	Compliant	The Audit Committee additionally performes the risk functions.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Hayleys' Extent of Adoption
9.13.2	Terms of Reference for the Audit Committee	Compliant	The Audit Committee has written Terms of Reference defining its scope, authority and duties.
9.13.3 (1) - (6)	Composition of the Audit Committee	Compliant	The Audit Committee comprises three (3) Independent Non-Executive Directors and two (2) Non-Executive Directors. The Chairman of the Committee is the Senior Independent Director and a member of a recognised professional accounting body. The relevant disclosures are given in the Audit Committee Report in pages 343 to 345.
9.13.4	Functions of the Audit Committee	Compliant	Details are provided in the Audit Committee Report on page 343 to 345.
9.13.5 (a)-(i)	Disclosure in the Annual Report relating to Audit Committee	Compliant	
9.14.1 & 2	Establishment and composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The Company has a RPTRC which comprises five (5) Directors out of which three (3) Directors are Independent. Please see the Report of the Related Party Transaction Review Committee in pages 351 to 352.
9.14.3	Functions of the RPTRC	Compliant	Please refer the Report of the Related Party Transaction Review Committee in pages 351 to 352.
9.14.4	Meeting and other general requirements of the RPTRC	Compliant	RPTRC met on a quarterly basis during the year 2025/26. Please refer the Report of the Related Party Transaction Review Committee in pages 351 to 352.
9.14.5	Review of related party transactions by the RPTRC	Compliant	RPTRC reviews in advance all proposed related party transactions. The senior management provides all relevant information to facilitate the review of related party transactions.
9.14.6	Shareholder approval for Related Party Transactions	Compliant	There were no requirements for Shareholder approval during the year under review
9.14.7	Immediate Disclosures	Compliant	Please refer Note 38 of the Notes to the Accounts on pages 470 to 474
9.14.8 (1) & (2)	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Notes 38.6 and 38.7 of the Notes to the Accounts on page 474.
9.14.8 (3)	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transaction Review Committee on pages 351 to 352.
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on pages 326 to 338.
9.14.9	Acquisition and disposal of assets from/to related parties	Compliant	There were no acquisition and disposal of substantial assets from/to related parties which require to obtain the shareholder approval during the year under review.
9.17 (i-iv)	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 326 to 338.

Corporate Governance

Code Ref.	Compliance and Implementation	Compliance
A.1 An effective Board should direct, lead and control the Company	The Board meets on a monthly basis and attendance at meetings is given on page 65. Board packs are circulated one week prior to the Board meeting and typically include the following information:	☑
A.1.1 Regular meetings, structure and process of submitting information	• Financial and operational information including progress on agreed Key Performance Indicators and information on the external operating environment; • Financial statements for the relevant quarter and year to date together with comparatives for the corresponding period of the previous financial year and budgets; • Impacts of risk factors impact of risk factors on financial and operating results and actions to mitigate such risks • Forecast performance for the financial year • Compliance with laws and regulations and any non-compliances • Internal control breaches or frauds during the period • Financial and operational decisions taken by the CEO within his delegated authority • Share trading of the company • Sustainability/ESG related risks and opportunities during the period • Cyber security risks, mitigative measures and a security breach report (if any) • Any other matters the Board should be aware of	☑
A.1.2 Roles & Responsibilities of the Board	The Role and Responsibilities of the Board are inset on page 68 and encompass those set out in the Code .	☑
A.1.3 Act in Accordance with laws	The Board has set in place a framework of policies set out on page 71, procedures and a risk management framework to ensure compliance with relevant laws, and international best practices with regards to the operations of the Group.	☑
A.1.4 Access to advise and services of Company Secretary	All Directors have access to the advice and services of the Company Secretarial function provided by Hayleys Group Service (Private) Limited which is responsible for ensuring follow up of Board procedures, compliance with rules and regulations, directions and statutes, keeping and maintaining minutes and relevant mandatory records of the Group. Hayleys PLC has obtained insurance cover for the Board of Directors and key management personnel.	☑
A.1.5 Independent judgement	Directors bring independent judgment to bearing on decisions taken by the Board on issues of strategy, performance, resources and business conduct. Composition of the Board ensures that there is a sufficient balance of power and contribution by all Directors. Many of the Board members are professionals who are required to conform to professional codes of conduct which require the exercise of independent judgement in discharge of their duties.	☑

Code Ref.	Compliance and Implementation	Compliance
A.1.6 Dedicate adequate time and effort to matters of the Board and the Company	Dates of regular Board meetings and Board Sub-Committee meetings are scheduled at the beginning of the year and the relevant papers are circulated a week prior to the meeting giving sufficient time for review. There is provision to circulate papers closer to the meeting on an exceptional basis. It is estimated that Non-Executive Directors dedicate not less than 16 days per annum for the affairs of the Group and those Directors who are also on Audit Committee dedicate a further 4 days for the affairs of the Group. In addition, they are available for any adhoc meetings or discussions at any time.	☑
A.1.7 Calls for resolutions	Any Director can call for a resolution to be presented to the Board if deemed to be in the best interest of the Company.	☑
A.1.8 Board induction and Training	Directors recognise the need for continuous training and expansion of their knowledge and skills to effectively discharge their duties and are encouraged to attend sessions of the Sri Lanka Institute of Directors and other corporate forums on relevant matters. As independent professionals, many of the Directors also conform to Continuing Professional Development requirements of their respective professional organisations. Board members are also given insights in to regulatory changes that may impact the industry at Board meetings.	☑
	Audit Committee members receive updates on regulatory changes relating to matters entrusted to the Committee on a semi-annual basis to ensure that they are updated on regulatory requirements impacting reporting and risk management processes. They are also given insights in to organisation wide initiatives to strengthen internal controls, risk management and financial reporting processes at the same meetings.	☑
	In accepting an appointment as a Director, consideration is given to the responsibilities of the role, ability to commit time, any existing or potential conflicts of interest and required competencies.	
A.2 Chairman & Chief Executive Officer	Functions of Chairman and Chief Executive are vested in one person as the Board is of the opinion that it is the most appropriate arrangement for Hayleys PLC considering the diversity and size of the Group. Mr. P. Y. S. Perera was appointed as the Senior Independent Director on 15th September 2025 to facilitate the Board balance since Mr. M. Y. A. Perera who was the Senior Independent Director resigned with effect from 15th September 2025.	☑
A.3. Chairman's role in preserving good corporate governance	See Role of Chairman in Corporate Governance Report.	☑
A.3.1 Conduct of Board Meetings	The Chairman ensures the following: a. Development of an appropriate agenda for Board meetings with the Company Secretaries taking in to consideration recommendations of the Directors, Best Practices in Corporate Governance, regulatory and other compliance requirements, and business needs of the company including performance review, resource allocation and risk management	☑

Corporate Governance

Code Ref.	Compliance and Implementation	Compliance
	b. Sufficiency of information in Board packs and timely availability of the same c. Induction programmes for newly appointed Directors to acquaint them with their duties and responsibilities and Corporate Governance structure of the Group d. Effective participation of Executive and Non-Executive Directors, e. Directors are encouraged to seek additional information necessary to engage in discussion of agenda items and to request inclusion of matters of concern on the agenda f. Sufficient balance of power between Executive and Non-Executive Directors g. Views of directors are obtained and the minutes reflect the deliberations of the Board h. Board's control of the affairs of the company and its obligations to shareholders and stakeholders	
A.4 Availability of financial acumen	Refer Principle A.4. in Corporate Governance Report.	☑
A.5 Board Balance	With the appointment of one (1) new Director, there are seven (7) Non-Executive Directors, including four (4) Independent Directors on the Board	☑
A.5.1 Majority of Non-Executive Directors	Majority of Non-Executive Directors are independent of any material business relationships. four (4) Independent Non-Executive Directors out of seven (7) Non-Executive Directors	☑
A.5.2 If only 3 NEDs, they should be independent	Independent Directors are independent of management and free of business dealings that may be perceived to materially interfere with the exercise of their unfettered and independent judgement. The Chairman holds a meeting at least once a year with only the NEDs without the presence of the Executive Directors. Directors' concerns regarding matters which are not resolved unanimously are recorded in the minutes.	☑
A.5.3 Independence of Directors	Independent directors are free of any business or other relationship that could materially interfere with their unfettered or independent judgement	☑
A.5.4 Annual declaration by Directors	All Non-Executive Directors submitted signed and dated declarations of his/her independence or non-independence against the specified criteria	☑
A.5.5 Annual determination of independence	The Board determines the independence of Directors on an annual basis based on annual declarations submitted by the Directors and other information based on the requirements of the Code as set out in A.5.5.	☑
A.5.6 Alternate Directors	The Company does not have any alternate Directors	☑
A.5.7 & A.5.8 Senior Independent Directors	Mr. P. Y. S. Perera has been appointed as Senior Independent Director as disclosed in A.1. in the Corporate Governance Report in place of Mr. M. Y. A. Perera who resigned from the Board with effect from 15th September 2025. The role has being expanded to 2 meetings per annum with NEDs and 1 meeting with Executive Directors on governance matters and communicating matters discussed to the Chairman. The Report of the Senior Independent Director is available on page 340 of this Report.	☑
A.5.9 Meetings with the Non-Executive Directors by the Chairman	The Chairman holds a meeting with only Non-Executive Directors at least once a year.	☑

<table>
<tr><th>Code Ref.</th><th>Compliance and Implementation</th><th>Compliance</th></tr>
<tr><td>A.5.10 Recording of dissent in minutes</td><td>Directors' concerns on matters which have not been resolved unanimously are recorded in the Board minutes and Directors have the opportunity to review minutes</td><td>☑</td></tr>
<tr><td>A.6. Supply of Information</td><td>The Chairman ensures that all Directors are briefed on issues arising at Board Meetings by requiring management to provide comprehensive information including both quantitative and qualitative information for the monthly Board meetings 7 days prior to the Board/Sub-Committee meetings. The Directors have free and open access to Management at all levels to obtain further information or clarify any concerns they may have. They also have the right to seek independent professional advice at the Company's expense and copies of advice obtained in this manner are circulated to other Directors who request it. Any Director who does not attend a meeting is updated on proceedings prior to the next meeting through:
Directors who are unable to attend meetings physically have the opportunity to participate through digital platforms.
Formally documented minutes of discussions.
By clarifying matters from the Board Secretary.
Separate discussions at start of meeting regarding matters arising for the previous meeting.
Archived minutes and Board papers accessible electronically at the convenience of the Directors.
Directors also have an open invitation to attend the meetings of the Management Committees and can interact with Senior Management after Board meetings. Directors are provided with monthly reports on performance, minutes of review meetings and such other reports and documents as necessary. Minutes of meetings are circulated with the Board packs for the next monthly meeting within the agreed time.</td><td>☑</td></tr>
<tr><td>A.7. Appointments to the Board: Nomination Committee</td><td>Refer Nomination, Appointment & Succession in Corporate Governance Report and Report of Nominations & Governance Committee on pages 346 to 348.</td><td>☑</td></tr>
<tr><td>A.8 Directors to submit themselves for re-election</td><td>At least once in 3 years the Directors submit themselves for re-election by Shareholders</td><td>☑</td></tr>
<tr><td>A.9 Appraisal of Board & Committee Performance</td><td>The Board undertakes an annual self-evaluation of its performance, that of its Committees, Chairman, Non-Executive Directors and Executive Directors. Please refer to page 73 for further information.</td><td>☑</td></tr>
<tr><td>A.10 Annual Report to disclose specified information regarding directors</td><td><table><tr><th></th><th>Page</th></tr><tr><td>Profiles of Board members</td><td>48-51</td></tr><tr><td>Membership of Sub-Committee and attendance at Board and Sub-Committee meetings</td><td>65</td></tr><tr><td>Remuneration paid to Directors</td><td>398</td></tr><tr><td>Board seats held by each Director in listed and unlisted Companies</td><td>537-539</td></tr><tr><td>Names of listed and non listed companies in Sri Lanka in which they serve as Directors</td><td>537-539</td></tr></table></td><td>☑</td></tr>
</table>

Corporate Governance

Code Ref.	Compliance and Implementation	Compliance
A.11 Appraisal of the CEO	Prior to the commencement of each financial year, the Board in consultation with the Chairman & Chief Executive, set reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of Hayleys, achievement of which should be ensured by the Chairman & Chief Executive. A monthly performance evaluation is performed at which actual performance is compared to the budget. The Chairman & Chief Executive is responsible for providing the Board with explanations for any adverse variances together with actions to be taken.	☑
DIRECTORS' REMUNERATION		
B.1. Establish process for developing policy on Executive Director' remuneration.	Refer Remuneration Committee Report on pages 349 to 350	☑
B.2. Remuneration Committee	Refer to Remuneration Overview on page 77 of the Corporate Governance Report for information on the Group's approach towards remuneration. Also refer to pages 349 to 350 for the Remuneration Committee Report.	
B.3 Disclosure of remuneration	The Report of the Remuneration Committee on pages 349 to 350 provides a statement on Remuneration Policy. The total for Directors' Remuneration is given on page 398.	☑
RELATIONS WITH SHAREHOLDERS		
C.1. Constructive use of the AGM & Other General Meetings	Refer Upholding rights of shareholders on pages 75 to 76.	☑
C.2. Communication with shareholders		
C.3. Disclosure of major and material transactions	Transactions, if any, which materially affect the net asset base of Hayleys PLC, will be disclosed in the Quarterly / Annual Financial Statements. During the year, there were no major transactions as defined by Section 185 of the Companies Act No 07 of 2007 which materially affected the asset base of Hayleys PLC or consolidated Group asset base	☑
ACCOUNTABILITY & AUDIT		
D.1 Financial and Business Reporting (The Annual Report)	The Board recognises its responsibility to present a balanced and understandable assessment of the Group's financial position, performance and prospects in accordance with the requirements of the Companies Act No 07 of 2007. The Financial Statements included in this Annual Report are prepared and presented in accordance with Sri Lanka Accounting Standards. The Annual Report also conforms to the GRI Standards published by the Global Reporting Initiative and the Integrated Reporting Framework published by the International Integrated Reporting Council. Hayleys PLC has complied with the reporting requirements prescribed by the Colombo Stock Exchange. There has been no serious loss of capital to convene an EGM in terms of the Companies Act.	☑

Code Ref.	Compliance and Implementation	Compliance
	The following specialised information requirements are also included in this Annual Report: • The Business model – on pages 94 to 96. • Industry structure and developments – on pages 212 to 319. • Opportunities & Threats – on pages 110 to 116. • Risk Management – on pages 60 to 61. • Internal control systems and their adequacy – on page 342. • Corporate and enterprise governance- on pages 57 to 92. • Stakeholder relationships on pages 97 to 99. • Social and environmental, governance activities carried out by the Company- on pages 136 to 139 • Financial performance on pages 192 to 199 • Investment in physical and intellectual capital on pages 206 to 207 • Human resource management on pages 204 to 205 • Prospects for the future on pages 212 to 319 • The Annual Report of the Board of Directors on the Affairs of the Company given on pages 326 to 338 cover all areas of this section. • The "Statement of Directors' Responsibilities" is given on page 341. • The Directors' Statement on Internal Controls is given on page 342. • The "Independent Auditors' Report "on pages 354 to 357 For the Auditor's responsibility.	
D.2. Risk Management & Internal Control	The process adopted by the Board in identifying, assessing, monitoring and managing risks is presented on pages 108 to 116 of this Annual Report. The scope of the Audit Committee has been widened to include risk management duties. Refer to the Audit Committee Report on pages 343 to 345 of this Annual Report for further information.	☑
D.3. Audit Committee	Refer Audit Committee Report on pages 343 to 345	☑
D.4. Risk Committee	The Board's oversight on risk management aspects including identifying and assessing risks and managing exposures is given on pages 108 to 116 of this Report.	
D.5 Related Party Transactions Review Committee	Refer Report of the Related Party Transactions Review Committee on pages 351 to 352 of this Annual Report.	☑
D.6. Code of Business Conduct and Ethics	The Hayleys Way serves as the ethical roadmap for all Directors, key management personnel and other employees. Refer to page 74 for further information.	☑
D.7 Corporate Governance Disclosures	The Corporate Governance Report from pages 57 to 92 and this Annex I: Compliance with the Code of Best Practice on Corporate Governance complies with the requirement to disclose the extent of compliance with the Code of Best Practice on Corporate Governance as specified in Principle D5.	☑
E. INSTITITIONAL INVESTORS	Please refer Investor Relations on pages 198 to 199.	☑
E. 1 Shareholder Voting		
E.2 Evaluation of Governance Disclosures	All shareholders are provided sufficient information to facilitate and encourage effective shareholder participation including governance matters.	☑
F. OTHER INVESTORS	Please refer Investor Relations on pages 198 to 199.	☑
F. 1 Investing/ Divesting Decisions F.2 Shareholder Voting	Individual shareholders actively participate in the Group's AGM and exercise their voting rights.	☑

Corporate Governance

Code Ref.	Compliance and Implementation	Compliance
G. INTERNET OF THINGS AND CYBERSECURITY		
G.1 Identify connectivity and related cyber risks	This function was complied with by the Group Head of IT for the year under review.	☑
G.2 Appoint a CISO and allocate budget to implement a cybersecurity policy	A Group Information Security General Manager has been appointed and allocated budgets for the implementation of cybersecurity policies and procedures	☑
G.3 Include cyber security in Board agenda	It is a regular agenda item on the Board agenda	☑
G.4 Obtain periodic assurance to review effectiveness of cybersecurity risk management	A firm of external consultants were engaged to review the effectiveness of the Group's cybersecurity risk management during the year.	☑
G. 5 The process to identify and manage cybersecurity risks.	IT risk assessments are conducted at least annually in accordance with ISO 27001:2022 and NIST framework to identify risks in IT environment. The identified risks are evaluated, and appropriate measures are implemented by the IT team to mitigate or minimise potential threats. The Board of Directors is regularly updated on the controls established to address cyber risks, as well as on any emerging cyber threats the Company may face.	☑
H. SUSTAINABILITY: ESG RISKS AND OPPORTUNITIES		
H.1 Integration of ESG risks and opportunities	The Group has embedded the identification of ESG risks and opportunities to its existing business risk management processes. Please refer to the Climate Risk Report on pages 150 to 190 of this Report.	☑
H.2 Stakeholder engagement on ESG matters	The Group applies a systematic materiality assessment which includes formal and informal stakeholder engagement. This process is explained in the Materiality and Stakeholder Engagement sections on pages 97 to 99.	☑
H.3 & H.4 Sustainability governance	Group and Sector-level ESG Steering Committees have been established in line with the adoption of IFRS S1 and S2. Further information is available on pages 150 to 190 of this Report. The Group's approach to managing the following elements are described in the pages 208 to 209. • Health and safety • Climate change • Pollution prevention • Effluent treatment • Sustainable resource use • Restoration of natural resources • Renewable energy • Biodiversity	☑
H.5 ESG related disclosures	The Group's Annual Report includes sustainability-related financial disclosures aligned to the IFRS Sustainability Reporting Disclosure Standards. Information on the business impacts of sustainability related risks and opportunities are available in the Group's Climate Risk Report on pages 150 to 190.	☑
I. SPECIAL CONSIDARATION FOR LISTED ENTITIES		
I.1 & I 2 Establishment and maintainance of policies and policy on matters relating to the Board of Directors	The Company maintains policies related to governance, with details on their implementation available on the Company's website. A list of these policies, along with relevant web references, is provided in the Corporate Governance Report. Additionally, the Company has established and upholds a formal policy addressing matters concerning the Board of Directors.	☑

Bring this Story to Life



A CONTINUUM OF GROWTH

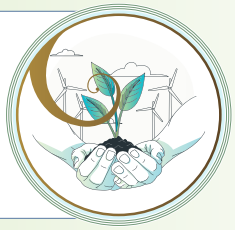
Pollination transforms potential into life. Through the transfer of pollen; carried by wind, water, or living agents; dormant systems are activated, triggering growth, renewal, and expansion. What begins as a subtle exchange evolves into a powerful process of regeneration, enabling ecosystems to thrive, diversify, and sustain themselves over time.

At Hayleys PLC, value is unlocked through purposeful connection and the convergence of capabilities. By bringing together insight, expertise, and strategic partnerships, we activate opportunity and accelerate growth across the Group. Each interaction is deliberate and each outcome cumulative; transforming potential into tangible results that extend across industries, communities, and markets.

Value Creation Model

The value creation model illustrates how Hayleys leverages its resources and relationships to create and sustain value across its diverse business portfolio, supporting both strategic execution and ESG outcomes. While Hayleys PLC operates as an investment holding company, the model presents a consolidated view of the Group's activities, highlighting key outputs and impacts. Given the

INPUTS

Our resources and relationships		Availability and quality of capital
FC Financial Capital 192 **Rs. 113 bn** Shareholders' funds **Rs. 289 bn** Debt		The Group successfully raised both equity and debt capital during the year, supported by the Hayleys PLC's 'AAA (lka) credit rating by Fitch Ratings
MC Manufactured Capital 200 **Rs. 169 bn** Property, plant and equipment including buildings, machinery & equipment and Vessels at cost Manufacturing plants in 5 countries		Ongoing investments in modernising plant and equipment and expanding production capacity have strengthened both the quantity and quality of these assets; however evolving customer requirements necessitate improved agility
HC Human Capital 204 **38,746** permanent employees Skills, value and industry insights Strong leadership team Organisational culture- Hayleys Way		While shortage of skilled talent remains a challenge, the strength of the Group's employer brand enables it to attract and retain high-performing employees
SC Social & Relationship Capital 202 Partnerships with customers, suppliers, other value chain partners and industry stakeholders Relationships with communities and civil society		The Group has nurtured long-standing relationships across the country's value chains and customer networks, reflecting a strong foundation of trust and collaboration
IC Intellectual Capital 206 Strong brands Innovation capabilities Systems, processes and standards Organisational capital		Building domain-specific, organisational knowledge through retaining talent, nurturing a culture of learning and enhancing agility of our team is critical to long-term success
NC Natural Capital 208 **587 acres** Land extent **5.9 mn GJ** Energy consumption **Rs.7.65 mn m³** Water use		The country's ambitious emission reduction goals as well as increasing water stress and degradation of land continue to drive the business case for preserving and enriching our natural resources

diversity of operations, the Group is disaggregated into material sectors, each operating with a degree of independence, supported by centralised functions such as Corporate Affairs, Legal, Human Resources, Treasury, and ESG.

VALUE CREATING PROCESSES

OUR VISION

To be Sri Lanka's Corporate Inspiration at all times

Business Verticals

- Eco Solutions
- Hand Protection
- Purification
- Textiles
- Construction Materials
- Plantations
- Agriculture
- Consumer & Retail
- Leisure
- Industry Inputs, Power & Energy
- Transportation & Logistics
- Energy, Mobility & Projects
- Tea Exports
- Others

OUR PURPOSE

To inspire an inclusive world and a thriving planet

Value integration across sectors

Portfolio management

- Capital allocation between sectors
- Driving sector synergies
- Scaling high-growth verticals

Strategic levers

- Portfolio optimisation
- Customer centricity
- Nurturing inspired teams
- Inclusive business models
- ESG integration

Risk management

- Portfolio diversification
- Enterprise risk management and internal controls

Governance

- Organisational ethics and values
- Structures and delegation of authority
- Stakeholder engagement

Value Creation Model

OUTPUTS

Products

- Fibre-based products
- Protective hand-ware
- Activated carbon
- Fabrics
- Aluminium profiles
- Tea, rubber and value-added tea
- Agricultural products
- Consumer durables
- Industrial raw materials
- Electric vehicles

Services

- Hotels and resorts
- Transportation and Logistics
- Services MEP, Solar EPC
- BPL & Shared services

Waste & Emissions

23,331 MT
Soild waste generated

5 Mn m³
Effluents generated

763,955 tCO_2e
Scope 1 & 2 GHG emissions



CAPITAL AND STAKEHOLDER OUTCOMES

Our resources and relationships

Shareholders

- Strong financial performance with a 4% growth in PBT
- EPS growth of 3% demonstrating return commensurate with risk undertaken
- Robust governance and risk management practices

Outcomes linked to Hayleys Lifecode
Compliance to laws and regulations
Transparent and accurate reporting

4%
PBT growth

Page 198



Customers

- Access to high-quality innovative solutions with 785 new products introduced and 680 in the pipeline
- Reliability and ease of doing business
- Responsible and sustainable business practices

Outcomes linked to Hayleys Lifecode
Engaged Team

Engaged Team
74%
Attrition rate
15
Average training hours

Page 205



Employees

- Competitive and equitable remuneration amounting to Rs.62 bn payments to employees
- Investment of Rs. 325 mn in training and development
- Opportunities for career progression

Outcomes linked to Hayleys Lifecode
Customer relationships

Customer relationships
95%
Customer complaints resolved

Page 203



Suppliers and Business Partners

- Continued demand as reflected by 20% increase in supplier payments
- Access to training and capacity development with ongoing investment in supplier development
- Collaboration on innovation and sustainability

Outcomes linked to Hayleys Lifecode
Partnering Progress

Rs. 408 bn
Payment to Suppliers

Page 203



Government and Regulators

- Compliance to all relevant regulations
- Alignment to national development agenda
- Direct and indirect employment generation

Rs. 55 bn
Tax contributions



Communities

- Ongoing nvestment in community development
- Generation of employment and economic activity

Outcomes linked to Hayleys Lifecode

Customer relationships
Rs. 444 mn
CSR Investment

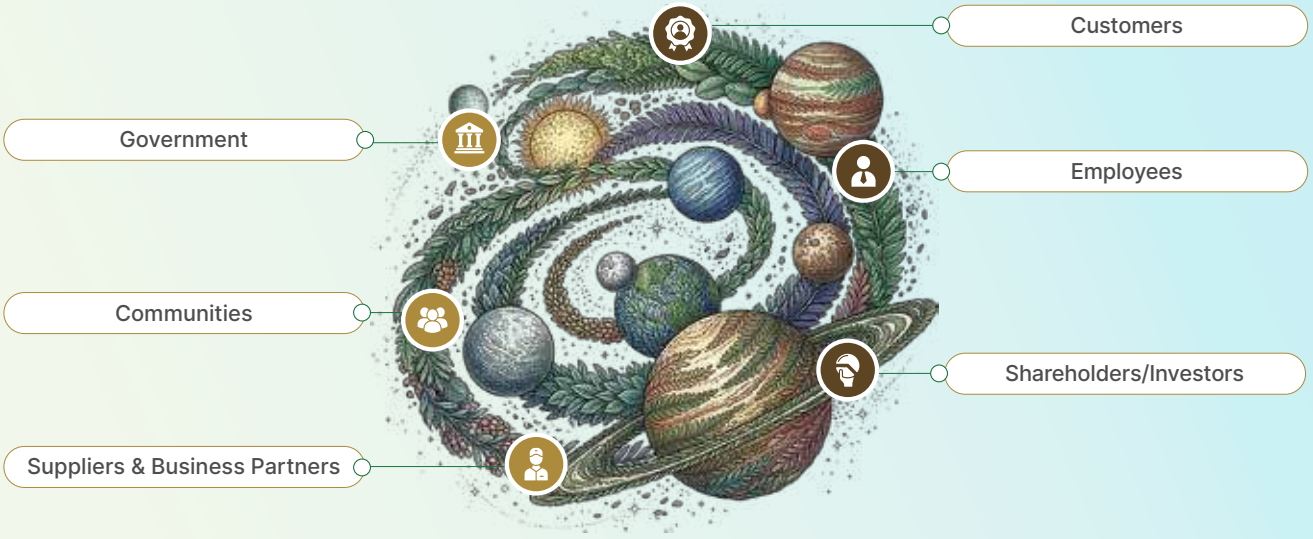
Page 203



Stakeholder Engagement

STAKEHOLDER ENGAGEMENT

The Group is acutely aware that open communication and consistent engagement is critical to building trust and sustaining the Group's social license to operate. Through our relationships with a wide range of stakeholders, the Group delivers on its Purpose and drives its strategic aspirations while addressing material risks. The Group engages with six key categories of stakeholders as given below:



Governance of stakeholder engagement: The Hayleys Lifecode articulates the Group's value propositions to each stakeholder group and includes specific policies for employees, suppliers and communities that offer guidelines on the engagement approach. The Lifecode also sets out the engagement measures adopted under each selected approach.

Integrating stakeholder feedback: Feedback obtained from both formal and informal stakeholder engagement mechanisms are integrated to the strategy formulation and daily operational processes thereby ensuring that stakeholder needs are met through our value-creation process. Key mechanisms in which stakeholder feedback was integrated during the year are summarised below:

Please refer to the ESG Report for further information on the Group's stakeholder engagement practices during the yeara.

Human capital management	• Strategic emphasis on leadership development • Digitalisation of HR processes • Building a diverse and inclusive culture
Product and service development	• Launch of new products • Increased focus on niche, value-added products
Customer experience and service delivery	• Strengthening call centre and after-service care at Singer (Sri Lanka) PLC
ESG initiatives	• Shift to renewable energy sources and decarbonisation • Strategic emphasis on biodiversity preservation • Strengthen ESG risk management

ADDRESSING BARRIERS TO STAKEHOLDER ENGAGEMENT

The Group's stakeholder universe is widely diverse, which in turn necessitates differentiated approaches in conducting stakeholder engagement. This diversity includes language, cultural differences, general differences, gender imbalances and divisions within communities. The Group adopts the following measures to address these barriers

- Trilingual communication wherever possible
- Tailor-made engagement initiatives for selected groups
- Use of independent parties to conduct engagement

Stakeholder Engagement

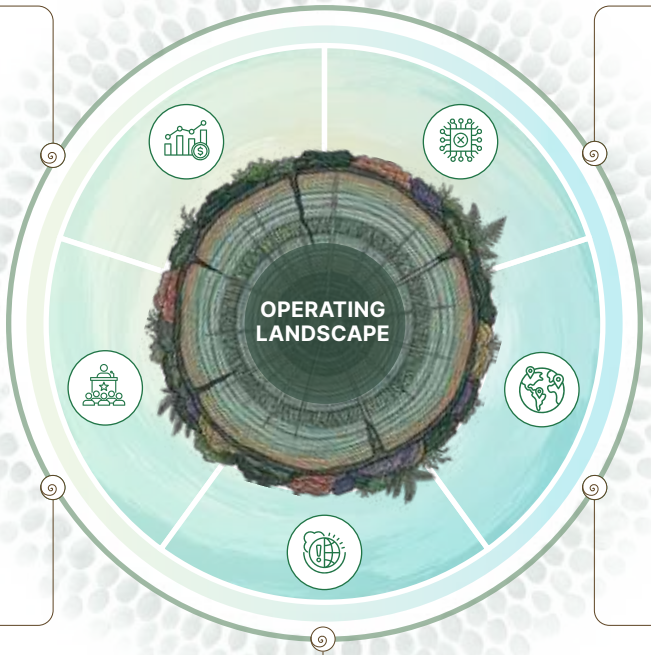
RESULTS OF STAKEHOLDER ENGAGEMENT IN 2025/26

	Shareholders/Investors	Employees	Customers
Key stakeholder matters raised and our response	**Pursue new avenues of growth through entry into new business verticals** ⊙ Entry into retail and mobility sector **Deliver attractive returns commensurate with risks undertaken** ⊙ Organic and inorganic growth across key verticals **Strengthen balance sheet through reducing gearing** ⊙ Capital injection through Rs. 9.0 bn rights issue ⊙ Proactive and ongoing negotiations with banks through Central Treasury **Timely and accurate information** ⊙ Timely communication of all price-sensitive information to the Colombo Stock Exchange	**Market-competitive remuneration** ⊙ Market adjustments to remuneration **Conducive and stimulating work environment** ⊙ Performance-driven culture ⊙ Increased focus on training and development ⊙ Year-round event calendar **Opportunities for career development** ⊙ Succession planning across key positions to build talent pipelines **Work-life balance** ⊙ Family-friendly work policies including paternity leave and allowances for child-care	**Innovation and new product development** ⊙ Increased emphasis on value-added product offerings **Responsible and sustainable business** ⊙ Embedding sustainable practices into processes and decision-making ⊙ Supplier chain due diligence across several verticals **Customer service** ⊙ Ongoing employee training on service excellence **Affordable pricing** ⊙ Benefit of cost reductions (when applicable) passed on to customers
Link to materiality	⊙ Macro-economic impacts ⊙ Foreign exchange impacts ⊙ Government policy ⊙ Operational efficiency and productivity	⊙ Operational safety and emergency preparedness ⊙ Employee value proposition and well-being	⊙ Customer satisfaction ⊙ Evolving customer requirements
Integrating feedback into decision-making	⊙ Shareholders' concerns (including those of minority shareholders) are brought to the attention of the Board of Directors and GMC members and incorporated into both strategic and operational decisions as required.	⊙ Identified employee concerns are escalated to the relevant GMC and Group HR Division which formulates the Group's overarching HR strategy for the year	⊙ Customer feedback is a key input in determining product development, marketing and sales strategy and pursuing opportunities in new markets
	Refer to page 192 for further information	Refer to page 204 for further information	Refer to page 203 for further information

Suppliers & Business Partners	Government	Communities
Fair and timely payment ⊙ Mechanisms to ensure timely payment **Opportunities for business growth** ⊙ Connectivity to global supply chains through international expansion ⊙ Share insights on future demand conditions to support better visibility and planning **Access to training and development** ⊙ Ongoing investment in supplier development and capacity building Refer the Group's ESG Report for further information on stakeholder value creation	**Alignment to national development agenda** ⊙ Emphasis on governance and fair business practices ⊙ Strategic emphasis on export-orientation ⊙ Continued generation of tax **Compliance to all relevant regulations** ⊙ Mechanisms across the Group to ensure compliance ⊙ Strengthening the Group's bribery and anti-corruption procedure **Accelerate positive impacts** ⊙ Significant local value addition ⊙ Direct and indirect employment generation ⊙ Ongoing investment in community engagement and environmental preservation	**Generating employment in the localities of operations** ⊙ Efforts to recruit from adjacent communities as far as reasonably possible **CSR initiatives to address prevalent community issues** ⊙ Ongoing investments in strategic CSR programmes **Environmental preservation and minimising environmental impacts** ⊙ Monitoring and measuring environmental KPIs to minimise adverse impacts
⊙ Principal relationships ⊙ Environmental and social issues along value chain	⊙ Domestic and international government policy ⊙ Community and livelihood development ⊙ Managing environmental and ecological impacts	⊙ Community and livelihood development ⊙ Managing environmental and ecological impacts
⊙ Identified concerns are communicated by relevant procurement departments to the respective leadership teams who provide due consideration when determining working capital management and procurement-related decisions	⊙ Regulatory developments are consistently monitored by the Sectors to which they are relevant and compliance is ensured through the Compliance/Internal Audit functions	⊙ Identified community issues are swiftly addressed at operational site level or escalated to Sector Head Office/Group level if required
Refer to page 203 for further information		Refer to page 203 for further information

Operating Landscape

The operating landscape is shaped by an increasingly interconnected mix of external and internal forces. These encompass both traditional and emerging risks, including climate change, technological disruption, widening inequalities, and cybersecurity threats. While direct control over certain factors may be limited, all relevant trends are continuously assessed to mitigate risks and capitalise on emerging opportunities. The key factors influencing the environment during the year are outlined below, while sector-specific industry trends are explored further in the Portfolio Reviews from page 212 to page 317 of this Report



Economic environment

Related risks

- Economic risk, Subdued demand

Strategic impact

- Portfolio optimisation, Customer centricity

Digital disruption

Related risks

- Data protection and cyber security risk

Strategic impact

- Digital integration

Geopolitical dynamics

Related risks

- Geopolitical risk, Local political risk, Cost of raw materials and disruptions to supply chains

Strategic impact

- Portfolio optimisation

Evolving world of work

Related risks

- Staff turnover and employee relations

Strategic impact

- Nurturing inspired teams

Climate change and environmental concerns

Related risks

- Physical and transitional risks of climate change

Strategic impact

- Strategic ESG integration

ECONOMIC ENVIRONMENT

Global economy: The global economy expanded by 3.3% in 2025, reflecting the gradual easing of financial conditions in advanced economies and strong domestic demand in emerging and developing economies. The gradual abatement of trade tensions and supportive financial conditions paved way for a resilient global economy, although momentum varied across countries and sectors.

However, since the escalation of geopolitical tensions in the first quarter of 2026, future uncertainty has intensified, with the conflict placing additional strain on an already fragile global landscape. Global growth is expected to moderate in 2026 before stabilising, while inflation may rise modestly in the near term. Downside risks persist, particularly from geopolitical tensions, trade disruptions, and structural vulnerabilities, reinforcing the importance of policy stability, adaptability, and international cooperation.

GDP growth (%)	2025	2024
-Global	3.3	3.3
-Advanced economies	1.7	1.8
-USA	2.1	2.8
-EU	1.4	0.9
-UK	1.4	1.1
-Emerging economies	5.4	4.3
-China	5.0	5.0
-India	7.3	6.5
Headline inflation (%)	4.1	5.8
Global trade volumes (%)	4.1	3.6
Commodity prices (%)		
-Oil	-14.2	-1.8
-Non-fuel	9.4	3.7

Sri Lankan economy



7.8% Industrial growth

1.4% Agriculture growth

3.3% Services growth

GDP growth

Sri Lanka recorded a GDP growth of 5% in 2025, as the macroeconomic environment demonstrated gradual yet definitive signs of stability, led by a stronger political mandate and policy continuity. Continued fiscal and tax reforms, strengthened governance and anti-corruption initiatives, along with wider structural measures to enhance productivity and competitiveness, played a key role in bolstering investor confidence.

Interest rates

Overall market interest rates declined in 2025, supported by accommodative monetary policy, low inflation, improved credit ratings, and reduced risk premia, despite a modest uptick toward year-end due to short-term rate pressures.

External sector

Sri Lanka's external sector strengthened during the year, recording a USD 1.7 billion current account surplus despite a widening merchandise trade deficit, as imports grew by 14.0% compared to a 6.3% increase in exports, largely driven by higher vehicle imports. Gross official reserves amounted to USD 7 bn by end-March 2026, sufficient to cover 3.8 of imports. Exchange rate movements gradually depreciated, with the Sri Lankan Rupee depreciateing by 6.3% against the US Dollar on a year-to-date basis as at end-March 2026.

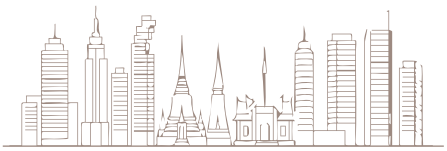
GDP growth (%)	2025	2024
Overall	+5.0	+5.0
- Agriculture	+1.4	+1.2
- Industrial	+7.8	+11.0
-Services	+3.3	+2.4
Per capita GDP (USD)	5,003	4,546
NCPI (y-o-y) end	2.9	-2.0
Year-end exchange rate (Rs/USD)	309.99	292.58
Unemployment rate	3.9	4.4
Fiscal deficit (% of GDP)	-2.3	-6.8
All Share Price Index	22,624	15,945

Operating Landscape

ECONOMIC ENVIRONMENT

Regional economies





Thailand

Thailand's economy recorded moderate growth in 2025, with GDP expanding by 2.4%, supported by stronger private investment, rising consumer spending, and continued government stimulus measures. Economic momentum improved notably toward the latter part of the year, driven by investment in machinery, equipment, and electric vehicle-related consumption. However, elevated household debt, structural competitiveness challenges, and softer tourism recovery continued to constrain broader expansion. Meanwhile, the Thai Baht recorded gradual depreciation during the year.





Maldives

Following significant economic pressures in the previous year, the Maldives economy demonstrated a gradual recovery in 2025, with GDP growth accelerating to 5.4%, supported primarily by strong tourism activity and a sharp rebound in the fisheries sector. Gross foreign reserves improved significantly, reaching USD 1.3 billion by February 2026, supported by stronger travel receipts and regulatory measures although usable reserves remained relatively constrained. Looking ahead, growth is expected to moderate in 2026 as escalating Middle East tensions weigh on tourism demand, increase energy costs, and heighten the economy's exposure to external vulnerabilities.





Bangladesh

Bangladesh's economic growth slowed to 3.5% in FY2025, marking its third consecutive year of deceleration, as political instability, financial sector weaknesses, and weakened household purchasing power weighed on economic activity. Slower domestic and external demand, combined with restrictive monetary and fiscal policies further constrained consumption and investment. Inflation remained elevated due to persistent supply-side pressures, despite a broadly balanced current account. Looking ahead, growth is projected to gradually recover in FY2026 and FY2027 as political uncertainty eases, investor confidence improves, and consumption and investment regain momentum although This recovery, however, will remain dependent on sustained macroeconomic stability, easing global supply pressures, and the avoidance of prolonged geopolitical disruptions.

Impact on Hayleys

Opportunities and levers

- Regional diversification
- Realignment of supply chains
- Regional tourism opportunities

Risks

- Potential impact on global demand & supply chain disruptions
- Currency volatility
- Commodity and input price volatility

GEOPOLITICAL DYNAMICS

The geopolitical landscape remained highly volatile, shaped by escalating regional conflicts, shifting alliances, and mounting strategic tensions across key trade corridors. Most notably, the intensification of military conflict in the Middle East since late February marked a significant inflection point, destabilising the international operating landscape and reinforcing a broader trend of rising geopolitical uncertainty. The latest crisis emerged against the backdrop of a series of disruptive global events that have progressively reshaped international relations in recent years. The conflict materially disrupted critical infrastructure and strategic maritime and air routes, underscoring the vulnerability of global trade networks to geopolitical shocks. At the time of preparing this Report, the situation remains fluid, with a broad spectrum of potential outcomes ranging from diplomatic de-escalation and ceasefire to a significant escalation of hostilities, an escalation in energy and petroleum based materials, all of which could have materially significant repercussions. Potential implications on Sri Lanka are summarised below:

Impact of higher commodity prices	Second-order impacts of inflation expectations, particularly energy and food prices	Potential depreciation of currency
Energy price volatility	Potential impacts on worker remittances	Trade and logistics disruptions

Impact on Hayleys

Opportunities and levers

- Volatile freight rates & demand for logistics and transport
- Supply chain realignment and diversification of sourcing destinations by global buyers
- Agricultural and commodity positioning given escalating global food security concerns

Risks

- Sharp escalation in input prices including commodities, fertilizers, aluminium and fuel
- Supply chain disruptions
- Investment and capital allocation uncertainty

CLIMATE CHANGE AND ENVIRONMENTAL CONCERNS

The growing inability to meet human development needs within the planet's ecological boundaries represents a critical global risk with far-reaching environmental, social, and economic consequences. For organisations such as Hayleys, the escalating challenges of environmental degradation, biodiversity loss, resource scarcity, and climate-related disruptions present increasingly material business risks. These evolving pressures can significantly impact operations through heightened supply chain vulnerabilities, stricter regulatory demands, shifting stakeholder expectations, and increased exposure to operational and strategic disruptions.

The World Economic Forum's Global Risks Report provides a comprehensive overview of the most significant short, medium, and long-term risks shaping the global landscape. Environmental risks continue to dominate the long-term risk profile as listed below:

1. Extreme weather events
2. Biodiversity loss and ecosystem collapse
3. Critical change to Earth systems
4. Misinformation and disinformation
5. Adverse outcomes of AI
6. Nature resource shortages
7. Inequality
8 Cyber insecurity
9 Societal polarisation
10. Pollution

Impact on Hayleys

Opportunities and levers

- Sustainable innovation and new market access
- Potential access to sustainable finance
- Build reputation and stakeholder trust

Risks

- Direct implications on yield and production quantity of Agriculture and Plantations Sector
- Disruptions along supply chains which rely on agricultural material

Operating Landscape

TECHNOLOGICAL DISRUPTION

Rapid technological advancement and the emergence of transformative capabilities such as data analytics, robotics, blockchain, and artificial intelligence present significant opportunities for organisations to enhance operational efficiency and redefine traditional business models. On the other hand, these developments also introduce material risks, including cybersecurity threats, data privacy concerns, rapid technology obsolescence, and the growing challenge of adapting workforces to an increasingly digital operating environment.

Artificial Intelligence
Artificial intelligence offers significant opportunities to improve efficiency, innovation, and decision-making, while also posing risks related to governance, cybersecurity, ethical concerns, and workforce disruption.

Robotics
Robotics supports improved agility by streamlining complex processes, improving consistency, and supporting scalable production.

Obsolescence of legacy systems
The obsolescence of legacy systems poses a growing strategic risk to organisations, potentially limiting agility, increasing operational inefficiencies, and constraining their ability to adapt to evolving technological demands and competitive pressures.

Data analytics
Advanced data analytics enhances decision-making within organisations through improving forecasting and providing deep strategic insights.

Process automation
Process automation and digitalisation in manufacturing environments present significant opportunities to enhance productivity, cost efficiency, and operational scalability, while also requiring organisations to manage integration complexities and workforce transformation.

Impact on Hayleys

Opportunities and levers

- Operational efficiency and productivity gains
- Enhanced decision-making through better data insights
- Innovation and product development through new digital capabilities

Risks

- High capital expenditure requirements
- Workforce displacement and skills gaps
- Operational disruption during implementation or system failures
- Cybersecurity threats and data breaches

THE EVOLVING WORLD OF WORK

The world of work continues to evolve in response to shifting macroeconomic conditions, social and political developments, rapid technological advancement, and accelerating digital transformation. At the same time, increasing competition for specialised talent and scarce skills is reshaping workforce dynamics.

Digital transformation reshaping workflows and roles

Growing focus on driving stronger **workplace inclusion and equitable opportunities**

Increased focus on **employee well-being and mental health**

Multi-generational workplaces are creating new expectations around leadership, communication, and career development.

Heightened demand for scarce skills

Impact on Hayleys

Opportunities and levers

- Enhanced productivity and efficiency through automation
- Stronger innovation and agility
- Greater resilience through agile operating models

Risks

- Resistance to change stemming from automation and digital disruption
- Leadership and succession challenges
- Employee disengagement or burnout

Materiality

The Group undertakes an annual materiality assessment to identify and evaluate the issues most relevant to its operations and stakeholders, enabling a structured prioritisation of key matters requiring attention. This assessment is guided by a double-materiality perspective, encompassing both the impact of the Group's activities on society and the environment, as well as the influence of environmental and social factors on the Group's financial performance. The process is carried out through three distinct stages, as outlined below.

ESTABLISH PROCESS PARAMETERS

List of potential material issues are selected as process parameters and a reference point in conducting the materiality assessment by the Group ESG Division.

1. Discussions with Sector leadership teams
2. Evaluation of the Group's business model and strategic aspirations
3. Stakeholder feedback
4. Emerging risks and opportunities

SECTOR LEVEL PRIORITISATION OF MATERIAL TOPICS

The issues are prioritised at Sector level using the following filters to assess the relative importance of the topics to stakeholders and the importance to the organization.

FILTERING TESTS

Organisational materiality	Impact materiality
Financial impact	Stakeholder impact (7 stakeholder groups)
Innovation opportunity	Environmental impacts
Reputation	
Externalities	
Strategic link	
Risk	

AGGREGATION AT HAYLEYS PLC LEVEL

Sector level materiality matrices are aggregated at Hayleys PLC weighted using a suitable metric based on the importance of the Sector to the Group.

- **Economic topics:** Revenue contribution to the Group
- **Social factors:** Headcount of the Sector
- **Environmental factors:** Relative impact to the Group's carbon footprint and water consumption



Materiality

RESULTS OF 2025/26 MATERIALITY ASSESSMENT

During the year, 22 material topics were identified from the materiality assessment process. Two new material topics were identified during the year; tax, regulations and compliance while social issues along supply chains which was material in 2024/25 was classified as not being material this year. Reflecting the Group's evolving reporting approach, financially material matters are comprehensively addressed within this Integrated Annual Report, while topics of high impact materiality have been presented separately in the ESG Report.

Refer the Group's ESG Report for impact materiality

Theme	Material topics 2024/25	Material topics 2025/26	Sector-level impact	Reference to disclosure
Geopolitical and economic factors	1 Macro-economic impacts	1. Macro-economic impacts	All Sectors	IAR – Operating Environment (Page 100)
	2. Foreign exchange impacts	2. Foreign exchange impacts	Eco Solutions, Hand Protection, Purification, Textiles, Consumer & Retail, Leisure, Transportation & Logistics, Tea Exports	IAR – Portfolio Reviews (Page 212) IAR- Risks & Opportunities (Page 108)
	3. Domestic and international government policy	3. Domestic and international government policy	All Sectors	
	4. Economic performance	4. Economic performance	All Sectors	IAR- Strategy: Inclusive business models (Page 130) ESG-Partner in Progress (Page 203)
		5. Tax	All Sectors	IAR- Financial Capital (Page 195)
Adapting business models	5. Energy consumption	6. Energy consumption	Hand Protection, Purification, Textiles, Transportation and Logistics	IAR – Portfolio Reviews (Page 212) ESG-Climate Action (Page 171)
	6. Evolving climate regulations	7. Evolving climate regulations	Eco Solutions, Hand Protection, Purification, Textiles, Construction Materials	IAR- Sustainability-related Financial Disclosures (Page 140)
	7 Climate change adaptation	8. Climate change adaptation	Plantations, Hand Protection, Purification, Leisure, Agriculture	IAR – Portfolio Reviews (Page 212) IAR- Sustainability-related Financial Disclosures (Page 140)
	8. Operational efficiency and productivity	9. Operational efficiency and productivity	All Sectors	IAR: Strategy- Portfolio Optimisation (Page 119)
	9. Technology and product innovations	10. Technology and product innovations	All Sectors	IAR: Strategy- Customer Centricity (Page 121)

Theme	Material topics 2024/25	Material topics 2025/26	Sector-level impact	Reference to disclosure
Adapting business models	10. Operational safety and emergency preparedness	11. Operational safety and emergency preparedness	Eco Solutions, Hand Protection, Purification, Textiles, Construction Materials, Transportation & Logistics	IAR – Portfolio Reviews (Page 212) IAR - Sustainability related Financial Disclosures (Page 140) ESG Report-Engaged Workforce
	11. Manufacturing capabilities	12. Manufacturing capabilities	Eco Solutions, Hand Protection, Purification, Textiles, Construction Materials	IAR – Portfolio Reviews (Page 212) IAR: Strategy- Portfolio Optimisation (Page 119), Manufactured Capital (Page 200)
Addressing stakeholder demands	12. Product quality and responsibility	13. Product quality and responsibility	All sectors	IAR: Strategy- Customer Centricity (Page 121),
	13. Employee value proposition and well-being	14. Employee value proposition and well-being	All sectors	IAR: Strategy- Nurturing Inspired Teams (Page 125) ESG Report-Engaged Workforce
	14. Customer satisfaction	15. Customer satisfaction	All sectors	IAR: Strategy- Customer Centricity (Page 121),
	15. Evolving customer requirements	16. Evolving customer requirements	Eco Solutions, Hand Protection, Purification, Textiles, Plantations	IAR: Strategy- Customer Centricity (Page 121)
	16. Principal relationships	17. Principal relationships	Transportation & Logistics, Energy, Mobility & Projects	IAR – Portfolio Reviews (Page 212)
		18. Regulations and compliance	All sectors	IAR-Corporate Governance (Page 57)
Sustainability and ESG integration	17. Managing environmental and ecological impacts	19. Managing environmental and ecological impacts	All sectors	ESG Report-Environmental pillar
	18. Environmental and social issues along value chain	20. Environmental impacts along supply chain	Hand Protection, Purification, Textiles, Eco Solutions, Agriculture	IAR- Sustainability-related Financial Disclosures (Page 140)
	19. Physical climate risks	21. Physical climate risks	Plantations, Hand Protection, Purification, Leisure, Agriculture, Consumer & Retail	IAR- Sustainability-related Financial Disclosures (Page 140)
	20. Community and livelihood development	22. Community and livelihood development	All sectors	ESG Report-Partnering Progress

Risks & Opportunities

The Group's risk management process is embedded across all levels of the organisation, fostering risk-informed decision-making supported by clear accountability and oversight. To ensure risks are effectively identified, assessed, managed, and monitored, the Group adopts multiple lines of defense model, providing structured assurance to stakeholders over the effectiveness of its risk management and internal control processes.

RISK LANDSCAPE 2025/26

The Group's risk and opportunity landscape is shaped by the political, economic, social, technological and environmental context within which it operates. In an increasingly dynamic operating environment, sound risk management remains critical in enabling the Group to respond and adapt to evolving conditions through informed and timely decision-making. This underscores the importance of maintaining a proactive and agile approach to risk management, strengthening the resilience of the operating model and supporting long-term value creation.

In the Global Risk Report for 2026, the World Economic Forum highlights an increasingly fragmented and volatile global environment, shaped by the convergence of geopolitical, environmental, societal, technological and economic risks. Geopolitical risks emerged as the most immediate concern for 2025, with state-based armed conflict identified as the top global risk amid ongoing wars, geopolitical tensions. Environmental risks continue to dominate the medium- to long-term horizon while technological risks have also grown in prominence particularly misinformation and disinformation.

Short-term (2 years)		Long-term (10 years)	
1.	Geoeconomic confrontation	1.	Extreme weather events
2.	Misinformation and disinformation	2.	Biodiversity loss and ecosystem collapse
3.	Societal polarization	3.	Critical change to earth systems
4.	Extreme weather events	4.	Misinformation and disinformation
5.	State-based armed conflict	5.	Adverse outcomes of AI technologies
6.	Cyber insecurity	6.	Natural resource shortages
7.	Inequality	7.	Inequality
8.	Erosion of human rights	8.	Cyber insecurity
9.	Pollution	9.	Societal polarisation
10.	Involuntary migration or displacement	10.	Pollution

Environmental Geo-political Societal Technological

Source: Global Risk Report 2026, World Economic Forum

APPROACH TO RISK MANAGEMENT

The Group's Enterprise Risk Management framework supports strategic and operational resilience as we pursue our strategic aspirations and deliver stakeholder value through economic cycles. The Group follows a bottom-up approach to identify, prioritise and mitigate risks- which is subject to quarterly review to ensure completeness, relevance, robustness of mitigating actions as well as Board oversight.

Risk Governance

The Board serves as the focal point for management of risk and is assisted by the Audit Committee in discharge of this duty. During the year under review, the Company also initiated proceedings to establish Risk Management Committees with Board representation, thereby further strengthening risk oversight. With the adoption of SLFRS S1 and S2 Sustainability Disclosure Standards, the ESG Steering Committee assists the Board in the management of SRROs, which includes climate, nature and other sustainability risks. The diverse business sectors of the Group have high levels of autonomy in driving their businesses with Group governance structures playing a key role in harmonizing policies, sharing best practice, guiding strategic direction, managing risks and optimizing resource allocation across the Group as depicted below. The Group also adopts the three-lines of defense model (as illustrated below) which ensures effective segregation and discharge of duties.



1ST LINE OF DEFENSE (1)

- Individual Businesses
- Risk Identification, Acceptance & Mitigation

2ND LINE OF DEFENSE (2)

- Sector level Boards, Audit Committees and ESG Committees
- Risk Monitoring & Management

3RD LINE OF DEFENSE (3)

- Hayleys PLC Board, Audit Committee and Group ESG Steering Committee
- Assurance and policy formulation

The Group adopts the COSO Framework in assessing potential risks which are ranked and prioritised based on impact and likelihood of occurrence. The risk management process is as follows;

Determining Material Aspects for Each Sector → Determining Materials Aspects for Group → Identifying risk indicators → Monitoring risk → Mitigating/ Managing Risk

Risks & Opportunities

WIDENING THE LENS OF RISK

As discussed in last year's Annual Report, the Group has progressively advanced discussed its' sustainability-risk management frameworks and practices in line with the adoption of SLFRS S1 and S2.

Connectivity of risks: Sustainability risks are typically pervasive in nature, demonstrating interactions across other types of risks. By adopting a unitary risk framework which integrates ESG risk assessments with existing business risk processes, the Group seeks to better understand these interactions, thereby providing leadership with the insights required to embed sustainability considerations into strategic decision-making.

HOW HAYLEYS VIEWS SRROS

INSIDE OUT

How external sustainability issues affect the Group's financial performance

OUTSIDE IN

The Group's impacts on the environment and society

INTERVENTIONS IN 2025/26

- Commenced quarterly reporting of SRROs and CRROs to the Board of Directors, enhancing Board oversight and ensuring focused attention on emerging sustainability-related and climate-related risks and opportunities
- Implemented a Group-wide Risk Management Procedure establishing clearly defined mechanisms for the identification, prioritisation, assessment and management of risks

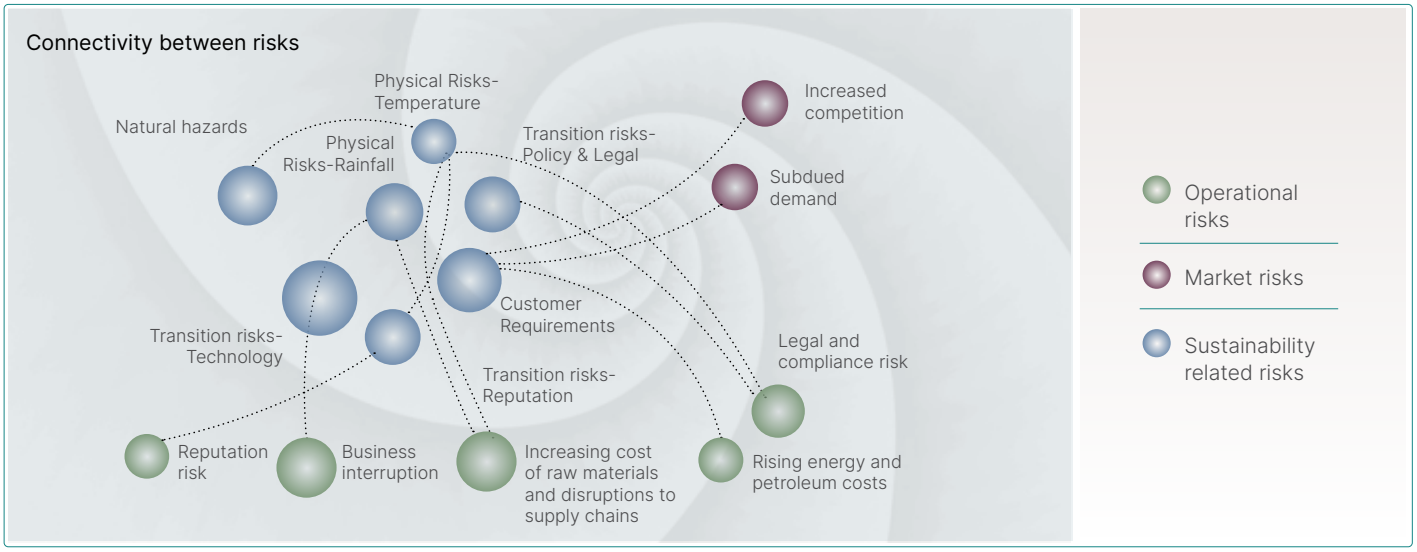
MANAGEMENT OF SRROS

- Roles and responsibilities: The Group ESG Steering Committee is responsible for the management of sustainability, climate and nature-related risks and opportunities including formulating response strategies and assessing progress against the Group's ESG roadmap (including the climate strategy).
- Sector-level ESG Steering Committees were established during the year under review, facilitating more focused and systematic management of industry-specific SRROs and CRROs
- Risk identification: Self-assessment of ESG risks and opportunities at Sector level through ESG risk templates
- Data inputs: An array of operational data and non-financial performance indicators (based on reporting frameworks) which are monitored on a monthly basis

Further details relating to the Group's approach in managing SRROs are given on page 140 of this Report.

INTERACTION OF RISKS

The following infographic demonstrates the link between these strategic, operational and other risks and the climate-related risks identified above. The size of the circle represents the magnitude of the risk.



INTEGRATED THINKING & EFFICIENT RESOURCE ALLOCATION

Several Hayleys PLC Centre functions monitor external developments and a variety of internal factors for early warning signs of threats and opportunities to align plans and ensure strategic relevance. The following functions come together at Group level to identify risks and opportunities and to mitigate them and manage them. The Group Management Committee plays a critical role as well, providing insights in to diverse areas of expertise, enabling early identification of potential risks, sometimes when it's just a whisper. The diagram below sets out the effective risk management structure of Hayleys Group, reflecting the evolving nature of this increasingly important function.

Department & Area of Focus

CORPORATE AFFAIRS UNIT

- Manages Group financial performance and resilience
- Monitor external landscape to identify emerging threats including impending regulations and other pressure points

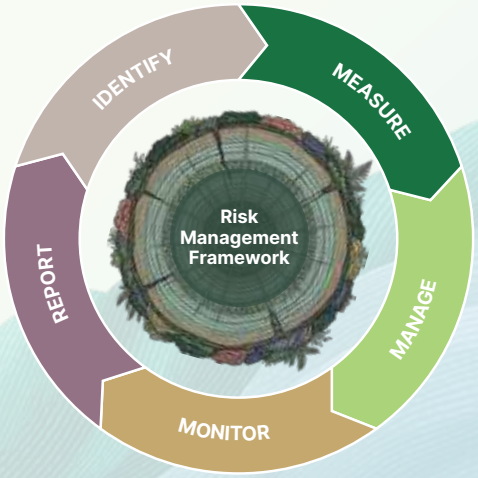
GROUP RISK AND INSURANCE DIVISION

- Formulation and negotiation of the Group's insurance programme
- Monitoring risk exposures across the Group

MANAGEMENT SYSTEM AUDIT & REVIEW DEPARTMENT (MSA&RD)

Manage risks at a strategic level whereas MSA&RD approach it primarily from a risk mitigation and management perspective

Responsible for collating risk registers, constructively challenging them and presenting to Group Management Committee, Audit Committee and Board



STRATEGIC BUSINESS DEVELOPMENT UNIT

- Monitoring the PESTEL factors to identify new opportunities as well as assess risks related to the opportunities
- Review risk from a portfolio perspective

P E S T E L

- Political
- Economic
- Social
- Technological
- Environmental
- Legal

GROUP TREASURY

- Management of Group liquidity including Foreign Exchange liquidity
- Managing Group funding including costs of funding

GROUP ESG

- Review and monitor non-financial indicators to identify areas of concern and opportunities to optimise resource allocation
- Monitor external sustainability landscape to identify emerging threats including impending regulations and evolving customer considerations

GROUP SOURCING

- Ensuring defined procurement procedures are carried out in line with the Group Procurement Policy
- Support Sectors in identifying, monitoring and managing risks across the supply chain

GROUP IT

- Responsible for safeguarding the digital infrastructure and information assets of the Group
- Surveillance to assess cyber threats
- Cybersecurity

Risks & Opportunities

TOP RISKS OF 2025/26

Market risks

GEOPOLITICAL RISK						ECONOMIC RISK					
Impact	3	Likelihood	3	Risk rating FY 2025	9 6	Impact	3	Likelihood	3	Risk FY 2025	9 9
Strategic pillar						Strategic pillar					
Capitals impacted	FC SC					Capitals impacted	FC				
Material matters	Domestic and international government policy					Material matters	Domestic and international government policy /macro-economic risk				

Context and potential impact

Escalating geopolitical tensions and armed conflicts continued to disrupt global trade and supply chains, contributing to volatility in commodity, energy and transportation costs. Given the Group's exposure to both local and international markets, such developments could impact procurement costs, supply chain continuity, operating margins and overall business performance across several sectors.

Mitigating actions

- Pursuing increased diversification of export markets, particularly in non-traditional markets
- Focused growth in selected markets
- Value-added product propositions which are relatively price inelastic

Context and potential impact

While macro-economic conditions have stabilised, the recovery remains fragile particularly given global headwinds, policy uncertainty, and insufficiently deep debt restructuring weighing down the overall outlook. These vulnerabilities could impact growth potential, cross border transactions and international business operations.

Mitigating actions

- Reduce dependency on domestic market through expanding export-orientation
- Maintain strong relationships with stakeholders, lobby groups and banks

LIQUIDITY AND FINANCIAL STABILITY						SUBDUED DEMAND					
Impact	3	Likelihood	3	Risk rating FY 2025	9 9	Impact	2	Likelihood	3	Risk FY 2025	6 6
Strategic pillar						Strategic pillar					
Capitals impacted	FC					Capitals impacted	FC SC				
Material matters	Domestic and international government policy /macro-economic risk					Material matters	Macro-economic impacts Evolving customer requirements				

Context and potential impact

Financial stress and impaired ability to meet future debt obligations and potential liquidity shortages in the Banking System and the Money Market could impact sector operations. With effect from 1 January 2028, the Single Borrower Limit (SBL) will be reduced to 25% of Tier 1 capital, replacing the existing limit of 33% of the Bank's total capital, thereby constraining the Group's ability to access further funding

Mitigating actions

- Improve liquidity risk oversight by Board and GMC
- Derive Group synergies to manage borrowings
- Diversify funding sources through exploring non-banking and offshore opportunities

Context and potential impact

Demand could be impacted by reduced disposable incomes, inflationary pressures and potential inventory build-up which can affect top line growth. Meanwhile, the prevalent global geopolitical tensions could lead to subdued demand across major export markets such as North America, UK, European region and Japan.

Mitigating actions

- Diversification across market and product categories
- Forward contracts with key buyers
- Focus on new customer acquisition
- Explore opportunities to establish distribution networks in key export markets

Operational risks

INCREASING COST OF RAW MATERIALS AND DISRUPTIONS TO SUPPLY CHAINS					
Impact	2	Likelihood	3	Risk rating FY 2025	6 6
Strategic pillar					
Capitals impacted	FC SC				
Material matters	Principal relationships/Operational efficiency and productivity/Domestic and international government policy				

Context and potential impact

potential disruptions to supply chains could exert pressure on margins and challenge predictability and future planning.

Mitigating actions

- Proactive and daily monitoring of raw material pricing
- Raw material planning and effective inventory management
- Diversification of supply chains
- Building long-term relationships with suppliers through strategic initiatives

DATA PROTECTION AND CYBERSECURITY RISKS					
Impact	3	Likelihood	2	Risk FY 2025	6 6
Strategic pillar					
Capitals impacted	IC SC				
Material matters	Technology and product innovations				

Context and potential impact

Cyber-attacks or ransomware attacks and potential losses to confidential stakeholder data can lead to legal implications, financial loss and damage credibility and corporate reputation

Mitigating actions

- IT governance policies and structures in place
- Comprehensive mechanisms implemented to comply with the Personal Data Protection (PDP) requirements
- Regular employee awareness on mitigating cybersecurity risks
- Robust Business Continuity Plan in place

HIGH STAFF TURNOVER AND EMPLOYEE RELATIONS					
Impact	2	Likelihood	2	Risk rating FY 2025	4 6
Strategic pillar					
Capitals impacted	FC HC				
Material matters	Employee value proposition and well-being				

Context and potential impact

While the prevalence of talent migration has slowed in comparison to the previous year, it still remains a key risk-underscoring the importance of continued investments in employees to ensure retention.

Mitigating actions

- Enhancing employee value proposition through an array of retention, welfare and development strategies
- Proactive and close engagement with employees to ensure that concerns are swiftly identified and addressed
- Maintain cordial relationships with employee unions

HIGH COST OF PETROLEUM PRODUCTS AND INCREASE IN ELECTRICITY COST					
Impact	3	Likelihood	3	Risk FY 2025	9 NA
Strategic pillar					
Capitals impacted	FC				
Material matters	Energy consumption				

Context and potential impact

Amid escalating geopolitical tensions and growing geoeconomic fragmentation, global petroleum and electricity cost have seen upward pressure in recent months. Ongoing conflicts, supply chain disruptions, and volatility in global energy markets contributed to upward pressure on fuel and energy prices.

Mitigating actions

- Maintaining adequate fuel stocks and inventory levels, together with functional backup systems, to ensure operational continuity during temporary supply disruptions or shortages.
- Reducing dependence on fossil-fuel energy sources through transitioning to renewable energy

Risks & Opportunities

Sustainability-related risks

PHYSICAL RISKS OF CLIMATE CHANGE					
Impact	**3**	**Likelihood**	**2**	**Risk rating FY 2025**	**6 6**

Strategic pillar	
Capitals impacted	FC NC
Material matters	Physical climate risks/ Climate change adaptation

Context and potential impact

As a Group which has extensive interests in plantations and agriculture as well as a high degree of reliance on agricultural input materials, the Group is directly exposed to physical impacts of climate change including fluctuations in rainfall and precipitation levels, rise in temperatures and increasingly erratic weather patterns

Mitigating actions

- Close monitoring of weather patterns and potential impacts
- Climate adaptation measures across sectors
- Strengthen environmental management systems through certifications

TRANSITIONAL RISKS OF CLIMATE CHANGE					
Impact	**2**	**Likelihood**	**3**	**Risk FY 2025**	**6 6**

Strategic pillar	
Capitals impacted	FC SC
Material matters	Evolving climate regulations, Evolving customer requirements

Context and potential impact

Key sectors in the Group are exposed to climate-related transition risks such as increasingly stringent environmental and emission regulations and energy policies

Mitigating actions

- Close engagement with customers on identifying and responding to sustainability-related demands
- Gradual transition to renewable energy sources
- Environmental targets centered on emission reductions, water consumption and waste management

ECOLOGICAL IMPACTS					
Impact	**2**	**Likelihood**	**2**	**Risk rating FY 2025**	**4 NA**

Strategic pillar	
Capitals impacted	SC NC
Material matters	Managing environmental and ecological impacts

Context and potential impact

Impacts of ocean and soil erosion, loss of biodiversity and changes to ecosystem balance which over the long-term can lead to increased overhead costs and impacts on the quality, quantity and pricing of agricultural raw materials

Mitigating actions

- Processes to identify impacts and dependencies of nature Incorporating principles of environmental sustainability, resource optimisation

OPPORTUNITIES

While remaining strategically focused on navigating emerging risks, the Group seeks to leverage opportunities to pursue potential areas for growth and drive long-term value creation. These identified opportunities are a vital input into the strategic planning and budgeting cycle, and shape the Group's overall strategic aspirations. Key opportunities identified are summarised below from a portfolio perspective; the implications on each sector are discussed in further detail in the Sector Reviews on page 212 to 317 of this Report.



PORTFOLIO OPTIMISATION

- Regional expansion and market diversification
- Business diversification
- Acquisitions

INCLUSIVE BUSINESS MODELS

- Expand presence along value chain
- Diversification of supply chains

NURTURING INSPIRED TEAMS

- Upskilling and learning platforms
- Mental health and employee well-being
- Talent pipeline & succession

STRATEGIC ESG INTEGRATION

- Energy transition
- Decarbonisation
- Sustainable innovation

CUSTOMER CENTRICITY

Expansion in value-added product and customer segments, Strengthen after sales services

Digitalisation

STRATEGIC PILLAR: PORTFOLIO OPTIMISATION

Business diversification – Strategic investments in complementary industry sectors and verticals enable the generation of long-term value through leveraging domain-specific knowledge and synergies. During the year the Group announced its strategic entry to the large-scale supermarket sector, which is anticipated to emerge as a significant earnings generator in the future.

Regional expansion and market diversification – The Group is actively pursuing regional opportunities across its key business lines, as it seeks to expand its geographical reach thereby building further resilience. Given geopolitical tensions and geo economic confrontations in recent months, the Group has continued pursuing expansion in non-traditional markets such as Asia and Africa.

Acquisitions – The Group has a strong history of growth through acquisition and has a finely-honed team in place for the purpose with the expertise required. Major acquisitions in recent years such as Singer (Sri Lanka) PLC, Fentons, South Asia Textiles and Horana Plantations which are now considerable contributors to Group earnings, attesting to the effectiveness of the Group's acquisition strategy. During the year the Group

Risks & Opportunities

formed/acquired several new entities across its verticals, enhancing its long-term revenue generating capabilities.

STRATEGIC PILLAR: CUSTOMER CENTRICITY

Expansion in value-added product segments and customers- Sectors are pursuing increased penetration of premium, value-added products segments with the aim of limiting vulnerabilities to price competition and margin pressure. The Group is aptly positioned to drive growth in such niche segments given its expertise in R&D, human capabilities and reputation.

STRATEGIC PILLAR: NURTURING INSPIRED TEAMS

Talent pipeline and succession – The Group remains committed to building a strong leadership pipeline through structured succession planning and focused talent development initiatives. Potential leaders are identified and nurtured through continuous learning, cross-functional exposure, mentoring and performance-driven development programmes,

Upskilling and learning platforms- With the demand for future-ready skills growing, emphasis on continuous learning presents a significant opportunity for the Group. The Group is exploring the use of digital and AI-driven learning platforms which proactively address skills gaps, support career development, and enhance employee engagement.

Mental health and well-being- The focus on mental health and well-being presents a meaningful opportunity to foster a more engaged, satisfied and resilient workforce particularly given the increasing awareness on the impacts of stress, burnout and work-life balance. Structured and holistic well-being programmes can lead to increased productivity, improved morale and stronger loyalty, which can further enhance the Group's employer brand and emerge as a key differentiator in its HR proposition.

STRATEGIC PILLAR: INCLUSIVE BUSINESS MODELS

Expand presence along value chain - The sectors have potential to widen their presence along the value chain through backward or forward integration, improving synergies, margins, stability of supply chains and market presence.

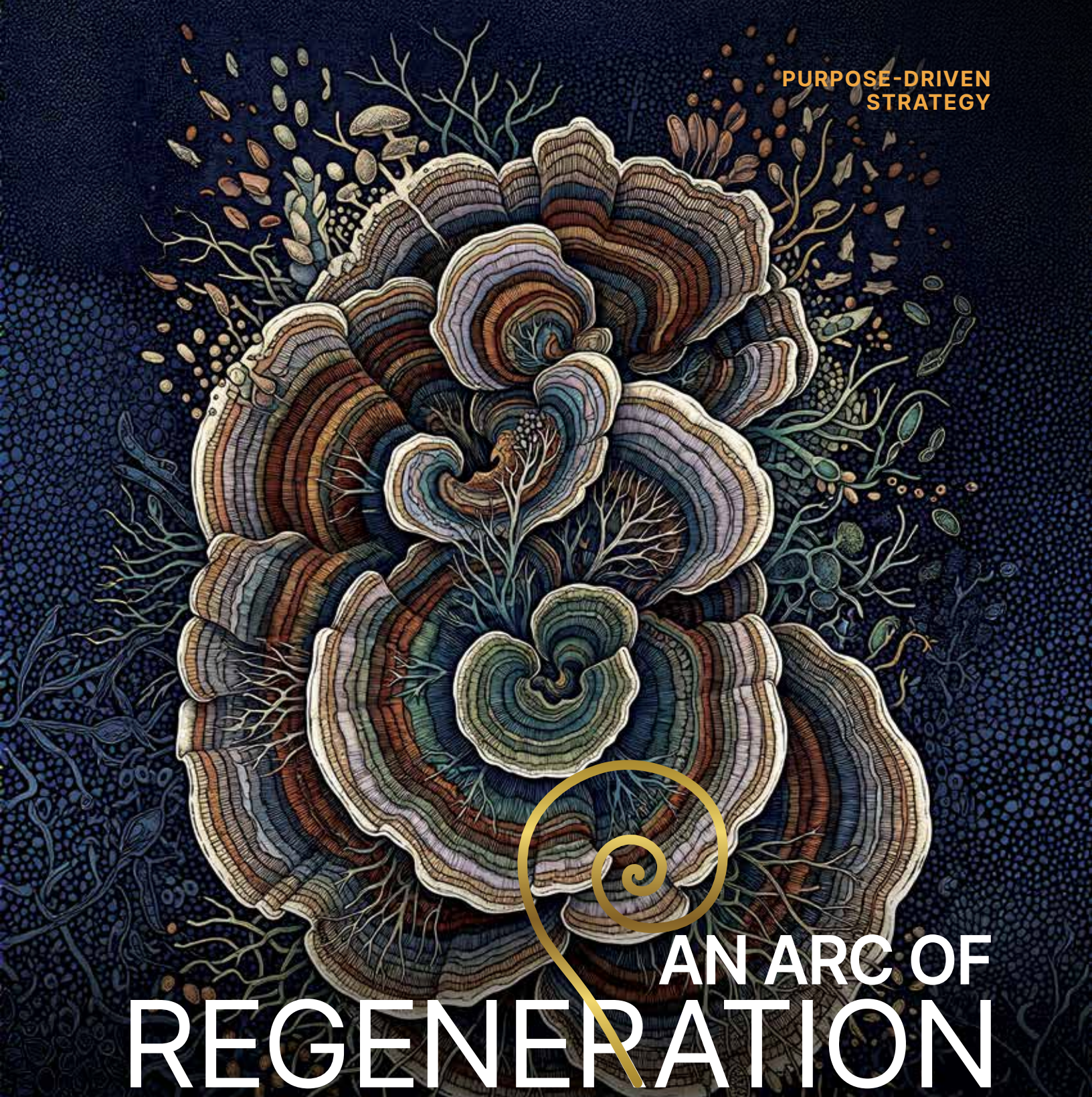
Diversification of supply chains – Increasing implications of climate change, geopolitical dynamics and technological shifts are disrupting global value chains, leading to increased volatility in raw material prices. Geographical diversification of supply chains, particularly for agricultural commodities presents a significant opportunity for the Group to secure its supply chains while also injecting value across a broader ecosystem of business partners.

STRATEGIC PILLAR: STRATEGIC ESG INTEGRATION

Energy transition – The Group has a portfolio of investments in renewable energy and there are opportunities for investments in this sector in line with the country's long-term power generation plan. Additionally, the increasing cost of fuel and electricity will reduce payback periods of investments in alternative energy solutions at manufacturing locations, supporting investments in solar energy and other renewable and sustainable energy sources.

Sustainable Innovation– We innovate products with a purpose and work closely with customers to identify their needs to make them customer centric. It is a key opportunity that has propelled our growth and we will continue to invest in research and development to drive innovation. A number of our products are necessary to address issues such as water and air pollution and environmental degradation. We will continue to stay at the cutting edge of sustainable innovation to drive growth in our businesses.

Digitalisation – Digital transformation has been identified as a cross-cutting enabler which can drive the acceleration of all five strategic aspirations. The Group's digital roadmap centers on the key pillars of workflow automation, IoT driven digitisation, modernisation of applications and AI and machine learning with the aim of accelerating digital maturity across all sectors.



AN ARC OF REGENERATION

Beneath the forest floor exists a vast mycelial network; an interconnected system of fungal threads that links trees and plants across ecosystems through symbiotic relationships. Through these root networks, nutrients, water, and chemical signalling compounds are exchanged between plants, contributing to growth, adaptation, and ecosystem functioning. Above ground, what appears as isolated vegetation is supported by these subterranean connections, which play a role in enhancing ecological resilience and resource distribution within the environment.

At Hayleys PLC, our strategy reflects a commitment to intelligence, connectivity, and purposeful integration. By linking diverse businesses, capabilities, and stakeholders, we enable the flow of knowledge, resources, and opportunity across the Group. This interconnected approach strengthens collaboration, supports agility in responding to emerging challenges, and enhances overall performance. Through alignment and coordination, we build resilience across our operations, ensuring that each part of the Group contributes to sustainable growth and long-term value creation.

Purpose-driven Strategy

The Group's overarching strategic aspirations are purpose-driven and centered around the 5 pillars as demonstrated below. While Sectors adopt unique strategies which reflect the risks, opportunities, and core competencies of each business the Board sets the overall strategic direction. The strategic pillars are formulated by the Strategic Business Development Unit (SBDU) at Hayleys PLC and cascaded to each Sector under the leadership of the Group Management Committee. Given the Group's recent thrust towards leveraging automation and technology, Digital Transformation is now recognised as a cross-cutting enabler, that drives the effective execution of all five pillars.

Our Purpose	To Inspire an Inclusive World and a Thriving Planet
Our Vision	To be Sri Lanka's Corporate Inspiration at all times

Strategic drivers

- **Operating landscape** (Page 101)
- **Stakeholder feedback** (Page 98)
- **Resources and relationships** (Page 119)

Our Strategic Priorities

- Portfolio optimisation
- Customer centricity
- Nurturing Inspired Teams
- Inclusive Business Models
- ESG Integration

Digital Transformation

GOVERNANCE AND REMUNERATION PRACTICES SUPPORTING STRATEGY

Multiple layers of performance review from sector-level Executive Committees to the Group Management Committee, Board Committees and the Board ensure a high level of monitoring on delivery of strategy. The GMC meets weekly and additional meetings may be called at short notice whenever the need arises. Monthly and quarterly performance is monitored against defined targets, with active debate encouraging the exploration of new ideas and diverse perspectives. The remuneration of GMC members and Sector heads are linked to relevant strategies and KPIs, which are cascaded across relevant functions thereby driving goal congruence across the organisation.



EVOLVING OUR REPORT:

As discussed on page 12, as part of our evolution in reporting, this year we have adopted a more strategy-centred narrative. The following pages provide a detailed account of how the Group delivered on its strategic priorities during the year. These strategic interventions are directly linked to our value creation process, demonstrating their impact on capital stewardship, stakeholder outcomes, and the management of key risks and opportunities, as illustrated below

Portfolio Optimisation

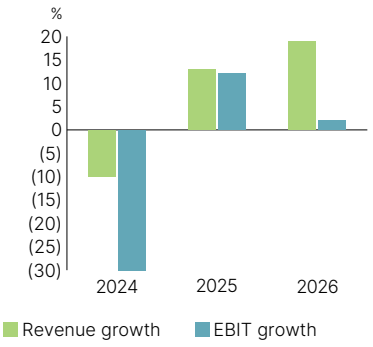
Building a resilient business portfolio which is centered on diversifying businesses, geographical footprint, customer segments and revenue streams

HOW WE MEASURE PROGRESS

Revenue growth: Demonstrates the success of the Group's expansion strategy and effectiveness of how products and services are catering to demand.

EBIT growth: Measures the Company's core profitability and the extent to which Revenue growth is translated to profitability

REVENUE AND EBIT GROWTH



Link to Remuneration

Revenue and EBIT growth is used as a metric to assess Sector and Business level performance, which in turn is an input to determining performance-based remuneration

Link to Risks & Opportunities

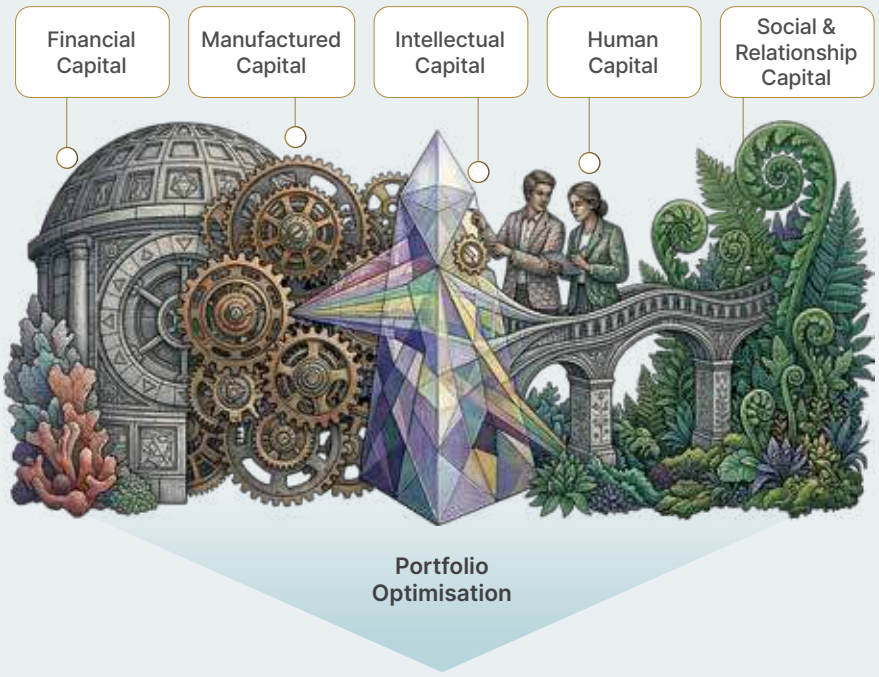
Economic risk
Geopolitical risk
Liquidity and financial risk
Subdued demand
Regional expansion (Opportunity)
Business diversification (Opportunity)

Further information:

Portfolio Reviews: Page 212

Manufactured Capital: Page 200

CAPITAL INPUTS



CAPITAL TRANSFORMATION

- **FC** Significant upfront capital investments
- **IC** Strengthens institutional knowledge
- **HC** Builds organisational agility and cross-functional capabilities
- **SC** Expansion of stakeholder networks

TRADE-OFFS

The portfolio optimisation strategy involves certain trade-offs, particularly in the short to medium term, as investments in diversification, geographic expansion, and new business segments may place pressure on financial resources and increase operational complexity. Expansion into new markets and industries may also lead to a broader environmental footprint, potentially increasing resource consumption and oversight requirements relating to Natural Capital

Negative Impact Positive Impact

Purpose-driven Strategy

OPERATIONAL CAPACITY AND MANUFACTURING CAPABILITIES

During the year, the Group continued to invest in ongoing efforts to strengthen capacity and production capabilities across its diverse verticals. These investments included new facilities, capacity enhancements and technology upgrades.

Key investments during the year are summarised below and discussed in further detail in the Portfolio Review Chapter from page 212 to 317 of this Report.

Eco Solutions	• Integrated coir processing facility in Nikaweratiya	**Rs. 504 mn**
Hand Protection	• 6th manufacturing facility in Sri Lanka through the strategic conversion of an acquired plant • Commissioning of new next-generation natural rubber glove dipping plant and electrician's glove dipping plant in Kottawa	**Rs. 5,653 mn**
Purification	• Expansion of energy storage carbon manufacturing • Strategic capacity expansions in Thailand • Ongoing construction of the Group's 7th manufacturing facility in Philippines	**Rs. 4,225 mn**
Agriculture	• Expansion of Cocolife operations with facility to manufacture concentrated coconut water	**Rs. 984 mn**
Plantations	• State-of-the-art Kiruwanaganga Tea Factory commissioned by TTE	**Rs. 1,877 mn**
Construction Materials	• Installation of a new extruder and advanced technology for fully automated dye casting • Sheet processing equipment	**Rs. 1,021 mn**
Consumer & Retail	• Singer: Launch of a mega store in Matara and renovation of branches	**Rs. 1,582 mn**
Energy, Mobility & Projects	• Launch of South Asia's largest OMODA & JAECOO flagship showroom • Kaiyi flagship showroom launched	**Rs. 6,662 mn**
Tea exports	• Mabroc Teas: Construction of new manufacturing facility	**Rs. 315 mn**

BUSINESS DIVERSIFICATION

Sectors continued to pursue strategic diversification by expanding into new and complementary business areas that align closely with their core competencies. These interventions aim to unlock synergies across operations, strengthen value chains, and widen revenue streams while leveraging each sector's established competitive strengths and market presence. Key areas of diversification during the year include the following:

Energy, Mobility & Projects Entry into mobility solutions by Hayleys Fentons	**Purification** Increased focus on energy storage and value-added carbons	**Plantations** Crop diversification
Agriculture Coconut-based exports including concentrated coconut milk	**Hand Protection** Specialised gloves including sports and electricians' gloves	**Industry Inputs, Power & Energy** Advanced analytical medical services
The Group also announced its entry into the large format supermarket sector		

GEOGRAPHICAL DIVERSIFICATION

Amid evolving geopolitical dynamics, shifting trade patterns, and increasing macroeconomic uncertainties, Sectors have continued to prioritise geographic diversification. Accordingly, sectors such as Purification, Hand Protection and Eco Solutions sought expansion in non-traditional and emerging markets while Sectors such as Transportation & Logistics. Industry Inputs, Power & Energy continued to drive its regional expansion strategy.

WAY FORWARD

Looking ahead, the Group's earnings profile is expected to continue evolving as recent strategic investments mature and begin to deliver their full potential. Through ongoing portfolio optimisation, we are building a more balanced and resilient business mix, combining the strength of our established export-oriented sectors with new growth engines across complementary industries. While we remain focused on accelerating expansion within our globally competitive, foreign exchange-generating businesses, our strategic entry into sectors such as modern trade and consumer-facing industries will further diversify earnings streams and strengthen the resilience of our businesses.

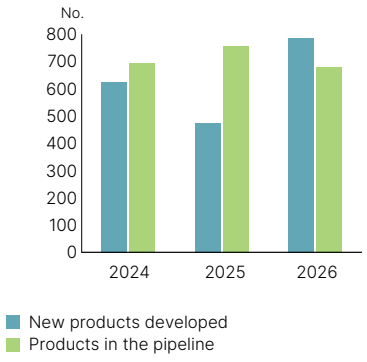
Customer centricity

Innovative, cost-effective and sustainable solutions with excellent customer care to enhance the customer experience

HOW WE MEASURE PROGRESS

New products launched and in pipeline: Demonstrates responsiveness to market trends and ability to create new revenue

INNOVATION CAPABILITIES



Customer satisfaction rates: Different platforms/tools used across the Sectors to measure customer satisfaction

Link to Remuneration

Customer satisfaction rates are a KPI for front-facing teams across verticals

Link to Risks & Opportunities

Subdued demand

Value-added product and service segments (Opportunity)

Strengthen after sales service (Opportunity)

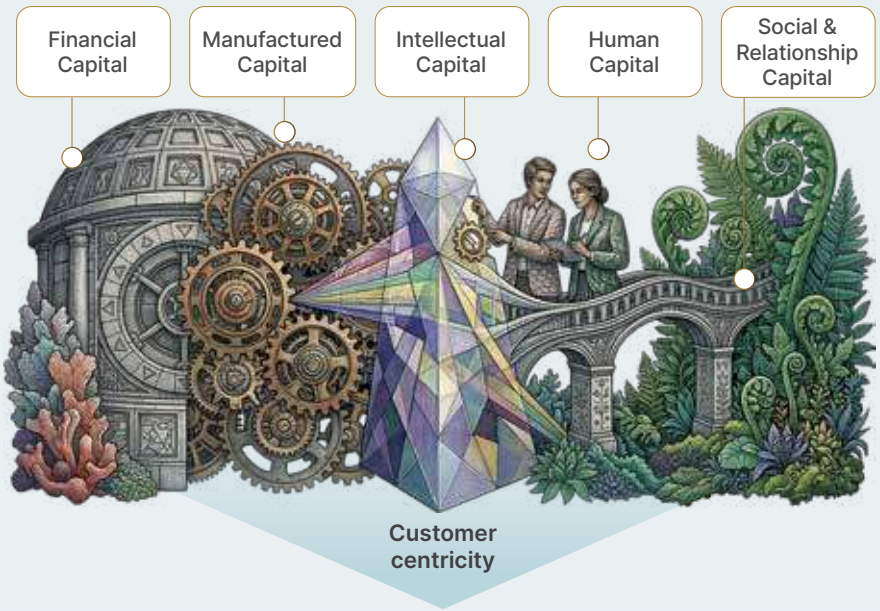
Further information:

Portfolio Reviews: Page 212

Intellectual Capital: Page 206

Social & Relationship Capital: Page 202

CAPITAL INPUTS



CAPITAL TRANSFORMATION

- FC Investment in technology improvements and training
- FC Sales growth
- HC Service capabilities and front-line competency
- SC Customer retention and loyalty

TRADE-OFFS

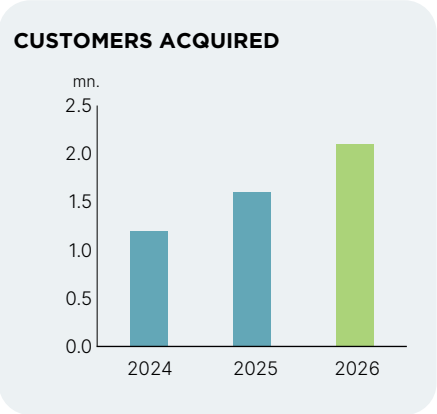
In the short term, the customer centricity pillar necessitates tangible investment in technology, innovation and capabilities resulting in a draw-down of financial capital. Over the medium-to long term, these investments are expected to yield stronger customer loyalty, improved retention and sustainable revenue growth, reinforcing both Social & Relationship Capital and Financial Capital over time.

Negative Impact Positive Impact

Purpose-driven Strategy

CUSTOMER PROFILE

The breadth and depth of the Group's operations have enabled it to build a global network of diverse customers, comprising retail and B2B customers spread across 5 continents. Customer acquisition in new and existing markets was a key priority during the year (refer to Portfolio Review from page 212 to 317 for further information). As such, the cater to approximately 2.1 mn customers during the year, as illustrated graphically below.



Our offering

Across its diverse sectors, the Group's extensive product portfolio is designed to address a broad spectrum of evolving needs across both retail and industrial customer segments, supporting customers at multiple stages of their journey. The comprehensive product landscape of the Group, reflecting the breadth and strategic relevance of its offerings, is illustrated below:

Facilitating Business

Industry Inputs, Power & Energy

Supplies an array of industrial raw materials to domestic and export-oriented businesses

Others Sector

Hayleys Business Solutions International supports businesses through BPO services and technology solutions

Global Connectivity

Transportation & Logistics

Connecting local businesses to global value chains through a comprehensive array of transportation and logistics solutions

Clean Energy

Energy, Mobility & Projects

Driving Sri Lanka's clean energy transition, as the country's leading solar engineering, procurement and construction company

Industry Inputs, Power & Energy

Renewable energy generation through hydro, solar and wind power projects

Nutrition and Well-being

Agriculture, Plantations & Tea Exports

Offer an array of sustainable, high-quality and innovative agricultural products including tea, spices, value-added vegetables and fruits.

The Group also plays a critical role in facilitating access to essential agricultural inputs and machinery, thereby supporting the country's food security.

Hygiene and Safety

Hand Protection Sector

An array of multi-purpose gloves catering to households and industries

Eco Solutions Sector

Range of brush-ware and value-added eco-fibre products

Convenience, Comfort & Connectivity

Consumer & Retail

Convenience, connectivity and comfort through a range of consumer durables, mobile phones and consumer electronics

Purification

Purification Sector

Safeguarding the health and well-being of people and the environment through water and air purification solutions

Life Style

Construction Materials

Aluminium extrusions for sophisticated living

Leisure

Curating unique hospitality experiences across our hotel and resort portfolio



CUSTOMER VALUE PROPOSITION

Our customer value proposition is strategically designed to address the evolving and emerging needs of

- Innovation
- Customer Service
- Product Stewardship

our customers, as identified through continuous stakeholder engagement and customer insights highlighted on page 98. The core pillars of this value proposition, which guide how we create meaningful and differentiated customer value, are outlined alongside.

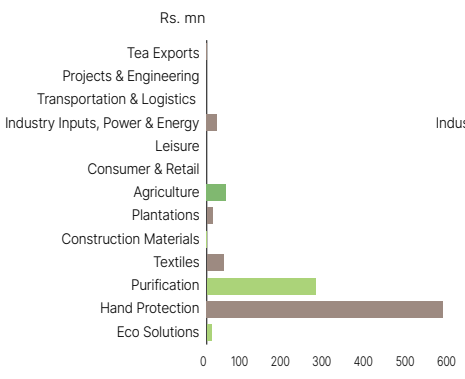
Innovation

The Group's capacity for innovation continues to be anchored in its research and development capabilities, a depth of specialised talent, and an organisational culture that places continuous learning at its core. These foundational strengths have shaped the Group's strategic direction, driving advancement across both its product portfolio and operational processes. The Group further strengthens its innovation agenda through active partnerships with leading research institutions and universities, translating knowledge into commercially viable outcomes.

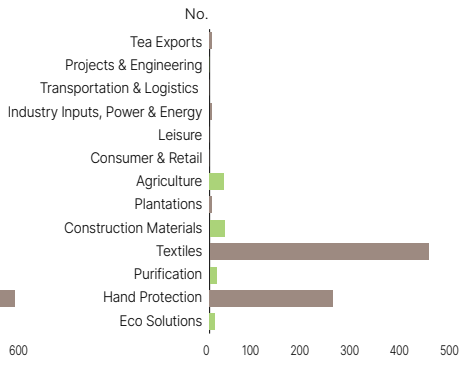
The Group's innovation record for the year is summarised below:

Sector	Innovation Record
Hand Protection High-end chemical resistant Butile gloves	**Rs. 969 mn** Investment in R&D
Purification Supercapacitor carbons and silicon carbon composites	**785** No. of new products
Textiles High-value nylon-based fabric	
Agriculture Wider product and service portfolio in Agricultural Machinery, Crop Protection and Animal Health	
Energy, Mobility & Projects Launch of passenger and commercial mobility solutions	

R&D INVESTMENT BY SECTOR



NEW PRODUCTS LAUNCHED BY SECTOR



Purpose-driven Strategy

Customer service

As discussed in the Portfolio Reviews from pages 212 to 317, customer excellence remained a defining priority across the Group's Sectors during the year under review. This commitment was particularly prominent within Singer, Hayleys Fentons, and the Leisure Sector, given their direct consumer-facing nature across retail and service environments. Strengthening aftersales capabilities, enhancing contact centre operations, and investing in the continuous training and development of front-line staff were identified as critical focus areas, each contributing to an elevated customer experience and long-term brand loyalty

Product stewardship

The Group's commitment to product stewardship is embedded across different aspects of its customer journey through compliance to certifications, internal policies as well as responsible marketing practices.

1.	**PROCUREMENT/BUYING STAGE**	Stringent procurement practices and strong relationships with suppliers limit the risk of potential issues at the purchasing stage
2.	**MANUFACTURING**	Compliance to an array of certifications and clearly defined policies, procedures and guidelines for manufacturing operations.
3.	**MARKETING**	A Responsible Marketing Guideline ensures the integrity and accuracy of all marketing communications. The Hayleys Group Corporate Communications Department reviews all key press releases and publications.
4.	**PRODUCT USE**	Compliance with a range of certifications which provide assurance to external stakeholders regarding the quality and safety of our products. These include the following certifications obtained by various sectors ⊙ ISO 9001: 2015 Quality Management Systems ⊙ ISO 22000: 2018 Food Safety Management Systems ⊙ British Retail Consortium Certification Safety and Quality certification for consumer products

WAY FORWARD

Looking ahead, the Group will continue to strengthen its customer centricity agenda across its key Sectors. Digitalisation will serve as a principal enabler with investments directed towards digital platforms and customer relationship management systems to deliver more responsive customer experiences. The Group will further its value-added innovation efforts, with a continued focus on developing products and solutions that address evolving needs. Structured investment in front-line staff development and service excellence training will equally remain a priority, recognising that capability building is fundamental to sustaining service quality.

Nurturing Inspired Teams

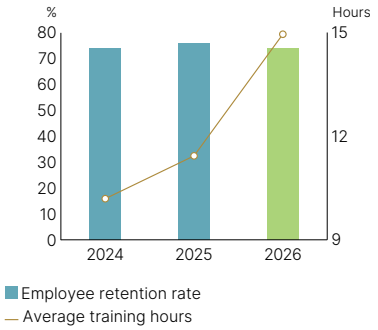
Building a dynamic, diverse and high-performing team which drives the Group's value creation aspirations

HOW WE MEASURE PROGRESS

Employee retention rate: Showcases employee satisfaction levels and strength of the employee value proposition

Average training hours: Measures the Group's commitment to strengthen its human capital and align with strategic aspirations.

EMPLOYEE VALUE PROPOSITION



Link to Remuneration

Remuneration is performance driven focusing on employee satisfaction, retention, learning and development, succession planning, etc

Link to Risks & Opportunities

High staff turnover and employee relations

Geo-political impact

Upskilling and learning platforms (Opportunity)

The use of AI and Digital Transformation across the HR sphere (Opportunity)

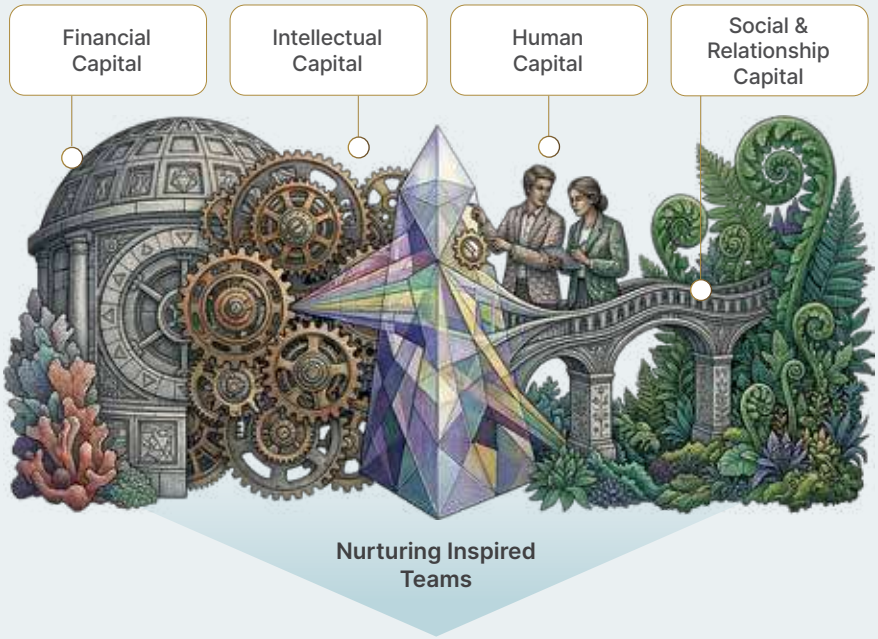
Further information:

Portfolio Reviews: Page 212

Human Capital: Page 204

Nurturing Inspired Teams: ESG Report

CAPITAL INPUTS



CAPITAL TRANSFORMATION

- **FC** Stronger returns over the long-term through customer retention, productivity and innovation
- **IC** Creation and application of organisational capital
- **HC** Skilled, engaged and motivated workforce
- **SC** Trust and credibility among stakeholders

TRADE-OFFS

Over the short-term, investments in training, development programmes, and employee well-being initiatives may place pressure on Financial Capital. However, over the long-term such investments are expected to yield long-term benefits through enhanced capability, improved engagement, and stronger organisational performance, ultimately supporting sustainable value creation across the Group.

Further details relating to the Group's diversity and inclusion agenda, health and safety performance and human rights is disclosed in the Group's ESG Report

Refer the Group's ESG Report for further information on the Group's people agenda

Negative Impact Positive Impact

Purpose-driven Strategy

APPROACH TO MANAGING TALENT

As a diversified Group, Hayleys operates a centralised Group HR Division that provides strategic oversight of the Group's people agenda and HR governance framework. This is complemented by decentralised HR functions at the Sector level, enabling effective alignment with industry-specific requirements and operational nuances. A comprehensive HR policy framework, supported by clearly defined procedures, ensures a consistent and equitable approach to talent management. These practices extend beyond regulatory compliance, aligning with recognised global benchmarks such as the UN Global Compact Principles 1 to 6 and the ILO Declaration.

Opportunities and levers

The Group's holistic HR policy framework encompasses key areas such as recruitment, employee development, performance management, disciplinary processes, grievance handling, data protection, health and safety, and ethical conduct. These policies provide a structured and consistent foundation for managing the employee lifecycle while promoting fairness, accountability, and responsible workplace practices.

Value proposition

Conducive, supportive and inclusive environment in which all employees feel connected, valued with opportunities for skills and career progression

HR priorities

- Talent development
- Employee well-being
- A respectful workplace
- Succession planning
- Digital transformation

HR Targets: HR targets across the Group are guided by the Hayleys Lifecode, which establishes clear priorities under its key HR pillars of creating an engaged workforce and fostering a healthy and safe workplace. These include targets on attrition rates, training hours, anti-discriminatory training , leadership development, succession planning, etc.

RANKED AMONG SRI LANKA'S TOP 10 NATIONAL BEST EMPLOYERS

Reflecting the strength and growing recognition of the Group's employer brand, Hayleys was ranked among Sri Lanka's Top 10 National Best Employers at the inaugural EFC National Best Employer Awards 2025, organised by the Employers' Federation of Ceylon.



THE EVOLVING WORLD OF WORK

Workplaces across the Group continue to evolve in response to broader global shifts, including rapid technological disruptions and shifting employee expectations. As these dynamics are reshaping how organisations attract, engage and retain talent, these evolving factors are carefully considered in the formulation of the Group's HR strategy, ensuring its continued effectiveness.



THE HAYLEYS FAMILY

The Hayleys team consists of 38,746 employees deployed across a wide and diverse operational footprint, bringing together a rich mix of capabilities and backgrounds. Our workforce reflects the scale and variety of the Group's businesses, with talent spanning multiple disciplines, cultures, and markets.

34%

Female representation

Eco Solutions	1,105
Hand Protection	2,679
Purification	2,084
Textiles	3,435
Construction Materials	971
Plantations	15,528
Agriculture	1,163
Consumer & Retail	3,920
Leisure	1,560
Industry Inputs, Power & Energy	433
Transportation & Logistics	3,000
Energy, Mobility & Projects	2,083
Tea Exports	342
Others	443

EMPLOYEES BY CATEGORY

7%
AM & above

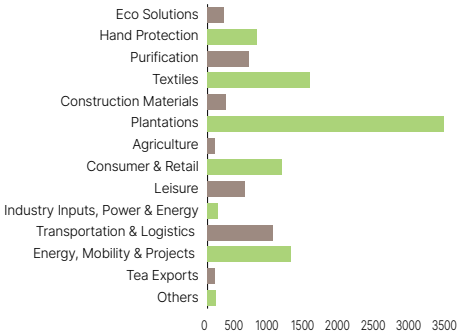
12%
Executives

62%
Manual

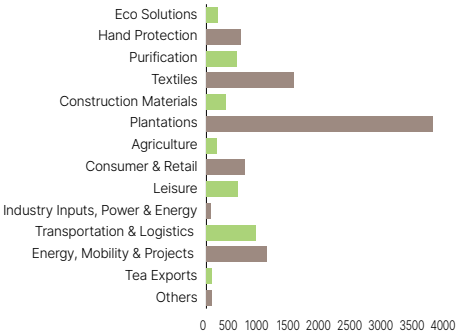
19%
Clerical and supervisory



NEW RECRUITS BY SECTOR



EXIT EMPLOYEES BY SECTOR



Talent movements: The Group's total headcount increased by 2% during the year, representing operational expansions in the Sectors of Consumer & Retail, Energy, Mobility & Projects and Hand Protection. The Group's retention rate of 74% remained relatively unchanged compared to the previous year.

PEOPLE STRATEGY

Future-fit, digitally enabled HR

The Group continued to prioritise the digitalisation and automation in the HR sphere, enhancing efficiency and user experience while enabling more streamlined and responsive people management practices.

10

Processes automated/improved

Capability development

Capability development remained a key priority with targeted initiatives aimed at building leadership depth and enhancing digital and technological competencies across the workforce.

579,104

Total training hours

Employee well-being

The Group remained committed to fostering employee well-being, with ongoing initiatives that support both mental and physical health, enabling a balanced and supportive work environment.

Purpose-driven Strategy

DIGITALISATION AND AUTOMATION

Building on the progress made in recent years, the Group continues to advance the HR digitalisation agenda in line with its broader digital transformation road map. These ongoing efforts enhance operational efficiency, improve employee experience, and enable more accurate, data-driven insights. Key developments during the year are listed below:

- **Automation of HR reporting processes** to improve efficiency and accuracy, while reducing the burden on both Group HR and Sector HR teams and strengthening accountability.
- **Rollout of the DMS HRIS mobile application** for non-executive employees across the Group, featuring sign-in and sign-out functionality, and geo-tracking capabilities to strengthen workforce management and monitoring.
- **A centralised WDMS (Web Based Data Management System) tool** to monitor over 200 attendance machines across the Group, enhancing control, security, and operational oversight. As part of this framework, system access, including entry controls, is promptly revoked upon employee resignation, strengthening overall security.
- **Implementation of a canteen management system** enabling structured meal planning based on staff preferences and shift patterns, helping to minimise food wastage

Leveraging AI: AI is being increasingly leveraged to enhance efficiency, improve decision-making, and deliver a more seamless employee experience, as outlined below:

Rs. 325 mn
Investment in training

15 hrs
Average training hours

Recruitment AI Agent

- Centralises CV intake across the organisation
- Automates candidate shortlisting based on key parameters
- Leverages "Best Fit Candidate" AI to match candidates to roles with greater accuracy

Absence AI Agent

- Enables a seamless and simplified absence management process
- Automates requests, approvals, and tracking through a user-friendly interface

Performance Management AI Agent

- Provides employees access to performance data via chatbots, including mapping on the 9-box grid (performance vs potential)
- Offers AI-assisted goal setting, generating goals, descriptors, and success criteria for the financial year
- Supports managers with system-generated inputs to deliver structured and effective performance feedback

DEVELOPING CAPABILITIES

The Group placed strategic emphasis on developing capabilities aligned with the evolving demands of the business landscape, with a focus on strengthening leadership, technological expertise and core business competencies. Key interventions during the year are summarised below:

The Management and Leadership Development Programmes (MLDP)	'FYOUTURE CEO'- The Group Management Trainee Programme
The Group continued to expand its comprehensive MLD programme, extending its reach across additional Sectors and strengthening its cumulative impact. Targeted at middle management, as well as executive and supervisory levels, the programme is tailored to address the specific needs of each Sector. It incorporates a blend of coaching, project-based assessments, and structured learning interventions, covering an array of competencies including entrepreneurial thinking, emotional intelligence, and productivity. **11** Sectors covered in 2025/26 bringing the total coverage to **16** Sectors **434** employees trained under the MLDP **80,656** Leadership development training hours	The Group's Management Trainee Programme continues to be recognised as one of the most sought-after initiatives of its kind in the country, reflecting its strong reputation for developing future leaders. During the year, the programme attracted a record number of applications, surpassing 5,700 candidates, compared to 5,400 in the previous cycle. Selection is conducted through a rigorous seven-stage process, assessing a wide range of competencies including cognitive ability, teamwork, interpersonal, emotional intelligence, presentation, decision-making, and strategic thinking skills.

Strengthening AI capabilities across functions

The Group conducted targeted AI training initiatives across key disciplines, aimed at building domain-specific capabilities and enhancing practical application within respective functions. Customised programmes were developed and delivered on a Group-wide basis for areas such as HR, Sales and Marketing, and Company Secretarial, ensuring relevance to each function's unique requirements.

EMPLOYEE WELFARE & WELL-BEING

The Group continued to strengthen its focus on employee welbeing by placing greater emphasis on mental and emotional well-being. This was driven by evolving workforce demographics, including the growing presence of Gen Z employees. Accordingly, in addition to numerous medical camps and check-ups, the Group conducted ongoing awareness sessions on stress management, women's health and emotional intelligence among others.

In addition to formal communication channels, the Group promotes engagement through a year-round calendar of sports, cultural and family-oriented activities. The Group also continues to invest in employee welfare through initiatives supporting transportation, nutrition and healthcare needs. During periods of disruption caused by the recent Ditwah cyclone, the Group extended support to affected employees through various assistance measures, reinforcing its commitment to employee wellbeing and resilience.

PERFORMANCE MANAGEMENT

The performance management process from goal setting to mid and end-year reviews for all employees in executive and above categories are conducted through the Human Resource Information System; the appraisals for all non-executive employees are conducted offline. Approximately 99% of the Group's permanent employees undergo annual performance appraisals.

The Group's Remuneration policy ensures a consistent approach across Group companies, while factoring in industry-specific dynamics and regulations (refer to page 77 for further information). Our benefits include components that are applicable across the Group as well as non-core benefits which are applicable to selected Sectors or employee groups. Remuneration schemes are designed to be equitable and competitive, and factor growth and adjustments reflecting economic and market dynamics

Performance management process

1. Individual employees set annual goals aligned to the relevant business/ department strategy, which are reviewed and approved by the relevant manager
2. Mid-year performance appraisal where progress against expectations and deliverables are discussed
3. Year-end performance review where final performance rating is confirmed subsequent to a Company-wide calibration process

LABOUR RELATIONS

The Group recognises and respects the right to freedom of association and collective bargaining, with approximately 14% of employees covered by collective agreements across its operations. During the year, both Group and Sector HR teams maintained constructive and cordial relationships with trade unions, with no disruptions to operations arising from industrial action.

SUCCESSION PLANNING

A comprehensive succession planning framework has been established to strengthen talent pipelines and ensure leadership continuity. Implementation is currently underway in close collaboration

Enabling Policy Environment

Recruitment Policy

"Equal opportunity employer providing a workplace free from gender and racial discrimination"

Anti Sexual Harassment Policy

Commitment to creating a healthy, inclusive work environment that enables employees to work without fear of sexual harassment

Well-being

SheCares - Gynaecological safety and awareness programme

Stress management / Breast cancer awareness

Mental well-being

Recruitment

Female Recruitment





Parental benefits

228 Total number of employees that took parental leave

80% Return to work ratio

87% Retention rate (retained after 12 months)

Female Representation

12% Board of Directors

14% AM and above

31% Executives

22% Clerical and Supervisory

41% Manual

Talent Development Opportunities

17 Avg. Female training hours per annum

Purpose-driven Strategy

with Sector HR teams, with particularly strong practices already in place within the Transportation & Logistics and Consumer & Retail Sectors. Focused on C-1 level roles, the framework typically spans a five-year horizon and is supported by tailored development plans aligned with individual readiness and organisational priorities

WAY FORWARD

As the Group makes a strategic entry into the Retail sector, significant emphasis has been placed on building a strong leadership foundation, with several key positions already filled, while broader recruitment efforts continue to gain momentum. In parallel, the Group remains focused on advancing digitalisation and upskilling its workforce to enhance future readiness. Looking ahead, we aspire to build a future-ready workforce, both in mindset and capability, that is well-positioned to navigate a rapidly evolving business landscape shaped by technological advancements, shifting customer expectations, and increasing global disruptions.

Inclusive Business Models

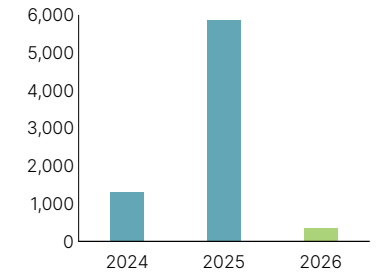
Creating a secure, sustainable and efficient ecosystems which uplift livelihoods and empower communities

HOW WE MEASURE PROGRESS

Suppliers developed: Demonstrates how the Group is supporting the long-term resilience of suppliers

CSR beneficiaries: Demonstrates the impact of our CSR initiatives and scalability of the programmes

SUPPLIERS DEVELOPED



Link to Remuneration

Supplier development and value creation related indicators fall within the scope of the Hayleys Lifecode social targets

Link to Risks & Opportunities

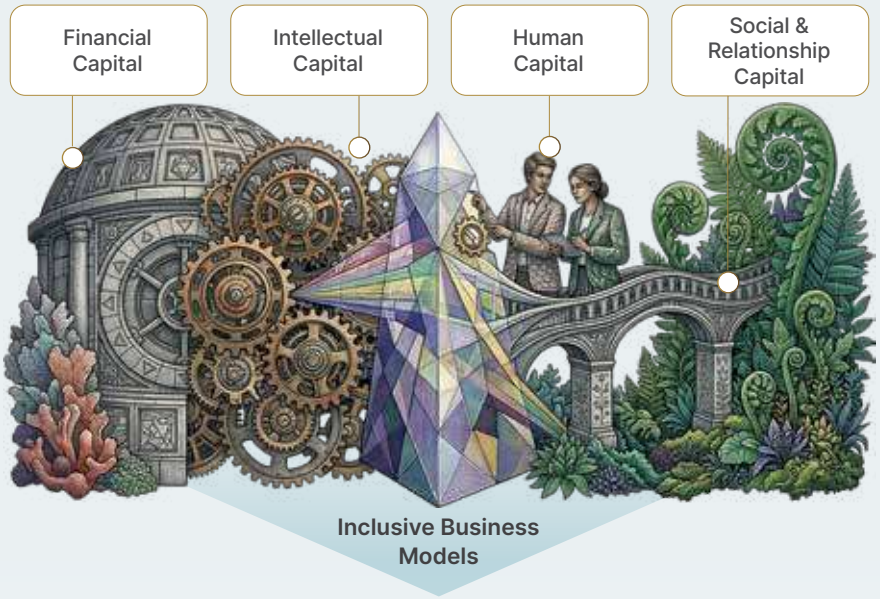
Disruptions to Supply Chains

Further information:

Portfolio Reviews: Page 212

Refer the Group's ESG Report for further information on the Group's supplier value creation

CAPITAL INPUTS



CAPITAL TRANSFORMATION

- **HC** Time and resources required to monitor compliance and deliver training
- **IC** Stakeholder credibility and social license to operate
- **SC** Proprietary knowledge in inclusive sourcing models
- **FC** Mitigating procurement volatility and cost fluctuations

TRADE-OFFS

Inclusive business models require the deployment of financial capital toward supplier development and responsible procurement that could margins. However, over the long-term these trade-offs are required when building supply chains that are resilient, ethical, and enduring while preserving the Group's social license to operate.

Negative Impact Positive Impact

SUPPLIER PROFILE

The Group's diverse and far-reaching supplier networks is a defining feature of its' operating model and enables the Group to inject significant value across communities, driving socio-economic empowerment. Suppliers represent diverse geographical profiles and scales of operations, ranging from individuals and small-scale suppliers to large B2B players.

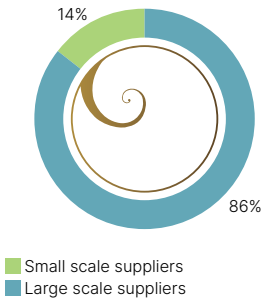
Procurement policy: The Group's Procurement Policy serves as a minimum standard across all Group entities and sets clear guidelines on supplier management and contract management, sustainable procurement guidelines and spend management among others.

Inclusive value chains: Aligned to its Corporate Purpose, the Group has always prioritised business models that support grassroot communities, thereby injecting economic value and driving empowerment. Through its diverse businesses, the Group connects rural communities to global supply chains, facilitating market linkages, building capacity and providing access to finance and resources. During the year, the Group supported nearly 435 smallholder agricultural suppliers and business partners.

Over
20,800
Suppliers

59%
Local suppliers Payments

SUPPLIER PROFILE



Sector	Suppliers/Value chain partner	Number
Eco Solutions	Fibre suppliers	2,892
Hand Protection	Latex suppliers	4,893
Purification	Charcoal and coconut shell suppliers	567
Agriculture	Outgrowers-fruits and vegetables Smallholder-farmers	6,449
Construction Materials	Fabricators	1,629
Consumer & Retail	Indirect employment in branches	>2,800
Energy, Mobility & Projects	Sub-contractors	287

KEY AREAS OF FOCUS IN 2025/26

During the year, the Group's supply chains continued to operate within a challenging global environment. Ongoing geopolitical tensions disrupted international trade flows, contributing to delays, increased costs, and heightened uncertainty across key supply routes. In addition, agricultural supply chains were increasingly impacted by the effects of climate change, including erratic weather patterns and shifting yield conditions, which affected availability and pricing. These developments underscored the importance of supply chain resilience, proactive sourcing strategies, and ongoing monitoring of external risk factors.

Supply chain resilience

During the year, the Group's Sectors placed strong emphasis on enhancing supply chain security and resilience in response to prevailing uncertainties. This included pursuing geographical diversification to reduce concentration risk, exploring backward integration to strengthen control over key inputs, and deepening engagement with suppliers to ensure continuity and reliability. These efforts supported the Group's ability to navigate disruptions while maintaining operational stability.

Purification Sector

- Expansion of manufacturing footprint to regional markets
- Backward integration

Eco Solutions Sector

- Backward integration with the establishment of a fibre extracting facility

Hand Protection Sector

- Ongoing investments in supplier development

Supplier development

In building resilient supply chains and supporting the long-term sustainability of our valued partners, several key sectors in the Group conduct ongoing supplier development programmes. During the year, the Group invested Rs. 57.4 mn in supplier development with a total of 5,512 suppliers benefitted from these interventions. Progress made in the major programmes are summarised below:

Purpose-driven Strategy

Sector	Programme	Progress in 2025.26
Hand Protection	**DPL Firstlight:** Strategic supplier development programme which ensures a fair price for rubber latex by guaranteeing rubber smallholders a price which is indexed to RSS1 (the highest grade of consumed rubber) for their field latex.	**4,893** Farmers in total **3.51 bn** Payments to Firstlight farmers **526** Farmers participated in training programmes
Purification Sector	**Haritha Angara:** A holistic supplier development initiative, through which charcoal makers are encouraged to engage in environmentally friendly charcoaling with Haycarb PLC providing technical support and buy back agreements.	**>500** Coconut and charcoal suppliers **248** Active Haritha Angara pits **Rs.19 mn** Investment in supplier development
Agriculture Sector	The Agriculture Sector works with out-growers and smallholders for fruits and vegetables and seeds from the regions of Batticaloa, Jaffna, Kilinochchi, Mullativu, Mannar, Vavuniya, Ampara, Anuradhapura, Polonnaruwa,	**6,014** out-growers **435** smallholder farmers

Further details relating to the Group's supplier and procurement activities including supplier due diligence and development in further detail in the Group's ESG Report.

COMMUNITY ENGAGEMENT

CSR Governance: All CSR initiatives are aligned to the Group Community Engagement policy but formulated and driven at Sector level while certain significant projects are also driven by the Centre. The Group ESG Steering Committee has oversight responsibility on the Group's CSR activities. Details pertaining to CSR activities, beneficiaries and impacts are reported by the Sectors to the Group ESG division on a quarterly basis.

Measuring our impact: Sectors monitor the impact of its community engagement activities on an ongoing basis, defining project-specific criteria to monitor progress and assess success. From a Group perspective, total beneficiaries, CSR investments and volunteer hours are monitored on a consistent basis.

KEY INITIATIVES

Puritas Sath Diyawara & Going beyond

Conceptualised and launched by Puritas (Pvt) Ltd of the Purification Sector, this initiative leverages the Group's expertise in water purification to provide purified water to families in areas affected by chronic kidney disease (CKD). Meanwhile the Going Beyond initiative was launched as an extension of Puritas Sath Diyawara with the aim of addressing broader socio-economic needs of the people living in CKD affected villages

21 Projects

45,000 Beneficiaries

Rs.112.5mn Investment

Community engagement in 2025/26

Rs. 444 mn
Investment in CSR

668,859
Total beneficiaries

KEY INITIATIVES

Sisu Divi Pahana

Driven by the Purification and Hand Protection Sectors, Sisu Divi Pahana' provides nutritious midday meals to students across 16 schools contributing towards preventing malnutrition among vulnerable communities.

16 Schools

>800 Beneficiaries

Home for Every Plantation Worker

A long-term, multi-dimensional community engagement initiative carried out by the Plantations Sector, 'A Home for Every Plantation Worker' is a unique and holistic program targeted at uplifting the living standards of employees and estate community amounting to nearly 150,000 individuals. The initiative is structured around the four pillars of Living Environment, Health & Nutrition, Community Capacity Building and Youth Empowerment.

>440,000 Beneficiaries

Rs.112.5mn Investment

Strategic ESG Integration

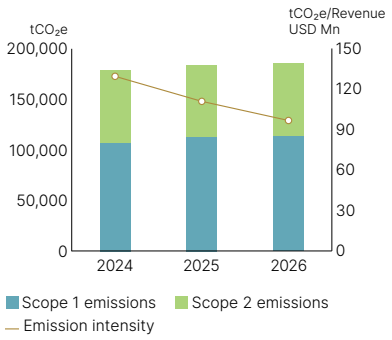
Institutionalising ESG practices across the organisation and effectively managing the ESG risks facing the Group

HOW WE MEASURE PROGRESS

GHG emissions: Measures the effectiveness of the Group's decarbonisation plans

Water, energy and emission intensity: Measures how the Group optimises the use of natural resources.

EMISSIONS AND EMISSION INTENSITY



Link to Remuneration

Environmental indicators including emissions and intensities fall within the Hayleys Lifecode environmental targets

Link to Risks & Opportunities

Physical risks of climate change

Transitional risks of climate change

Further information:

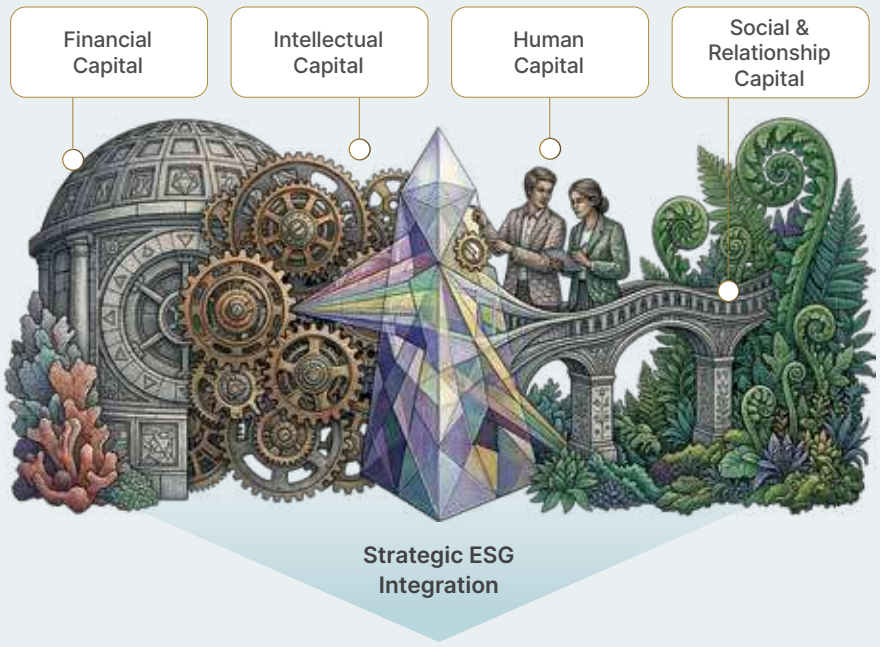
Portfolio Reviews: Page 212

Natural Capital: Page 208

Progress against Hayleys Lifecode

Insights from GMC member incharge of ESG **Scan to view**

CAPITAL INPUTS



CAPITAL TRANSFORMATION

- **HC** Skilled, engaged and motivated workforce
- **SC** Trust and credibility among stakeholders
- **IC** Creation and application of organisational capital
- **FC** Stronger returns over the long-term through customer retention, productivity and innovation

TRADE-OFFS

Over the short-term investments in training, development programmes, and employee well-being initiatives may place pressure on Financial Capital. However, over the long-term such investments are expected to yield long-term benefits through enhanced capability, improved engagement, and stronger organisational performance, ultimately supporting sustainable value creation across the Group.

- Negative Impact
- Positive Impact

Refer the Group's ESG Report for further information on ESG aspirations

Purpose-driven Strategy

ESG Governance and policy: The Board, as the highest decision-making authority of the Group, holds overall oversight of ESG matters, including the formulation of sustainability-related policies and goals and the implementation of the ESG framework. In discharging these responsibilities, the Board is supported by an ESG Steering Committee, with similar governance structures established at Sector level to ensure consistent oversight and execution across the Group. Meanwhile, the Group's ESG Roadmap, includes a comprehensive suite of ESG policies across all material focus areas. The policies apply as a minimum standard across the Group and ensures a consistent approach in managing the Group's material ESG risks

ESG Strategy: The Group's ESG strategy is articulated through the Hayleys Lifecode, its comprehensive ESG roadmap for 2030. Since the launch of its first edition in 2022, the Group has made significant progress in embedding ESG considerations across its operations. All Sectors have now successfully rolled out ESG roadmaps and targets aligned with the Group framework, with performance against these targets being consistently monitored. While the Group remains largely on track to achieve its 2030 commitments, progress in certain areas has been more gradual than anticipated. The Hayleys Lifecode centres on six key areas of focus:

ESG in practice: The following mechanisms are in place to embed ESG considerations across the Group's governance framework, operational processes, and decision-making.



Performance monitoring

Quarterly monitorng of ESG performance trends and delivery of targets

ESG aspects considered in key investment decisions

Alignment to functional strategies in

- People management
- Procurement
- Engineering
- Product development
- Premises

Inclusion in corporate budgeting process

ESG risk assessment

ESG risk assessment integrated to enterprise risk management

DEVELOPMENTS IN 2025/26

- The Policy on Matters Relating to the Board of Directors was amended to include oversight on the Group's Sustainability and Climate-related Risks and Opportunities
- With the rollout of sector-specific ESG roadmaps across 7 Sectors, all Sectors within the Group now have established, tailored roadmaps aligned with the overall Group framework.
- Quarterly reporting of sustainability and climate-related risks and opportunities to the Hayleys PLC and Sector Boards.



TARGETS FOR 2030

Engaged team
100% coverage of anti-discriminatory training

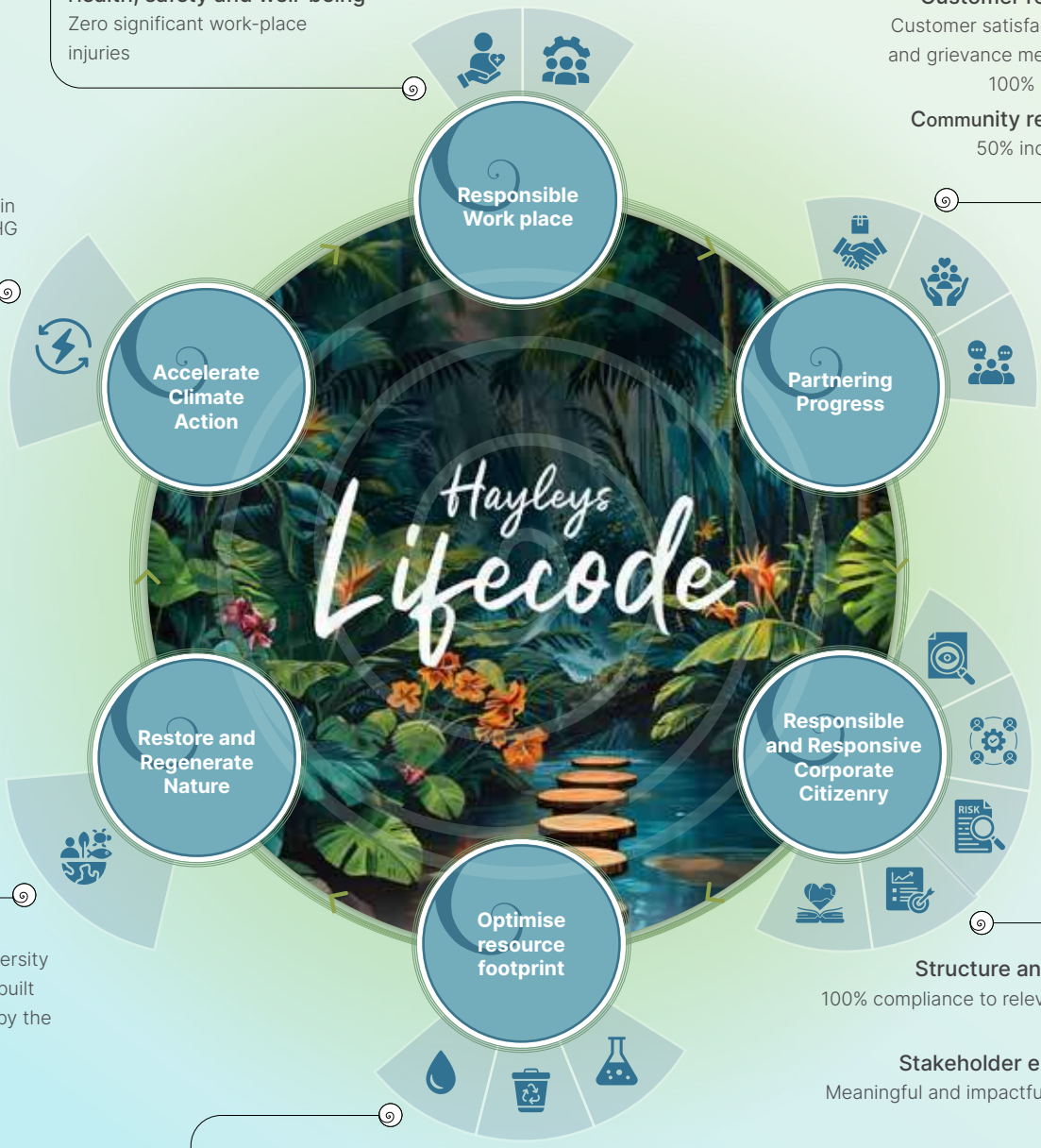
Health, safety and well-being
Zero significant work-place injuries

Supplier relationships
40% of suppliers screened for environmental and social criteria

Customer relationships
Customer satisfaction surveys and grievance mechanisms for 100% of operations

Community relationships
50% increase in CSR beneficiaries

Energy and emissions
30% reduction in Scope 1 & 2 GHG emissions



Biodiversity
Enhance biodiversity by 5 times the built area occupied by the Group

Water
50% sustainable water sourcing

Materials and waste
40% of waste recycled

Chemicals
100% alignment with safe chemical management practices

Structure and oversight
100% compliance to relevant laws and regulations

Stakeholder engagement
Meaningful and impactful stakeholder relationships

Transparent and accurate reporting
Internal and external reporting on ESG factors

ESG Risk management
Holistic process to identify, measure and mitigate ESG risks

Ethics and culture
Zero tolerance of bribery and corruption

Purpose-driven Strategy

PROGRESS AND DEVELOPMENTS IN 2025/26

The following table provides a high-level overview of the progress made against the Group's key ESG targets during the year. Please refer to the ESG Report for more detailed information. Disclosures on targets are also aligned to the requirements of the Targets and Metrics pillar of SLFRS S1 and S2.

2030 target	Metric used	Baseline (2018/19)	Interim target	Performance tracking		
				2026	2025	2024
Commitment: Accelerate Climate Action						
90% sustainable and renewable energy	% reliance on sustainable and renewable energy	64%	3% annual increase	75%	74%	68%
30% reduction in energy intensity	Energy consumption (GJ)/ USD Revenue	2,934 GJ	3% annual reduction	3,097	3,997	4,481
30% reduction in absolute Scope 1 & 2 GHG emissions (for operating boundary in 2018/19)	GHG emissions (tCO2e)	Scope 1: 46,472 tCO2e	6% annual reduction	107,329	105,480	98,717
		Scope 2: 55,647 tCO2e.	6% annual reduction	65,852	63,380	63,706
4% annual linear reduction in Scope 1 & 2 GHG emissions for new entities	GHG emissions (tCO2e)	Scope 1 & 2: 16,927 (Baseline 2023/24)	4% annual reduction	12,914	14,417	16,116
Commitment: Restore and regenerate nature						
Increase biodiversity enhancing programmes to cover 5 times the built area	Trees planted		Annual increment of 50%	84,115	134,391	69,382
Commitment: Optimising resource footprint						
50% sustainable water sourcing	Reliance on rainwater and recycled water as a % of total water withdrawal	10%	6% annual increase	25%	14%	16%
30% reduction in water intensity	Water withdrawal (m3)/ USD Revenue	3,620 m3	3% annual reduction	3978	4,410	5,097

2030 target	Metric used	Baseline (2018/19)	Interim target	Performance tracking		
				2026	2025	2024
40% of solid waste recycled	Solid waste recycled (MT)/Solid waste (MT)	17% (2023/24)	5% annual increase	29%	18%	17%
25% reduction in waste intensity	Total waste (MT)/ USD Revenue	60.30	4% annual reduction	13%	14%	15%
Commitment: Responsible work place						
Average 40 hours of training p/employee	Training hours p/ employee, per/ annum	5.31	Sector-specific annual KPIs	14.95	11.43	10.19
All employees to undergo training on anti-discrimination	% of employees covered through anti-discriminatory training	Nil	-	>3,900 covered	>4,700 covered in 8 sectors	N/A
Commitment: Partnering progress						
Customer satisfaction surveys covering 100% of operations	No. of sectors with formal satisfaction mechanisms	10	-	10	10	10
Increase CSR beneficiaries by 50%	No. of CSR beneficiaries	400,000	5% annual increase	668,859	640,270	707,580

WAY FORWARD

Looking ahead, the Group will continue to strengthen the integration of ESG considerations into decision-making, operations, and long-term strategy, while maintaining focus on achieving its ESG targets and commitments. ESG reporting and oversight mechanisms have also been further strengthened at Board level, enabling more robust monitoring of progress and emerging priorities. In line with evolving global expectations, the Group has commenced a more strategic assessment of biodiversity-related impacts and dependencies, including the introduction of TNFD-aligned reporting during the year, which will be progressively embedded into the broader ESG framework going forward.

DIGITAL TRANSFORMATION

Digital transformation serves as a cross-cutting strategic enabler within the Group, strengthening the effectiveness and execution of all other five strategic pillars. Hayleys' digital transformation agenda is focused on delivering enterprise-wide value through scalable, integrated, and outcome-driven initiatives spanning manufacturing, agriculture, retail, finance, and corporate functions. During the year, the Group successfully advanced numerous initiatives aimed at strengthening core operations, enhancing customer engagement, and improving process efficiency across the organisation.

Governance and Approach

A holistic Digital Transformation Roadmap was rolled out during the year under review, ensuring that digital interventions across sectors and functions are integrated, prioritised, and collectively directed towards delivering measurable enterprise-wide value. To strengthen governance and execution, a centralised Digital Transformation PMO and Digital Architecture Board were established, supporting alignment, security, systems integration, personal data protection, disaster recovery, and backup protocols across initiatives. In addition, a central demand tracker was launched to capture and monitor digital requirements across the Group, while periodic programme reviews conducted through the PMO ensured ongoing oversight and effective implementation of key initiatives.

Purpose-driven Strategy

ELEMENTS OF DIGITAL ROADMAP



During the year, the Group implemented multiple digital initiatives that strengthened the execution and delivery of its four strategic pillars, as summarised below.

STRATEGIC PILLAR 1: PORTFOLIO OPTIMISATION

- Delivered DPL MES (BIDEX) replacing legacy systems and enabling planning, Quality control, Production execution on a scalable, cloud native, integrated and supported platform
- Executed a plant digitalisation pilot at DPL Hanwella, laying the foundation for future smart factory capabilities
- Established an Advanced Analytics Centre of Excellence at Singer, focused on forecasting, customer analytics, and data-driven decision support capabilities.
- Implemented a gold loan scoring model (Singer Finance) improving credit risk assessment
- Developed the 2025 Annual Report BOT with voice-enabled capabilities, enhancing stakeholder access to and interaction with corporate information and data.
- Implemented a satellite sensing and performance optimisation solution to enhance monitoring, analytics, and operational decision-making.
- Piloted an RFID-enabled real-time glove former tracking system to generate real-time operational insights and improve process visibility
- Implemented the Conclave Board automation system to strengthen governance processes, with rollout currently underway across selected priority Sectors.
- Introduced process automation platform at Hayleys Advantis improving operational efficiency.

STRATEGIC PILLAR 2: CUSTOMER CENTRICITY

- Implementation of CRM platforms in the Hand Protection and Purification Sectors
- Delivered a hyper personalisation platform for Singer & Singer Finance Solus platforms enhancing engagement with customers
- Deployed an AI-powered chatbot and virtual assistant on the Haycarb website to enhance customer engagement and responsiveness.
- Implemented the Mabroc Tea Traceability System, enhancing supply chain transparency and traceability across priority export markets.

STRATEGIC PILLAR 3: NURTURING INSPIRED TEAMS

- Implemented headcount reporting system (Group HR) for workforce analytics

STRATEGIC PILLAR 4: INCLUSIVE BUSINESS MODELS

- Developed and launched the DPL Easy Pay System, enabling real-time farmer payments in the Hand Protection Sector and onboarding over 2,400 farmers onto the platform.
- Established the OMNIX procurement platform within the Agriculture Sector, with over 1,000 farmers onboarded to date.

STRATEGIC PILLAR 5: STRATEGIC ESG INTEGRATION

- Completed Phase 1 of the Haycarb boiler digitalisation initiative, including successful pilot implementation to support safer and more efficient operations.
- Rolled out machine digitalisation initiatives at Hayleys Fabric, including the implementation of stenter machine monitoring systems
- Implemented energy monitoring systems across 5 factories

Scaling AI capabilities across the Group

Hayleys' AI journey is guided by the ambition of becoming an AI-driven, data-intelligent enterprise, leveraging AI to enhance decision-making across commercial, operational, and customer-facing functions. Anchored on a human-in-the-loop approach, the strategy ensures that while AI strengthens automation, insights, and efficiency, critical decisions continue to be guided by human expertise. The approach is further supported by secure-by-design principles and cost-efficient, scalable model deployment aligned with business requirements.

Key strategic focus is as follows:



The Group has initiated a broad range of AI use cases across sectors, spanning advanced analytics, intelligent automation, AI-powered customer engagement, and manufacturing quality inspection solutions. These initiatives are enhancing operational efficiency, decision-making, and business performance, while ongoing efforts remain focused on scaling AI adoption across the enterprise. At the same time, strong emphasis continues to be placed on cybersecurity, data protection, and capability development through structured training and AI awareness initiatives across the organisation.

Sustainability-Related Financial Disclosures

ABOUT THE REPORT

This Report details the Hayleys Group's sustainability-related financial disclosures as set out in the SLFRS S1 and S2 Sustainability Disclosure Standards and the Taskforce on Nature-Related Financial Disclosures (TNFD). In addition, the Report also refers to the Sustainability Accounting Standards Board for the determination of disclosure topics. While primarily of interest to providers of financial capital, the Report also includes information relevant to other primary users.

Basis for Reporting

- Reporting entity
- Reporting period
- Time horizons
- Presentation currency

Consistent between Financial Statements and Sustainability-Related Financial Disclosures

Reporting Entity

The disclosures included herein relate to Hayleys PLC and its 203 affiliates (collectively referred to as the "Group") based in Sri Lanka and overseas. The reporting boundary is consistent with that of the Group's financial reporting and should be read in conjunction with the Group's financial statements.

Basis for reporting boundary judgements: The reporting boundary has been determined with reference to the Group's financial reporting boundary and where material, includes relevant upstream and downstream activities across the value chain. Judgements were informed by the potential magnitude of financial exposure, likelihood of occurrence, degree of operational control or influence and potential of risk transmission. Where SRRO/CRRO arising within the value chain are assessed as material, these activities have been incorporated within the scope and clearly identified in Section 149 of this Report.

Functional/Presentation Currency

Sustainability-related financial information is presented in Rs. million and rounded to the nearest million, unless otherwise stated. Intensity metrics, including energy, emissions and water intensity, are expressed per USD million of revenue to minimise the effects of exchange rate volatility and enhance comparability across reporting periods.

Time horizons

Material information impacts relevant to sustainability-related risks and opportunities, including nature-related issues are assessed over the short, medium and long-term as defined below. The Group's definitions of time horizons relating to SRROs as defined below, is used consistently across the Group's sustainability-related financial disclosures and is aligned with the planning horizons used for strategic decision making.

Time horizon	Definition
Short-term	Less than 1 year
Medium-term	1-5 years
Long-term	More than 5 years

Transitional relief

This Report represents the Group's third year of sustainability-related financial disclosures; accordingly, the Group has not applied any transition relief permitted under SLFRS S1 and SLFRS S2.

Materiality

In determining material SRROs/CRROs the Group applies the thresholds set out in its Risk Management Procedure, which considers magnitude of potential impact and likelihood of occurrence. The Board considered and approved the SRRO/CRRO considered to be material. The results of the materiality assessment will be revisited by the Board every year, or upon the occurrence of a significant event or significant change in circumstances.

In determining material sustainability-related information in accordance with SLFRS S1 and SLFRS S2, the Group applies judgement consistent with the definition of materiality, being information that could reasonably be expected to influence the decisions of primary users of its general purpose financial reports. The Group considers both qualitative factors and quantitative thresholds in this assessment. Quantitative thresholds (including impacts exceeding 0.1% of Group Revenue or 0.5% of Profit Before Tax) are used as initial screening indicators. However, these do not override qualitative considerations such as regulatory exposure, potential future financial effects, reputational risk, stakeholder sensitivity and long-term strategic implications

Based on the current operating environment and maturity of the market, we do not see the SRROs impacting the Group's access to finance / cost of capital.

Connected information

Cross referencing and the following navigation icons have been used across the Report to demonstrate links between,

- Connections between the items to which the information relates
- Connections within the sustainability-related financial disclosures
- Connections between sustainability-related financial disclosures and other general-purpose financial reports

Advancing the integration of SLFRS S1 & S2 Standards

Process improvements

- Conducted Board skill gap assessment relating to SLFRS S1 & S2
- Assurance on SLFRS S1 & S2 disclosures by Messrs. KPMG
- Formal value chain mapping and SRRO identification across all Sectors
- Formalised Group-wide Risk Management Procedure
- Widened Scope 3 emission reporting across the Group with external assurance

Disclosure improvements

- Phase 1 adoption of TNFD disclosures
- Improved quantification of financial effects across key CRRO/SRROs
- Review and update of Scenario analysis assumptions following the release of NDC 3.0
- Improved connectivity across SLFRS Disclosures and general purpose financial reports

APPROACH TO TNFD DISCLOSURES

During the year, the Group also commenced aligning its disclosures more systematically with the recommendations of TNFD framework. This phased approach is expected to support the more structured identification and assessment of nature-related dependencies, impacts, risks and opportunities across the business, while also strengthening the Group's broader SRRO identification processes. Interventions adopted during the year are given below:

- Identify the Sectors' interactions with nature
- Dependencies and impact heatmapping
- Risk and opportunity identification
- Stage 1 disclosures aligned with TNFD

Scope of reporting: The reporting scope includes all key business sectors of the Group from a high-level portfolio perspective, adopting a broad, bird's-eye view across operations.

ALIGNMENT BETWEEN TNFD AND SLFRS S1

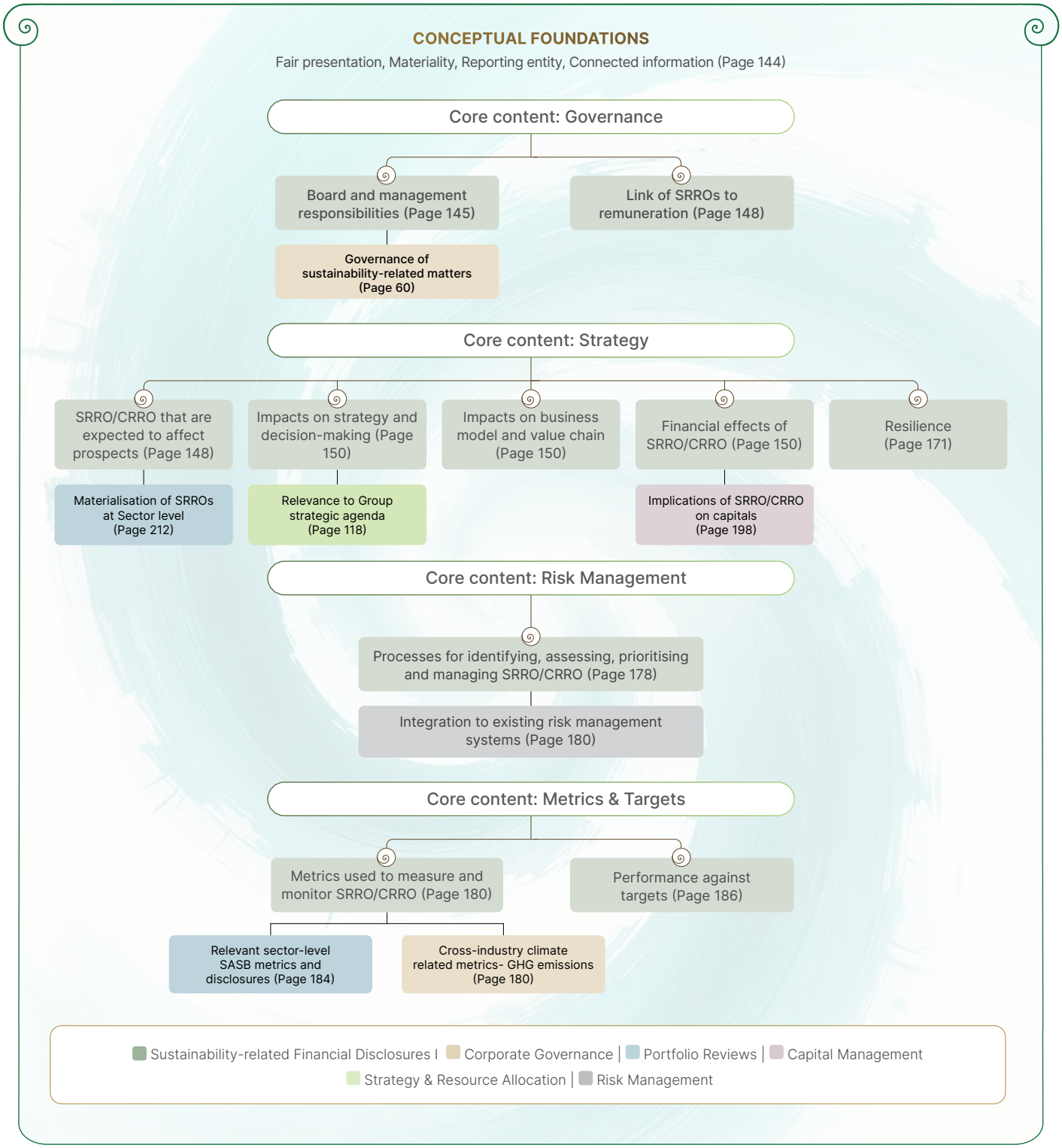
Ecological impacts were identified as a material SRRO for the Group during the year, and we have used the TNFD framework to support a more structured assessment and reporting of nature-related dependencies, impacts, risks and opportunities. The table below maps each IFRS S1 disclosure requirement to the corresponding TNFD pillar and section of this report.

SLFRS S1 requirement	TNFD	Page reference
Governance	Governance: - Board's oversight - Management's role	145
Strategy	Strategy - Nature related dependencies, impacts, risks and opportunities (DIRO) - Impact on business model, value chain, strategy and financial planning	158
Risk Management	Risk Management - Process for identifying, assessing and prioritising DIRO	178
Targets & Metrics	Metrics & Targets	180

Sustainability-Related Financial Disclosures

STRUCTURE AND CONNECTIVITY OF DISCLOSURES

The Group's sustainability-related financial disclosures are presented primarily within this Chapter and are cross-referenced to other relevant sections of the Annual Report through the three connectivity icons outlined above. The illustration below provides a graphical representation of these linkages.



SOURCES OF GUIDANCE

The Group applies the following sources of guidance in identifying SRRO/CRRO and determining the related disclosure requirements. The specific sources considered in respect of each SRRO and CRRO are disclosed within the relevant sections of this report.

Identification of SRRO/CRRO	Identifying disclosure requirements
⊙ SLFRS S1 and S2 Sustainability and Climate Disclosure Standard ⊙ Disclosure topics in relevant SASB Standards ⊙ Taskforce on Nature Related Financial Disclosures ⊙ CDSB Application Guidance for water and biodiversity-related disclosures ⊙ Results from external market analysis and stakeholder engagement	⊙ SLFRS S1 and S2 Sustainability and Climate Disclosure Standard ⊙ Metrics associated with the disclosure topics of the relevant SASB Standards ⊙ Taskforce on Nature Related Financial Disclosures ⊙ CDSB Application Guidance for water and biodiversity-related disclosures ⊙ GRI Standards

JUDGEMENTS

The preparation of the Group's sustainability-related financial disclosures involves applying judgements to determine what information is reliable, useful and relevant. This includes interpreting the reporting requirements and exercising informed judgement in areas where the standards permit flexibility. The table below summarises the key judgements applied.

Topics	Areas of discussion
Identification of SRRO/CRRO	The Group exercised judgement in, ⊙ Assessing which SRROs could reasonably influence primary users' decisions ⊙ Determining thresholds, magnitude and likelihood parameters ⊙ Estimating probability, potential consequences and interdependencies of SRROs
Definition of time horizons	Judgement was applied in determining appropriate short-, medium- and long-term time horizons, considering the Group's strategic planning cycles and materialisation of the effects of SRRO/CRRO
GHG emissions	The Group exercised judgement when selecting, ⊙ Fuel efficiency factors for owned and third-party vehicles ⊙ Emission factors ⊙ Materiality of scope 3 emissions
Quantification of financial effects	The Group exercised judgement in ⊙ Determining the materiality thresholds for SRRO/CRRO disclosure ⊙ Estimating the level of financial impact that is attributable to the specific SRRO/CRRO ⊙ Determining which elements of the financial statements are impacted
Scenario analysis	Judgement was exercised in selecting the reference global climate scenarios

Sustainability-Related Financial Disclosures

Measurement uncertainties

In preparing the sustainability-related financial disclosures, the Group has relied on assessments, analyses and projections based on data obtained from various internal and external sources. Given the nascent stage of certain computation methodologies and the inherently forward-looking nature of sustainability matters, a degree of measurement uncertainty is unavoidable. In undertaking these assessments, the Group applies professional judgement and relies on reasonable and supportable information available at the reporting date, supported by the relevant skills and capabilities within the organisation. The amounts subject to a high level of measurement uncertainty relating to each SRRO/CRRO, measuring the impacts of the relevant SRRO/CRRO and assumptions relating to scenario analysis.

The following specific measures support the quality and credibility of the Group's sustainability-related financial disclosures.

Quality of sustainability-related financial information

Comparability
Comparative information from the previous year's report has been included in this year's Report where available. This includes (but is not limited to) impacts of identified SRRO/CRRO, quantitative financial effects and results of resilience assessment among others.

Timeliness
Timeliness is ensured by making relevant information available within the reporting period in a manner that enables decision-makers to use it effectively, while also allowing stakeholders to assess trends through comparative disclosures across reporting periods.



Verifiability
The verifiability of the information is supported through detailed disclosure of the inputs and methodologies applied in computations, independent external assurance, and linkages to related information available to primary users of financial reports.

Understandability
The understandability of the information is ensured by structuring disclosures in a clear and coherent manner, separately identifying changes from the previous year and maintaining connectivity through the use of navigation icons

Forward-looking Information

Certain sustainability-related financial disclosures such as future business impacts, expected financial effects, results of resilience assessments and strategic interventions are presented as forward-looking information. This information is supported by fact-based strategies as well as descriptions on the underlying assumptions and methods of producing the information thereby providing assurance to users that the information reflects actual plans or decisions made by the Group. This information is disclosed within the respective sections in which each SRRO/CRRO is discussed.

GOVERNANCE

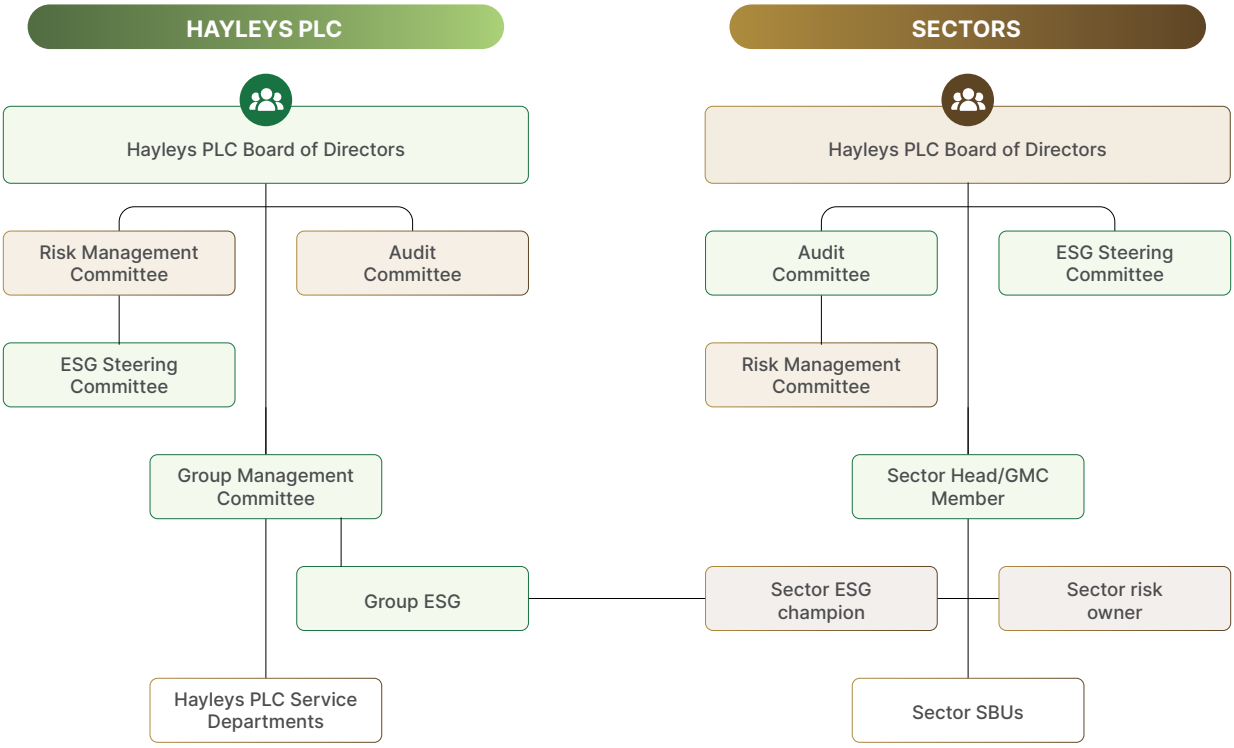
Roles and responsibilities

Clearly-defined governance structures, committee mandates and regular reporting to the Board both at Group and Sector-level, ensures that there is Board oversight on the implementation of environmental, social and governance matters, including the effective management of SRROs. Environmental considerations include climate, nature and resource consumption while social impacts consider relationships with employees, customers, suppliers and communities. The Board holds apex responsibility for the effective

Interventions to strengthen the governance of SRRO/CRRO in 2025/26

- Amendments to Board Charter to include oversight of SRRO/CRRO
- Strengthened reporting on SRRO/CRRO to the Board of Directors
- Establishment of a Group Risk Management Committee and Risk Management Procedure in December 2025 setting out systematic guidelines for the management of risks (including SRRO/CRRO in the organisation

implementation of the Group's ESG roadmap while ensuring that strategy is informed by and addresses sustainability-related risks and opportunities. The Board is supported by the ESG Steering Committee, Risk Management Committee and Audit Committee in the discharge of these duties, with each Committee reflecting upon sustainability matters in different ways based on their Committee mandates and responsibilities.



The mandate of the Group and Sector-level ESG Steering Committees include (among others) providing oversight and monitoring executing of Group and Sector-level SRROs.

ROLE OF THE BOARD AND SUB-COMMITTEES IN MONITORING, MANAGING AND OVERSEEING SRRO/CRRO

	Board of Directors	Group and Sector ESG Steering Committees	Risk Management Committee	Group and Sector Audit Committees
Roles and responsibilities in managing SRROs	⊙ Oversight on the implementation of the Group's ESG Roadmap ⊙ Monitoring and review of climate, nature and sustainability-related risks and opportunities ⊙ Review external communication on sustainability-related matters	⊙ Identification of climate, nature and sustainability-related risks and opportunities and related impacts ⊙ Implementation of appropriate response measures ⊙ Monitoring performance of material ESG metrics against targets ⊙ Review and provide guidance on ESG related policies to the Board	⊙ Advise the Board on current and emerging risk exposures including sustainability-related risks ⊙ Oversee, assess and monitor the adequacy and effectiveness of risk management procedures	⊙ -Risk management scope of Audit Committee includes the management of SRROs

Sustainability-Related Financial Disclosures

ROLE OF THE MANAGEMENTIN MONITORING, MANAGING AND OVERSEEING SRRO/CRRO	
Group CFO	The Group CFO functions as the GMC Member responsible for driving ESG integration and is a member of the Group ESG Steering Committee. Responsibilities include, review and monitoring of ESG performance against targets (which includes emission, nature, resource consumption and social value creation) allocating resources to drive the Group ESG agenda, monitoring the Group's SRRO landscape and oversight on the Group's sustainability reporting.
Group ESG Division	The Group ESG Division is tasked with implementing the Group's ESG strategy (as articulated in the Hayleys Lifecode) while working closely with Sector Sustainability/ESG Divisions to identify emerging and current SRROs. This includes assessing the external landscape including regulatory and policy changes and collaborating across functions to drive ESG integration.
Sector Sustainability/ ESG Divisions	Sector-level Sustainability/ESG champions drive their respective ESG roadmaps and are responsible for identifying Sector-level SRROs, which are reported to the respective ESG Committees and the Group ESG Division. Sector divisions recommend response strategies and are responsible for implementing sustainability initiatives in line with the overall ESG agenda which includes climate action, biodiversity preservation, resource optimisation and social value creation among others.

Support functions			
HR Divisions Identifying, managing, and mitigating workforce-related risks while unlocking opportunities linked to workforce capability, engagement, and culture	Procurement Oversight and management of risks associated with the supply chain by ensuring responsible sourcing, supplier reliability, and operational continuity	Engineering Divisions Management of environmental risks relating to energy, water consumption, waste and effluent generation, emissions and biodiversity impacts among others	Internal Audit Independent assurance role in ensuring that the sectors adheres to environmental and social compliance requirements

Controls and procedures

Controls and procedures for the effective management of SRRO/CRRO are embedded within operational and governance processes; they include internationally recognised environmental certifications across relevant operations, compliance with applicable environmental and social regulations and established internal procedures and oversight mechanisms. In addition, sustainability-related data is systematically captured and monitored through the Hayleys CUBE.

METHOD AND FREQUENCY OF BOARD REPORTING

The following information is presented to the Hayleys PLC and Sector Boards of Directors on a quarterly basis, in addition to quarterly reporting to the ESG Steering Committees.

- Material SRRO/CRRO (including nature-related impacts and dependencies and ecosystems)
- Impact on business model and value chain
- Financial effects of SRRO/CRRO
- Key metrics monitored
- Strategy to manage SRRO/CRRO
- Performance against targets

STRATEGIC INTEGRATION

SRROs/CRROs and nature-related considerations are incorporated into the Group's strategy, financial planning and risk management processes through regular reporting to the Board and its relevant sub-committees. The table below outlines how sustainability-related matters are considered at Board level. Going forward, the Company intends to further strengthen these processes to support deeper integration of sustainability considerations into the Group's decision-making.

Strategy formulation	During the annual corporate planning and budgeting sessions all Sectors are expected to present the risks (including SRRO/CRRO and nature-related dependencies and impacts) which are relevant to each strategic priority to the Board, along with key measures for mitigation. Meanwhile, all planned initiatives which contribute towards achieving Sector-level ESG targets are also presented
Decisions on major transactions and trade-offs	ESG due-diligence criteria (which includes exposure to SRROs, climate and nature-related impacts and dependencies) are assessed when evaluating a merger/ acquisition
Trade-offs	Trade-offs are considered when evaluating major transactions, particularly in relation to factors that may affect the achievement of each sector's ESG targets and long-term aspirations.
Risk management processes and policies	SRRO (including nature-related impacts) and CRRO have been integrated into the Group's enterprise risk management framework as discussed in further detail on page 180 of this Report
Board oversight on target setting	All 14 sectors of the Group have implemented ESG roadmaps with clearly defined targets, action plans and annual KPIs. As discussed on page 136, targets centre on 6 pillars which include climate action, ecosystem and nature, and social aspects. Targets are formulated by Sector leadership teams and submitted to the respective Boards for approval. Progress against these targets is reported to the Board on a quarterly basis, ensuring direct Board oversight.

SUSTAINABILITY EXPERTISE

When appointing directors, the expertise, skills, industry experience and competencies of each candidate are carefully evaluated to ensure alignment with the Group's vision, strategic aspirations, risks and opportunities. The Board also obtains assistance from internal or external subject experts with regards to emerging developments in sustainability if and when required. Quarterly reporting to the Board by the Group's ESG Division and relevant sustainability champions also help elevate Board knowledge on climate , nature and other related ESG issues.

Board skill gap assessment

During the year, the Group conducted a formal skill gap assessment pertaining to sustainability for its Directors, revealing areas for further skill enhancements.

Engagement with communities on nature-related impacts: The Group maintains ongoing engagement with local communities in areas surrounding its operations to support the effective management of nature-related impacts and maintain positive community relationships. While formalised nature-related community impact assessments are currently not conducted across the Group, the Group recognises the importance of strengthening stakeholder engagement processes in this area and will seek to progressively integrate more structured nature-related assessment approaches into its sustainability management practices going forward.

Sustainability Departments or at minimum, a dedicated Sustainability Champion have been established in each sector as mandated by the Hayleys Group. Sector-level Management Committees are responsible for ensuring that the appropriate skills and competencies are available within each Sector with adequate investments directed towards training and development. These skilled professionals play a central role in escalating relevant SRROs, monitoring risks and opportunities and reporting performance against targets to the Sector-ESG Committees and Boards of Directors as relevant.

Nature-related advocacy: The Group and its subsidiaries actively engage with a broad range of stakeholders, including the Ministry of Environment, relevant regulatory and local authorities, industry associations and other sector-specific bodies, on matters relating to nature and environmental stewardship. These engagements support the development and implementation of policies, regulations and industry initiatives that promote sustainable environmental management and responsible business practices. Particular emphasis is placed on biodiversity conservation in the Plantation Sector, where all 3 RPCs contributes its expertise, operational insights and on-the-ground experience to support national and industry-level efforts aimed at preserving ecosystems, protecting natural habitats and enhancing biodiversity outcomes.

Skills and expertise	Board of Directors
Finance and accounting	6
Strategy, management and leadership	10
Corporate governance and legal	1
Risk Management	6
Manufacturing and engineering	2
Supply chain management	1

Sustainability-Related Financial Disclosures

Engagement with communities on nature-related impacts: The Group maintains ongoing engagement with local communities in areas surrounding its operations to support the effective management of nature-related impacts and maintain positive community relationships. While formalised nature-related community impact assessments

REMUNERATION

The annual remuneration of the Directors, Board Sub-Committees, and members of the Group Management Committee (GMC) is currently not linked to sustainability-related metrics,

Material area	Applicable personnel
Energy & emissions	Engineering Departments
Health and safety	Health and Safety Head
Customer satisfaction	Marketing Departments

including nature-related metrics. Certain sectors, including Hand Protection and Purification, have already made progress in incorporating sustainability-related performance measures into management leadership remuneration considerations. The Group will continue to strengthen and evolve these practices going forward, reflecting the increasing integration of sustainability into the core strategies of most sectors are currently not conducted across the Group, the Group recognises the importance of strengthening stakeholder engagement processes in this area and will seek to progressively integrate more structured nature-related assessment approaches into its sustainability management practices going forward.

STRATEGY

The Group has identified 3 climate-related risks, 1 climate-related opportunity and 2 sustainability-related risks that could potentially impact its prospects during the year under review. Compared to the previous year, certain SRROs were assessed as no longer material, while others were consolidated with related topics to enhance the clarity and relevance of reporting. A comparison of the SRROs identified across the two reporting periods is presented below.

The SRROs/CRROs presented represent a consolidated Group-level view of the most material sustainability and climate-related exposures identified across the organisation. The sectors in which these risks and opportunities are most prevalent, together with the points within the value chain where they primarily materialise, are illustrated below. Further details relating to sector-specific risk exposures and management approaches are available in the respective Sector Annual Reports.

Previous year SRROs		Current year SRROs		Reason for change
1.	Climate-related physical risk: Rainfall	1.	Climate-related physical risk: Rainfall (CRRO 1)	No change
2.	Climate-related physical risk: Temperature	2.	Climate-related physical risk: Temperature (CRRO 2)	No change
3.	Climate-related transition risk: Legal and policy implications	3.	Climate-related transition risk (CRRO 3)	Transition risks of legal and policy implications and escalating customer requirements on sustainability have been considered together given their interconnected nature
4.	Water availability		-	Water availability did not emerge as a key SRRO
5.	Ecological impacts	4.	Ecological impacts (SRRO 1)	No change
6.	Escalating customer requirements on sustainability			Combined with legal and policy implications under climate-related transition risk
7.	Environmental and social issues along supply chains			Environmental issues along the supply chain have been captured under Ecological Impacts while social issues did not emerge as a material SRRO during the year
		5.	Operational safety (SRRO 2)	Emerged as a new risk during the year, reflecting high exposure to fire incidents
8.	Energy transition	6.	Energy transition (CRRO 4)- Opportunity	No change

CRRO#1:

CLIMATE-RELATED PHYSICAL RISKS-RAINFALL

There have been long-term changes in rainfall distribution in Sri Lanka including observable shifts of bio-modal monsoon patterns, rainfall intensities and extended dry periods. Climate predictions from credible sources indicate that Sri Lanka's average rainfall will increase under all selected climate scenarios, resulting in increased wet days and higher intensity of extreme rainfall events.



Outbound logistics

Raw material procurement/ resource usage

- Hand protection
- Purification
- Textiles
- Eco Solutions
- Industry Inputs, Power & Energy

Sales & Marketing
Consumer & Retail

Inbound logistics

Office/administrative functions

Manufacturing
Plantations

Summary of impact pathways

Outcome	Impacted sector	Business impact	Financial impact	Methodology
Impact on agricultural output-tea	Plantations (All 3 RPCs)	Impact on yield and crop Long-term changes in crop mix	Impact on Revenue Impact on Financial Position	Quantitative
Impact on agricultural output-rubber	Plantations (KVPL and Horana)	Impact on yield and crop Long-term changes in crop mix	Impact on Revenue Impact on Financial Position	Quantitative
Impact on energy sources (hydro/solar/ biomass)	Hand Protection Purification Textiles Eco Solutions Industry Inputs, Power & Energy	Reduction in power generation	Impact on Cost of Sales	Qualitative
Impact on customer demand through disposable income	Consumer & Retail Agriculture	Impacts on sales through reduced customer demand	Impact on Revenue	Quantitative

Refer to page 150 for further details relating to this CRRO

Sustainability-Related Financial Disclosures

CRRO#1: CLIMATE-RELATED PHYSICAL RISKS-RAINFALL

INFORMATION SOURCES

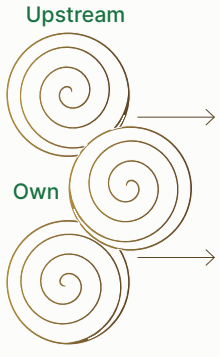
- Historical estate-level information on rainfall and yields
- Peer-reviewed academic research
- Sri Lanka's Climate Risk Profile
- Climate Change Vulnerability Data Book
- World Bank Climate Knowledge Portal

TIME HORIZON

Short-term: In the short term, excessive or insufficient rainfall can disrupt plantation harvests, reduce crop quality, delay field operations

Medium and long-term: Changing rainfall patterns and climate-related weather extremes could adversely impact Sri Lanka's plantation sector over the long term

Impacts on Value Chain



CURRENT IMPACTS

- Cost implications due to increase in the price of firewood used as biomass (Hand Protection, Textiles, Eco Solutions)
- Implications of Cyclone Ditwah on worker livelihoods and operational safety

ANTICIPATED IMPACTS

- Adverse implications on productivity of labour force (Plantations, Agriculture)
- Reduced customer demand arising from weaker harvests among agriculture-based customer segments (Agriculture)

Impacts on Business Model

Current impacts

- Implications on the quality, yield and quantities of selected agricultural crops including tea and rubber (Plantation)
- Adverse implications on renewable power generation (Power)
- Damages to physical assets, infrastructure and inventories stemming from Cyclone Ditwah. (All Sectors)

Anticipated impacts

- Reduced efficiency of installed energy systems (All Sectors)
- Long-term changes in the crop mix (Plantations)

CONNECTED INFORMATION

Refer to page 182 for detailed disclosures on the Group's GHG emissions and targets

Refer to page 171 for details on the Group's climate strategy

Physical Risks of Climate Change- Rainfall

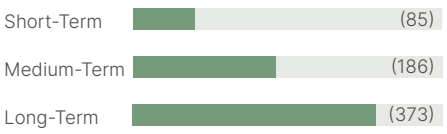
Increased rainfall variability adversely affects agro-ecological regions and crop cultivation patterns. High-intensity rainfall may disrupt harvesting activities, accelerate soil erosion and increase surface run-off, while reduced rainfall could contribute to drought conditions and increased evapotranspiration. Meanwhile, prolonged periods of intense rainfall during the year contributed to severe flooding and weather-related disruptions associated with Cyclone Ditwah, adversely affecting agricultural activities, logistics and plantation operations across several regions of Sri Lanka

CURRENT FINANCIAL EFFECTS:

- Damages to infrastructure stemming from Cyclone Ditwah
- Implications of physical climate risk on plantation yield and crops

Rs. mn	25/26	24/25
Financial performance	(452)	(62)
Cash flows	(919)	N/A
Financial position	(112)	

Impact on Financial Position (Rs. mn)



*Refer to page 184 or further information methodology of computation



WHERE IT ARISES

- The Group's low and high-grown tea estates, rubber estates
- Manufacturing plants in the Hand Protection, Purification and Textiles Sectors in the Western Province of the country

ANTICIPATED FINANCIAL EFFECTS

Revenue implications

- Output and price of plantation crops through reduced tapping days in rubber and shorter work hours in tea
- Impact on sales in the Consumer and Agriculture sector where affordability and demand of farmers is linked to rainfall patterns
- Implications on revenue due to fluctuations in solar power generation due to variability in rain fall

Cost implications

- Costs associated with fluctuations in the price of energy sources such as biomass
- Expenses associated with repairing damaged infrastructure, increased insurance premiums

Financial position impacts

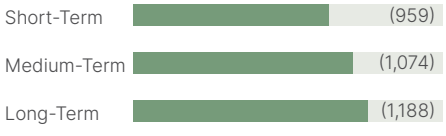
- Investments required in crop diversification

There is no significant material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

Impact on Financial Perfomance (Rs. mn)



Impact on Cash Flows (Rs. mn)



Strategy & Decision-Making

- Crop diversification
- Diversifying biomass sources
- Geographical diversification of operations
- Integration of climate adaptation plans to overall strategy

Direct mitigation and adaptation

Current	Anticipated
Crop diversification Resource allocation : **Rs. 690 mn**	Integrating climate adaptation plans into the overall strategic agenda of the Plantations Sector
Conversion of boilers to biomass (Plantations)	

Indirect mitigation and adaptation

Current	Anticipated
Diversification of suppliers or sourcing regions (Purification, Eco Solutions)	Diversification of operations and manufacturing footprint (Purification, Hand Protection)
Backward integration with the aim of securing increased control over raw material procurement (Eco Solutions) Resource allocation : **Rs. 700 mn**	

CLIMATE-RELATED TRANSITION PLANS:
All Sectors have committed to emission reduction targets as per the Sector-level ESG Roadmaps. In addition, TTE, KVPL and Hayleys Fabric have comprehensive decarbonisation plans in place. Please refer to page 186 for further information. (Refer to page 182 for further information targets and performance against targets)

Sustainability-Related Financial Disclosures

CRRO#2:

CLIMATE-RELATED PHYSICAL RISK-TEMPERATURE

Sri Lanka experiences average temperatures of 28°C–29°C, with limited monthly variations. Temperatures are typically affected by altitude, with considerably lower temperatures experienced in the central mountain ranges. The country is estimated to have witnessed an increase of around 0.8°C during the 20th century, with an acceleration towards the end of the century (Sri Lanka Climate Risk Country Profile). Variations in temperature have multi-faceted impacts on the Hayleys Group, given its potential impacts on worker health and reliance on natural resources which could be vulnerable to temperature variations across key business lines.



Summary of impact pathways

Outcome	Impacted sector	Business impact	Financial impact	Methodology
Impact on worker productivity	Plantations Agriculture Manufacturing	Impact on yield and crop	Impact on Revenue	Qualitative
Impact on agricultural output-rubber	Plantations (KVPL/Horana)	Impact of leaf fall and diseases on yield and crop	Impact on Revenue	Qualitative
Increased cooling load requirements	Transportation Others	Increased energy consumption to meet cooling requirements in warehouses and office buildings	Impacts on overhead costs	Qualitative
Higher demand for cooling solutions due to rise in extreme heat days	Consumer & Retail	Increased sales of temperature-linked products	Impact on Revenue	Qualitative

Refer to page 154 for further details relating to this CRRO

CRRO#3:

CLIMATE-RELATED TRANSITION RISK-LEGAL & POLICY IMPLICATIONS AND CUSTOMER REQUIREMENTS ON SUSTAINABILITY

As a Group generating 50% of its Revenue through exports, the Group is exposed to transition risks stemming from shifts in the regulatory and policy landscape pertaining to sustainability and climate mitigation as well as increasing pressure from customers on sustainability considerations. This is particularly evident from the European region, which has seen notable shifts in demand dynamics. Over the medium term, organisations operating in Sri Lanka can also be expected to be impacted by national policy developments as per the country's Net Zero Roadmap and NDC Implementation Roadmap (2021-2030). Key sustainability-related regulations and policies and the potential impact on the Group are summarised below.

Outbound logistics

Raw material procurement/ resource usage
Hand Protection

Sales & Marketing
Construction Materials
Textiles
Hand Protection
Purification



Inbound logistics
Transportation & Logistics

Office/administrative functions

Manufacturing

Summary of impact pathways

Outcome	Impacted sector	Business impact	Financial impact	Methodology
Environmental requirements / regulations (EUDR, Carbon Border Adjustment mechanism, IMO regulations)	Textiles Hand Protection Purification Transportation & Logistics	Safe chemical management practices Safe chemical management practices Ship owners will be required to used cleaner fuels Focus on water preservation	Increased overhead costs and CAPEX Investments relating to exploring opportunities in low-carbon fuel Positive implications on Revenue	Quantitative
Customer's social requirements	Textiles Hand Protection Purification	Increased requirements on supply chain due diligence including human rights, working conditions etc	Overhead costs Positive implications on Revenue	Quantitative
Product requirements	Hand Protection Purification Tea Exports	Requirements for lifecycle analysis, certifications and product-level carbon footprint etc.	Overhead costs Positive implications on Revenue	Quantitative

Refer to page 156 for further details relating to this CRRO

Sustainability-Related Financial Disclosures

CRRO#2: CLIMATE-RELATED PHYSICAL RISKS TEMPERATURE

INFORMATION SOURCES

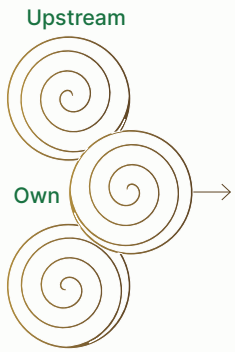
- Sri Lanka's Climate Risk Profile
- Historical estate-level information on temperature and yields
- Peer-reviewed academic research
- Climate Change Knowledge Portal

TIME HORIZON

Short-term: Rising temperatures could lead to immediate operational disruptions including lower plantation yields

Medium and long-term: Sustained temperature increases may result in higher water consumption, greater pest and disease prevalence and pressure on margins

Impacts on Value Chain



CURRENT IMPACTS

- Adverse implications on productivity of outdoor labour force (Plantations)

ANTICIPATED IMPACTS

- Potential impacts on the cold chains of transport and warehousing customers (Transportation & Logistics)

Impacts on Business Model

Current impacts

- Implications on the quality season of tea (Plantations)
- Implications on yield of rubber due to leaf fall and disease outbreaks (Plantations)
- Escalation in cooling load requirements in warehouses and office buildings (Advantis)
- Opportunities in growing cooling solutions business (Singer)

Anticipated impacts

- Reduced long-term yields and productivity (Plantations)
- Implications of heightened water stress

CONNECTED INFORMATION

Refer to page 171 for details on the Group's climate strategy

Refer to page 182 for details on the Group's GHG emissions

Physical Risks of Climate Change- Temperature

Climate model ensembles predict that Sri Lanka's temperatures will increase from a minimum of 0.8°C to a maximum of 3.5°C based on the emission pathways. The rises in minimum temperature is expected to be faster than the rise in average temperature. The models also predict significant threat from extreme heat, with the number of days surpassing 35°C potentially increasing from a baseline of 20 days to more than 100 days by the 2090s under the high emission pathway.

Rs. mn	25/26	24/25
Financial performance	(76)	(26)
Cash flows	(76)	N/A
Financial position	(14)	N/A

Impact on Financial Position (Rs. mn)



*Refer to page 189 or further information methodology of computation



CURRENT FINANCIAL EFFECTS:

Implications on quality season, flavor profile and overall pricing of tea

ANTICIPATED FINANCIAL EFFECTS

Revenue implications

- Positive impacts from increase in demand for cooling products such as air conditioners

Cost implications

- Increased cost stemming from higher cooling load requirements and resultant increase in energy consumption
- Increased costs associated with reduced labour productivity, particularly in the Plantations Sector

There is no significant material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

Impact on Financial Perfomance (Rs. mn)



Impact on Cash Flows (Rs. mn)



WHERE IT ARISES

- The Group's low and high-grown tea estates, rubber estates
- Warehouses in the Western Province in the Transportation & Advantis Sector

Strategy & Decision-Making

Crop diversification

Business diversification

Investments in energy efficient cooling technology

Direct mitigation and adaptation

Current	Anticipated
Crop diversification (Plantations) Resource allocation : **Rs. 690 mn**	Business diversification (Plantations)
Regenerative Agriculture Resource allocation : **Rs. 21 mn**	

Indirect mitigation and adaptation

Current	Anticipated
Increased mechanisation and automation (Plantations)	
Ongoing investments in renewable energy to optimise energy costs	

CLIMATE-RELATED TRANSITION PLANS:

All Sectors have committed to emission reduction targets as per the Sector-level ESG Roadmaps. In addition, TTE, KVPL and Hayleys Fabric have comprehensive decarbonisation plans in place.

Sustainability-Related Financial Disclosures

CRRO#3: CLIMATE-RELATED TRANSITION RISKS

INFORMATION SOURCES

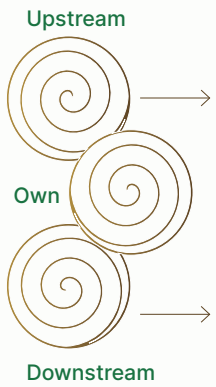
- Official Journal of the European Union
- European Commission
- Central Environmental Authority
- Engagement with customer-facing teams across Sectors

TIME HORIZON

Short-term: The CBAM entered its definitive implementation phase on 1st January 2026

Medium-term: The EUDR will become effective for large and medium-sized companies from 30 December 2026, while small and micro enterprises will have until 30 June 2027 to comply.

Impacts on Value Chain



CURRENT IMPACTS

- Latex suppliers will be required to comply with the requirements of EUDR, necessitating investments in training and capacity building (Hand Protection)
- Increased customer scrutiny relating to environmental and social considerations

ANTICIPATED IMPACTS

- Due diligence required across supply chains connected to EU (Hand Protection, Purification, Textiles)
- Shifts in sourcing strategies towards more sustainable suppliers and raw materials.

Impacts on Business Model

Current impacts

- Implications on price competitiveness of Aluminium exports to the EU (Alumex)
- Increased investments in renewable energy will be required to contribute to Sri Lanka's climate commitments (Power & Energy, Fentons)
- Increased risk of market access constraints (HP, Purification, Textiles)

Anticipated impacts

- Opportunity for Plantation Sector to command premium pricing in rubber upon obtaining the EUDR compliance certification (Plantations)
- Investments in data collection systems, supplier engagement, traceability mechanisms (HP, Purification, Textiles)
- Requirements to reduce Scope 3 emissions stemming from the value chain

CONNECTED INFORMATION

Refer to page 212 - Portfolio Reviews for details on industry-specific regulations where relevant

Transition Risks of Climate Change- Legal & Policy Implications and Customer Requirements

Emerging sustainability-related regulations and evolving customer expectations, particularly within the EU region, are increasingly focused on areas such as lifecycle emissions, chemical safety, supply chain due diligence, human rights and fair labour practices. While the short-term implications remain manageable, key sectors within the Group including Textiles, Hand Protection, Purification and Tea Exports have commenced preparatory measures to strengthen compliance and align with evolving global sustainability requirements.

Rs. mn	25/26	24/25
Financial performance	(1,635)	N/A
Cash flows	(832)	N/A
Financial position	(573)	N/A

Impact on Financial Position (Rs. mn)



*Refer to page 189 or further information methodology of computation



WHERE IT ARISES

- Hand Protection Sector's rubber farmers across the island including Monaragala, Ratnapura, Kurunegala and others
- Vessel fleet owned by Transportation & Logistics Sector
- Supply chain and manufacturing operations of the Construction Materials Sector

CURRENT FINANCIAL EFFECTS:

- Costs pertaining to obtaining environmental and social certifications
- Costs of EUDR compliance
- Increased investments in renewable energy in line with emission reduction targets (All sectors)

ANTICIPATED FINANCIAL EFFECTS

- Carbon tax arising from the Carbon border Adjustment Mechanism (Construction Materials)
- Potential impact of IMO regulations on vessels (Transportation & Logistics Sector)

There is no significant material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

Impact on Financial Perfomance (Rs. mn)

Short-Term	(1,693)
Medium-Term	(3,336)
Long-Term	(2,794)

Impact on Cash Flows (Rs. mn)

Short-Term	(902)
Medium-Term	(2,636)
Long-Term	(2,315)

Strategy & Decision-Making

Commitment to environmental and social targets through respective ESG roadmaps

Compliance to environmental and social certifications

Ongoing investment in developing sustainable products

Direct mitigation and adaptation

Current	Anticipated
Decarbonisation initiatives across the Group	Exploring opportunities in new renewable energy fuels
Investments in obtaining CBAM certification (Construction Materials) Resource allocation : **Rs. 4 mn**	

Indirect mitigation and adaptation

Current	Anticipated
Investments in developing sustainable products	Enhance environmental social screening across supply chain

CLIMATE-RELATED TRANSITION PLANS:

All Sectors have committed to emission reduction targets as per the Sector-level ESG Roadmaps. In addition, TTE, KVPL and Hayleys Fabric have comprehensive decarbonisation plans in place.

Sustainability-Related Financial Disclosures

SRRO#1:

ECOLOGICAL IMPACTS

Biodiversity is critical for preserving the integrity of ecosystems through providing essential resources including resilience to floods and droughts as well as supporting fundamental processes such as water cycles and soil formation. The unprecedented loss of biodiversity and implications on ecosystems have the potential to disrupt the stability of economies and societies, with more than 50% of global gross GDP being moderately or highly dependent on nature and the goods and services it provides.

In reporting on ecological impacts during the year, the Group utilised the recommendations of the Taskforce on Nature-related Financial Disclosures framework as guiding principles for identifying and assessing nature-related dependencies and impacts across the sectors. As part of this initial phase, the assessment was limited to the Group's direct operations, with broader value chain implications expected to be progressively incorporated in future reporting cycles. The following nature-related impacts and dependencies were mapped across the sectors, culminating in the development of a risk heat map illustrating the relative significance of impacts versus dependencies across the Group's operations.

LEAP Assessment Approach: As illustrated below, the Group undertook a preliminary LEAP assessment aligned with the Taskforce on Nature-related Financial Disclosures framework, adopting a portfolio-level perspective across its operations at this stage. The assessment focused on identifying key nature-related dependencies, impacts, risks and opportunities from a broad strategic viewpoint. Going forward, the Group intends to progressively deepen its alignment with the TNFD framework through more granular assessments and enhanced integration of nature-related considerations into decision-making processes.

	Output	Status
L-LOCATE	Priority location list, ecosystem sensitivity	Foundational disclosures of the ESG Report
E-EVALUATE	Assess dependencies on, and impacts to, ecosystem services	Dependency and impact assessment – Page 159
A-ASSESS	Identify and prioritise nature-related risks and opportunities	Phase 2 implementation Foundational disclosures aligned to SLFRS S1 reported on page 161
P-PREPARE	Develop strategy, targets and disclosure	Phase 2 implementation Foundational targets aligned to the Hayleys Lifecode reported on page 187

Locate: Identification of Priority Areas

As part of the LEAP "Locate" phase, Steps L3 and L4 focused on identifying locations where the Group's operational sites directly interface with nature. This assessment considered the extent to which operations intersect with ecologically sensitive areas, including biodiversity-rich regions, areas of high eco system integrity and areas of importance for ecosystem service provisions including benefits to communities. Through this process, the Plantation and Leisure sectors were identified as areas with greater direct interaction with nature, with further details illustrated below.

Plantations	**Over 23,000** hectares of active cultivation in the low grown (Galle, Deniyaya, Kalutara, Kegalle) and high-grown regions (Talawakelle, Nanu Oya, Nuwara Eliya)
Leisure	**15.54** hectares in Kandalama

Evaluate: Dependency and Impact Assessment

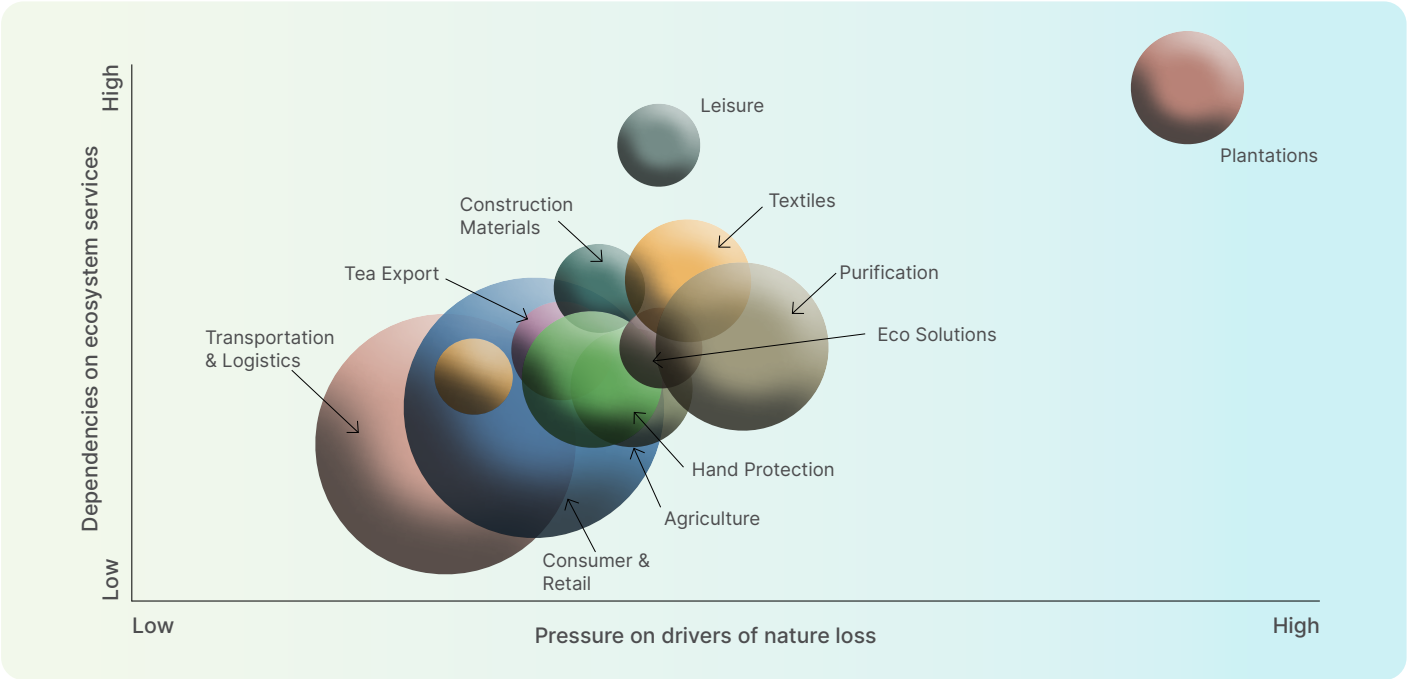
This following grid summarises the findings of the Group's impact and dependency assessment, conducted in accordance with the TNFD's LEAPs approach. Presented below are the impacts and dependencies assessed as Very high and high in relation to the Group's operations. Dependencies that have been ranked as medium and low have been excluded.

CLASSIFICATION OF DEPENDENCIES		ECOSYSTEM SERVICE/DRIVER	SCORE
Plantations	Provisioning service-Cultivation	**Biomass provisioning**	Very high
	Regulating and maintenance-Cultivation	**Global climate regulation:**	Very high
		Rainfall pattern regulation: Growing of perennial crops is dependent on rainfall pattern regulation by ecosystems to ensure sufficient levels of rainfall	Very high
		Local climate regulation: Ecosystems regulate the micro climate in the locations of agricultural production providing stable conditions for growing crops	Very high
		Soil quality regulation	Very high
		Soil and sediment retention: Perennial crop cultivation depends on ecosystem services that prevent soil erosion, reduce fertiliser runoff and mitigate landslides	Very high
		Water flow regulation: Cultivation depends on ecosystem services that regulate water flows, ensuring water availability during dry periods while reducing flood risks to plantations and related infrastructure.	High
		Flood control: Dependent on flood mitigation services to protect crops, and infrastructure from flooding.	High
		Biological control: Perennial crop cultivation depends on natural biological control provided by insects, birds and small mammals to manage pests	Very high
Leisure	Cultural services-Provision of guest experiences	**Recreation-related services:** Short-term accommodation activities depend on recreation-related services provided by ecosystems to attract more visitors	Very high
		Visual amenity services: Many short-term accommodation options depend on the availability of nearby visual amenity services	Very high
Industry Inputs, Power & Energy	Provisioning services-Generation of renewable energy	**Water supply:** Hydropower energy production depends on water supply services provided by ecosystem	Very high
	Maintenance services-Generation of renewable energy	**Global climate regulation:** Wind energy production facilities depend on global climate regulation to maintain a relatively steady climate	Very high
		Water flow regulation: Hydropower energy production activities depend on the provision of water flow regulation to enable the use of water for routine operations	Very high
		Flood control: Significantly dependent on flood mitigation services to protect infrastructure from flooding.	Very high

Sustainability-Related Financial Disclosures

SECTOR	Impacts	Score
Plantations	Area of freshwater use	High
	Emissions of toxic soil and water pollutants	High
	Emissions of nutrient soil and water pollutants	High
	Generation and release of solid waste	High
	Areas of land use	High
	Volume of water use	High
Textiles	Emissions of GHG	High
Transportation & Logistics	Disturbances	Very high
Industry Inputs, Power & Energy	Disturbances	High
	Area of fresh-water use	High

The Group's overall nature-related dependency and impact heatmap is illustrated below. The Plantation Sector was identified as having significant dependencies on nature while manufacturing sector businesses including Textiles, Hand Protection and Purification were identified as having significant nature-related impacts. These impacts, dependencies relate primarily to the Group's direct operations.



RISKS AND OPPORTUNITIES

Key risks arising from the Group's nature-related dependencies and impacts are represented in the form of risk impact pathways as follows;

Outcome	Impacted sector	Business impact	Financial impact	Methodology
Acute physical risks • Flooding & extreme weather • Acute droughts • Landslide/soil erosion events • Beach erosion destroying coastal amenity value	Plantations Industry Inputs, Power & Energy Leisure	Impact on yield and quality of plantation crops Impact on continuous power generation	Revenue Cost	Qualitative
Chronic physical risks • Chronic soil degradation • Shifting microclimate changes • Biodiversity loss and ecosystem degradation • Chronic beach erosion reducing coastline	Plantations Industry Inputs, Power & Energy Leisure	Impact on yield and quality of plantation crops Impact on continuous power generation Impact on appeal of hotel properties	Revenue Cost	Qualitative

ACUTE PHYSICAL RISKS

The Group's operations are exposed to acute physical risks arising from extreme weather events, including flooding, droughts, landslides, soil erosion and coastal erosion. Such events have the potential to disrupt plantation activities, reduce agricultural yields, damage hydropower infrastructure and affect the attractiveness and accessibility of leisure properties. The increasing frequency and severity of these events may also result in higher operating costs, asset damage and business interruptions across affected locations.

CHRONIC PHYSICAL RISKS

The Group is exposed to chronic physical risks arising from gradual environmental changes, including soil degradation, biodiversity loss and long-term coastal erosion. In the plantation sector, declining soil health and reduced ecosystem resilience may adversely affect crop productivity and increase input requirements over time. Biodiversity loss may diminish the ecosystem services that support agricultural operations, including soil fertility, pollination and natural pest control. In the leisure sector, ongoing coastal erosion may reduce beach frontage and alter the natural landscapes that underpin the attractiveness of certain properties, potentially affecting visitor appeal and requiring additional adaptation measures.

Sustainability-Related Financial Disclosures

SRRO#1: ECOLOGICAL IMPACTS

INFORMATION SOURCES

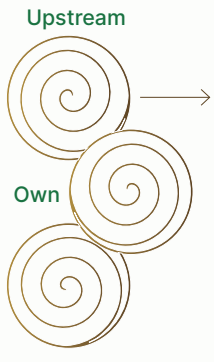
- Sri Lanka Biodiversity Profile
- Disaster Management Centre of Sri Lanka
- Peer-reviewed academic research

TIME HORIZON

Short-term: Soil erosion, land degradation, coastal erosion and broader ecosystem changes could manifest in the short-term

Medium & Long-term: Sustained ecological degradation and ecosystem changes could materially impact the viability and resilience of affected operations

Impacts on Value Chain



CURRENT IMPACTS

- Increased cost of compliance along value chain
- Disruptions to raw material availability and supply continuity (Purification)

ANTICIPATED IMPACTS

- Disruptions along agriculture-based value chains (Agriculture)
- Potential reputational risks relating to environmental stewardship (Plantations, Leisure)
- Heightened vulnerability of coastal and tourism-related assets (Leisure)

Impacts on Business Model

Current impacts

- Impacts on yield and quality of plantation crops including flavor profile in teas due to poor soil quality (Plantations)
- Direct asset exposure to inundation and erosion (Plantations & Leisure)

Anticipated impacts

- Increased operational, maintenance and land restoration costs (Plantations)
- Increased need for investments in adaptation, ecosystem restoration and sustainable operational practices (Plantations)

CONNECTED INFORMATION

Page 144 - Discussion on governance, policies and processes related to biodiversity impacts

Restore and Regenerate Nature : ESG Report

Ecological Impacts

Sri Lanka's unique location, topography and climatic conditions have contributed to exceptionally rich biodiversity and a remarkably high level of endemism. However, increasing anthropogenic land use and other environmental pressures have resulted in the extensive degradation of natural ecosystems, leading to Sri Lanka being recognised as one of the world's 36 biodiversity hotspots. Against this backdrop, ecological impacts arising from soil erosion and degradation, coastal erosion and broader ecosystem changes continue to present increasing sustainability-related risks across the Group's Plantation, Agriculture and Leisure sectors.

Rs. mn	25/26	24/25
Financial performance	(1.47)	N/A
Cash flows	N/A	N/A
Financial position	N/A	N/A

*Refer to page 189 or further information methodology of computation



WHERE IT ARISES

- The Group's upcountry and low-country plantations (refer to page 158)
- Amaya Beach Passikudah

CURRENT FINANCIAL EFFECTS:

- Regular expenditure incurred by the Leisure Sector in construction of sea walls, preventative measures against erosion and beach cleaning due to coral breaking
- Loss of revenue from Ditwah (Leisure)

ANTICIPATED FINANCIAL EFFECTS

Loss of Revenue due to potential closure of operations in sea-side resorts and reduced attractiveness of destination

There is no significant material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

Impact on Financial Perfomance (Rs. mn)

Short-Term	(1.61)
Medium-Term	(1.78)
Long-Term	(1.95)

Although currently falling below the Group's materiality threshold, Ecological Impacts presents a material risk for the Group based on nature-related impacts and dependencies assessed through a qualitative lens.

Strategy & Decision-Making

Reforestation, afforestation and biodiversity restoration initiatives

Regenerative agriculture and sustainable land management in Plantation Sector

Improving monitoring, mapping and assessment of ecological impacts

Strengthening water stewardship through improved watershed management

Direct mitigation and adaptation

Current	Anticipated
Total investment in biodiversity and restoration initiatives (All Sectors) Resource allocation : **Rs. 4 mn**	Large scale reforestation programmes across Sectors
Investment in regenerative agriculture	

Indirect mitigation and adaptation

Current	Anticipated
Improving mapping and assessment of ecological impacts through TNFD framework Resource allocation : **Rs. 2 mn**	Drive deeper integration of nature-related considerations to strategy
Investments in employee and community awareness	

NATURE-RELATED TARGETS:

Biodiversity-related targets have been established by the Group and its operating companies in line with their respective ESG roadmaps. At present, these targets remain at a foundational level, reflecting the evolving nature of biodiversity-related measurement and management practices across the Group. Going forward, the Group intends to progressively strengthen and refine these targets in line with the Phase 2 implementation of TNFD.

Sustainability-Related Financial Disclosures

SRRO#2:

OPERATIONAL SAFETY

The Group's extensive manufacturing and operational footprint exposes it to a range of operational safety risks that could result in injury or loss of life, damage to property and equipment, business interruptions, regulatory penalties and reputational harm. Fire-related incidents represent a key area of risk exposure across several operations due to the presence of industrial processes, machinery, combustible materials and energy-intensive activities.



Outbound logistics

Raw material procurement/ resource usage

Sales & Marketing

Inbound logistics

Office/administrative functions

Manufacturing/ Operations
Eco Solutions/ Construction Materials / Hand Protection/ Purification/ Leisure/ Plantations

Summary of impact pathways

Outcome	Impacted sector	Business impact	Financial impact	Methodology
Fire and explosion incidents	All Manufacturing Sectors Leisure Transportation & Logistics	Asset damage and disruptions Injury or loss of life	Impact on Revenue Operating Costs Capital Expenditure	Quantitative
Workplace health and safety	All sectors	Injury or loss of life Reduced productivity Reputational impacts	Impact on Operating Costs Impact on Financial Position	Quantitative
Process safety failures	Manufacturing Sectors	Operational downtime Damage to critical infrastructure	Impact on Revenue Impact on Cost of Sales	Quantitative

Refer to page 166 for further details relating to this CRRO

CRRO#4:

ENERGY TRANSITION (OPPORTUNITY)

The upside potential presented by the global transition to a low-carbon economy presents the most significant sustainability-related opportunity to the Group. This opportunity arises primarily through Hayleys Fentons which is a leader in the country's renewable energy sector and the Purification Sector- which manufactures solutions for energy storage applications.



Outbound logistics

Raw material procurement/ resource usage
Hand Protection

Sales & Marketing

Inbound logistics

Office/administrative functions
All Sectors

Product development/Manufacturing
Purification/ Energy, Mobility & Projects/ Industry Inputs, Power & Energy

Refer to page 168 for further details relating to this CRRO

IDENTIFICATION AND ASSESSMENT OF OPPORTUNITIES

Sustainability-related risks and opportunities are identified through the Group's established strategic planning, risk management and business review processes, adopting both top-down and bottom-up perspectives. Opportunities are identified in the normal course of business through ongoing engagement with operating companies, market assessments, stakeholder feedback and evaluations of emerging trends and developments. Once identified, sustainability-related opportunities are assessed using the same governance and investment evaluation frameworks applied to other business opportunities, taking into consideration their strategic alignment, financial impact and effective risk management.

- **Identification:**
  Sustainability opportunities are identified similar to other opportunities through horizon scanning of emerging sustainability trends, market developments and regulatory changes.

- **Assessment:**
  Evaluation of the potential financial, operational and strategic benefits associated with identified opportunities.

- **Prioritisation:**
  Ranking of opportunities based on their potential contribution to long-term value creation and strategic objectives.

- **Monitoring and Review**
  Ongoing monitoring of the progress and performance of key sustainability-related opportunities together with the Group's other business opportunities

Sustainability-Related Financial Disclosures

SRRO#2: OPERATIONAL SAFETY

INFORMATION SOURCES

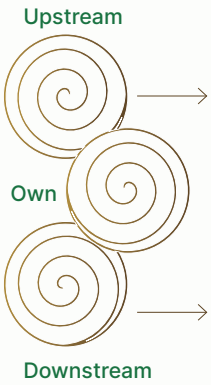
- Safety Management Systems
- Assets and Operations Data
- Regulatory and Industry Sources

TIME HORIZON

Short-term: Operational safety risks primarily arise from day-to-day activities across the Group's manufacturing facilities, plantations, hotels, logistics operations and project sites

Medium-term: Ageing infrastructure, evolving regulatory requirements and failure to adapt could result in higher compliance costs, operational disruptions

Impacts on Value Chain



CURRENT IMPACTS

- Workplace injuries and failures
- Delays in product availability due to operational disruptions

ANTICIPATED IMPACTS

- Community health and safety concerns arising from fires, explosions or industrial accidents
- Loss of customer confidence, reduced demand and loss of contracts where safety performance is considered a procurement criterion.

Impacts on Business Model

Current impacts

- Fire incidents which led to operational disruptions and reduced revenue generating capacity and necessitated restoration expenditure

Anticipated impacts

- Disruptions to operations and reduced productivity due to facility shutdowns (All Sectors)
- Increased operating and capital expenditure associated with repairs, asset replacement, remediation activities

CONNECTED INFORMATION

Refer to Group's ESG report for detailed disclosures on the Group Health and Safety Record

Operational Safety

The Group's extensive manufacturing and operational footprint exposes it to operational safety risks that may affect its people, assets and business continuity. Key risk exposures include fire incidents, workplace accidents and process safety failures, which have the potential to result in loss of life, injuries, asset damage, operational disruptions and productivity losses. Such events may also give rise to legal liabilities, regulatory actions, increased operating costs and reputational impacts. Fire risk remains a significant area of exposure across the Group, particularly within the Eco Solutions, Construction Materials and Leisure sectors.

- Damages to infrastructure stemming from fire damage in Amaya Kuda Rah

Rs. mn	25/26	24/25
Financial performance	(257)	(947)
Cash flows	1,096	450
Financial position	N/A	N/A



WHERE IT ARISES

- Manufacturing facilities in Sri Lanka and overseas locations including Thailand, Indonesia
- Hotels operations in Sri Lanka and Maldives
- Logistics and warehousing operations

ANTICIPATED FINANCIAL EFFECTS:

Revenue implications

- Revenue losses arising from operational disruptions, production downtime and the temporary closure of manufacturing facilities
- Reputational impacts that may affect customer confidence, stakeholder trust

Cost implications

- Higher capital expenditure requirements for the repair, replacement or upgrading of damaged assets and safety infrastructure.
- Increased operating costs associated with emergency response, remediation activities
- Insurance-related impacts, including increased premiums, deductibles and uninsured losses arising from significant incidents.
- Productivity losses due to workforce disruptions and employee injuries

There is no significant material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

Strategy & Decision-Making

Safety governance, monitoring and assurance through certifications

Enhance emergency preparedness and continuity planning

Embedded into operational planning and asset management

Culture of safety

Direct mitigation and adaptation

Current	Anticipated
Structured fire safety protocols including regular fire risk assessments	Enhance contractor and supplier safety
Incident reporting, investigation and corrective action processes	Emergency safety preparedness
Comprehensive employee contractor and safety training	
Regulatory compliance monitoring	

Indirect mitigation and adaptation

Current	Anticipated
Robust enterprise risk management system which includes safety and operational preparedness	Integrate safety into performance management
Insurance coverage to mitigate the financial consequences of significant safety events, including fire and business interruption risks	Data analysis and hazard monitoring

Sustainability-Related Financial Disclosures

CRRO#4: ENERGY TRANSITION (OPPORTUNITY)

INFORMATION SOURCES

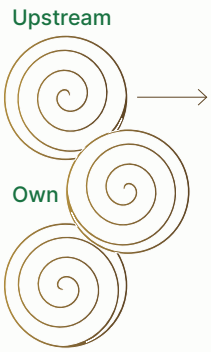
- Sri Lanka Nationally Determined Contributions
- Sri Lanka Climate Prosperity Plan
- 2050 Carbon Net Zero Roadmap and Strategy
- National Climate Change Policy of Sri Lanka

TIME HORIZON

Short-term: Demand for the Purification Sector's energy storage solutions remains strong and provides opportunities for further expansion.

Medium-term: Demand for renewable energy generation in Sri Lanka is expected to strengthen further with policy directions and the growth of sustainability mobility solutions.

Impacts on Value Chain



CURRENT IMPACTS

- Increased pressure from global customers to transition to clean energy

ANTICIPATED IMPACTS

- New customer acquisition in energy storage solutions (Purification)
- Increased demand for low-carbon and sustainably sourced products (Purification, Textiles, Hand Protection)
- Opportunities arising from sustainable mobility (Hayleys Fentons)

Impacts on Business Model

Current impacts

- R&D and new product development in energy storage solutions (Purification Sector)
- Sales generated from sustainability mobility solutions Energy, Mobility & Projects
- Contributions from renewable energy investments

Anticipated impacts

- Drive further investments in both rooftop solar PV installations as well as large-scale wind and solar projects
- Drive further investments in both rooftop solar PV installations as well as large-scale wind and solar projects

CONNECTED INFORMATION

Refer to page 212 -Portfolio Reviews for Sector-specific information

Refer to page 212 for information on financial contributions from relevant Sectors

Energy Transition

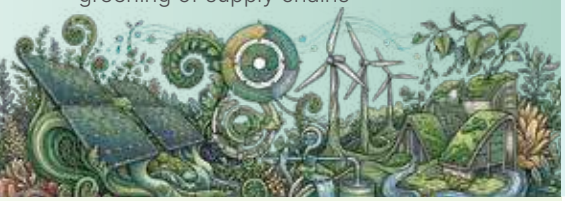
Realising Sri Lanka's NDC commitments and Net-Zero aspirations will require significant investments in renewable energy, with the country targeting a 70% reliance on renewable electricity by 2030. Meanwhile, the global transition also presents opportunities by offering upside potential in industries driving the move to alternative and green energy sources.

Rs. mn	25/26	24/25
Financial performance	22,606	N/A
Cash flows	N/A	N/A
Financial position	N/A	N/A

*Refer to page 189 or further information methodology of computation



Long-term: Demand for renewable energy solutions is anticipated to increase through as companies pursue decarbonisation and greening of supply chains



WHERE IT ARISES

- Demand for energy storage solutions is anticipated to be driven by China
- Growth within Sri Lanka's automobile industry is expected to be increasingly driven by the rising adoption and popularity of electric and hybrid vehicles.

CURRENT FINANCIAL EFFECTS:

Revenue generation through

- **Energy, Mobility and Projects:** Renewable energy generation and sustainability mobility solutions
- **Purification Sector:** Energy storage solutions
- **Industry Inputs, Power & Energy:** Renewable energy generation investments in energy storage

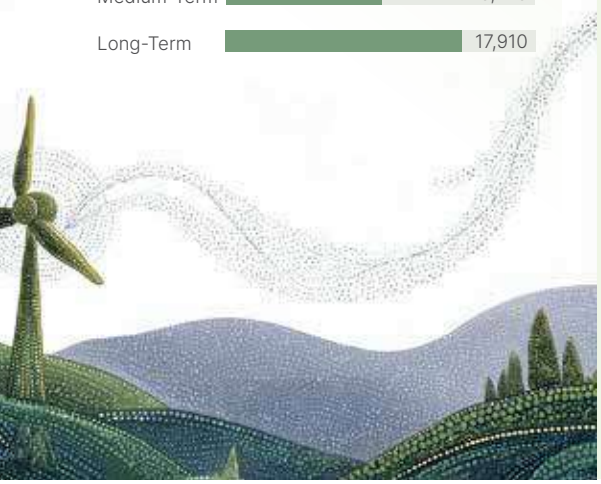
ANTICIPATED FINANCIAL EFFECTS

Anticipated growth from renewable energy/ mobility solutions/energy storage

There is no significant material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

Impact on Financial Perfomance (Rs. mn)





Strategy & Decision-Making

Aggressive growth in the mobility vertical (Energy, Mobility and Projects)

Capacity expansion energy storage solutions (Purification)

Decarbonisation of Sectors (All Sectors)

Direct mitigation and adaptation

Current	Anticipated
Group-wide investments in renewable energy (solar)	Capacity expansions in energy storage solutions
Resource allocation : **Rs. 99.2 mn**	Resource allocation: **> Rs. 5.5 bn**
Investments in large-scale energy generation by Projects, Mobility & Energy	

Indirect mitigation and adaptation

Current	Anticipated
Investments in mobility solutions	

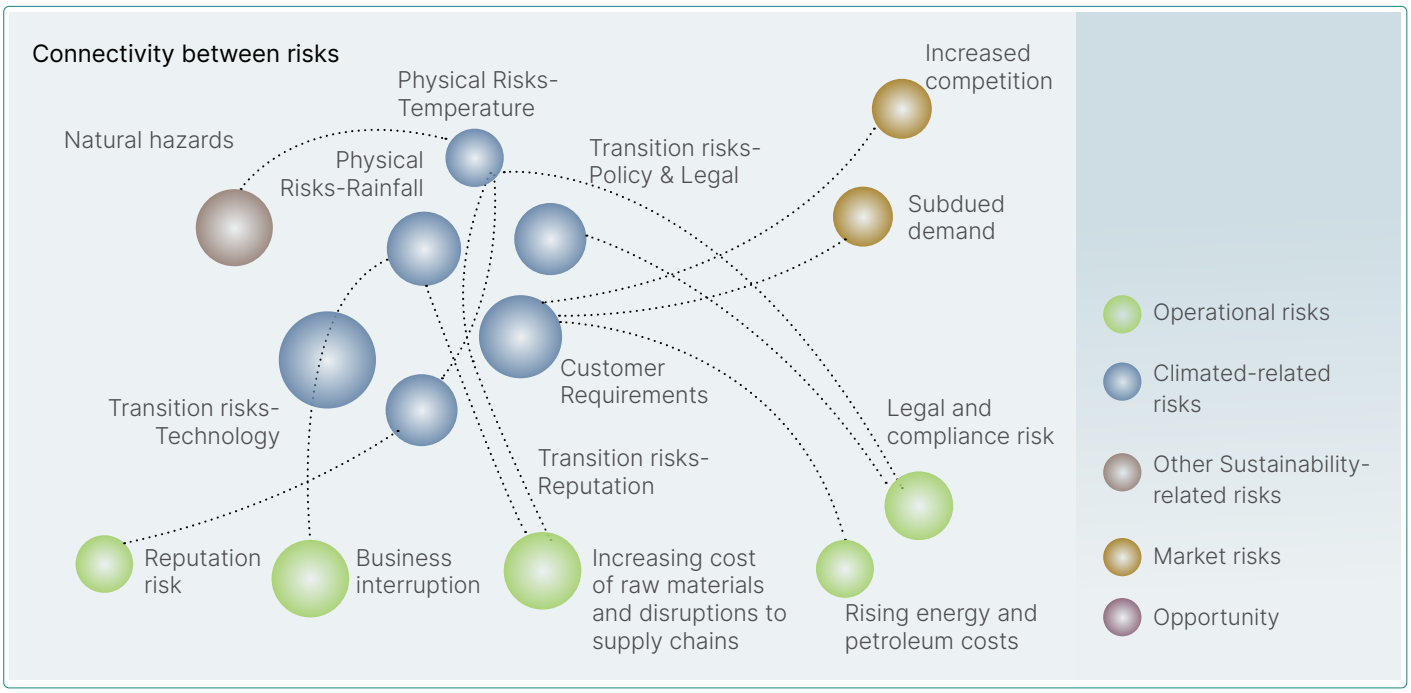
LEVERAGING ON ENERGY TRANSITION:

The Group views the opportunities stemming from the energy transition as a key growth area over the next few years with increased resources deployed towards widening the renewable energy generation footprint and sustainability mobility solutions.

Sustainability-Related Financial Disclosures

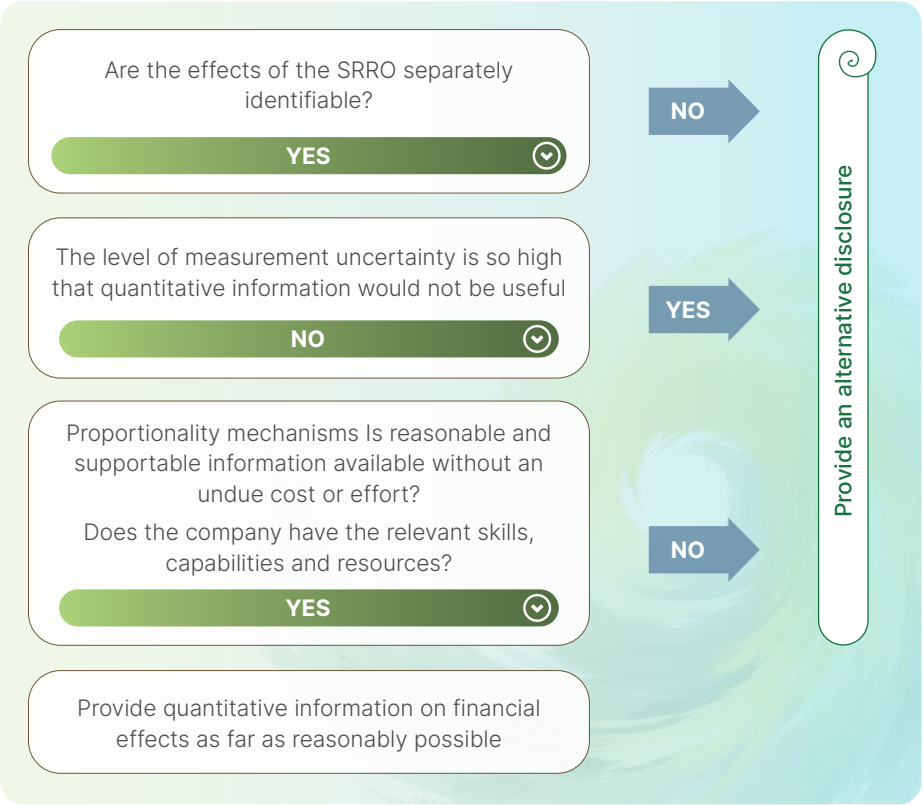
CONNECTIVITY OF RISKS

The Group's overall risk profile for the year is is discussed in greater detail in the Risks and Opportunities chapter of this Report on page 108. The following infographic demonstrates the link between these strategic, operational and other risks and the climate-related risks identified above. The size of the circle represents the magnitude of the risk.



APPROACH TO QUANTIFICATION

The Group commenced the quantification of financial effects of SRRO/CRRO in the previous financial year. While the limitations in resources and capabilities across the Group as well as unavailability of national level data renders it challenging to quantify financial effects, this year we have widened the scope of quantification with 4 SRROs/CRROs quantified, compared to 3 last year. We hope to further refine our methodology as we evolve our quantification processes over the next financial years. Quantifying potential financial impacts is challenging in the current absence of national-level data and a global, standardised calculation methodology. In determining which SRROs to quantify, we adopted the following criteria and decision diagram;



TRADE-OFFS CONSIDERED

The Group recognises that sustainability-related decision-making may involve trade-offs across financial, environmental and social considerations. Accordingly, ESG due diligence is integrated into major investment and strategic decisions to support balanced and responsible outcomes over the long term. Environmental and social risks, together with the potential impacts arising from the Group's operations and investments, are assessed as part of the overall evaluation and screening process.

CLIMATE STRATEGY AND TRANSITION

The Group's broader sustainability strategy is represented in the 6 long-term commitments of the Hayleys Lifecode as illustrated alongside. In determining these 6 areas of focus the relative exposures arising from the selected SRROs were taken into consideration, with the strategy formulated to effectively mitigate the impacts of these risks.

The Climate Action pillar of the strategy is articulated around the following four levers. Sector-level initiatives are broadly aligned to the Group climate strategy, thereby facilitating greater impact and a consistent approach across the Group.

Pillars of the Hayleys Lifecode

- Accelerate climate action
- Restore and regenerate nature
- Optimise resource footprint
- Responsible and responsive corporate citizenry
- Responsible work place
- Partner progress

Refer page 134-Strategic ESG integration for further information

Refer to the Group's ESG Report for further information on the Group's climate strategy

RESOURCE ALLOCATION

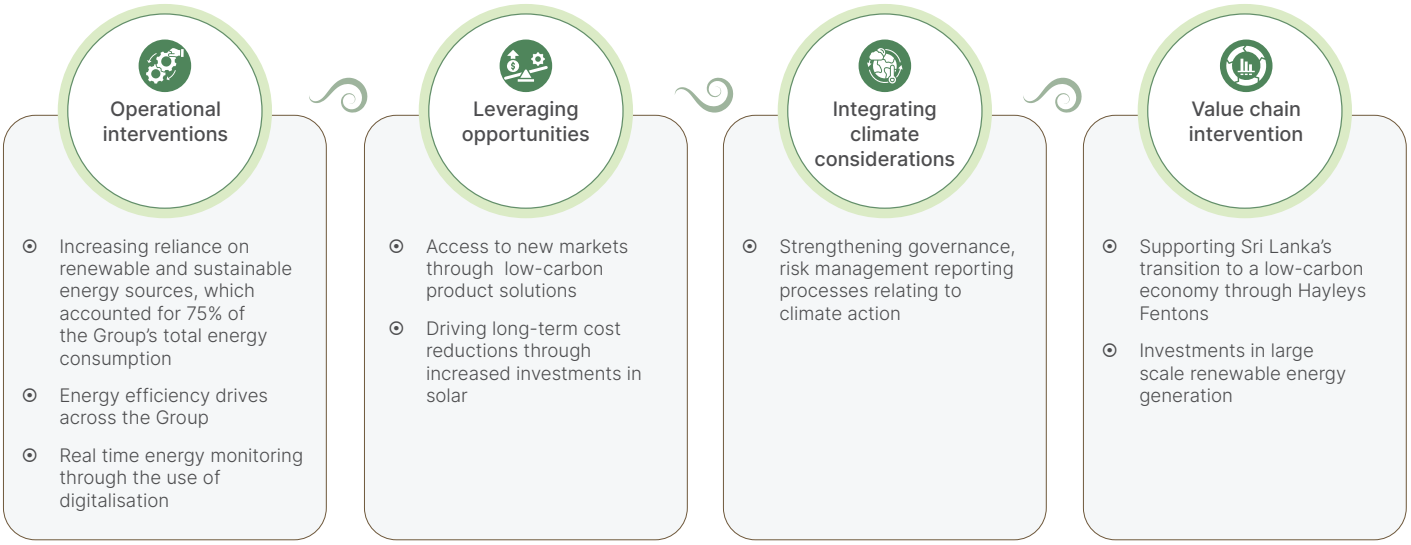
Resource allocation relating to sustainability and ESG initiatives is integrated into the Group's annual corporate planning and budgeting process. Investments associated with each sector's ESG strategy and roadmap are evaluated during the annual planning cycle and presented to the Board for review and approval, supporting alignment between sustainability priorities, strategic objectives and long-term value creation.

Please refer to page 186 for information relating to performance against defined targets in the Group's climate transition plan.

CLIMATE RESILIENCE

The Group uses climate-related scenario analysis to assess the potential business impacts of climate change and evaluate the resilience of its strategy and business model against a range of plausible future climate outcomes. This disclosure covers physical and transition CRROs. In accordance with SLFRS S1 & S2, the Group has applied the relief provision permitting qualitative disclosure of financial effects where quantification is not currently practicable. As discussed on page 174, climate scenario analysis is not presently directly integrated as an input into the identification process for sustainability-related and climate-related risks and opportunities (SRROs/ CRROs).

Climate Strategy



Sustainability-Related Financial Disclosures

METHODOLOGY AND APPROACH

The Group continues to adopt a qualitative approach to scenario analysis, commensurate with its circumstances, the complexity of the Group, and the proportionality mechanism.

Scenario selection: Three Group-level scenarios were developed based on internationally recognised physical and transition climate scenarios, sensitised to reflect the Sri Lankan national context. Scenario selection represents:

- The plausible range of futures, from an orderly low-carbon transition to a high-physical-risk divergence outcome
- Include a scenario consistent with limiting global warming to 1.5°C
- Reflect the national policy environment through alignment with Sri Lanka's Climate Prosperity Plan 2022 and NDC 3.0 commitments
- Be referenceable to internationally recognised frameworks (IPCC AR6; IEA WEO 2023) to enable stakeholder comparability

Time horizons: The time horizons defined on page 140, have been consistently applied in the Group's climate-scenario analysis.

Basis for qualitative disclosures: The Group is unable to provide quantitative financial effect disclosures under scenario analysis at this time because: (i) localised, sector-specific climate modelling data for Sri Lanka is not yet sufficiently available or reliable (ii) established quantitative crop-climate impact models for the Group's key agricultural commodities — including tea, rubber, and other plantation crops — do not yet exist at the required level of granularity; (iii) the trajectory of key domestic and international regulations remains subject to significant uncertainty and (iv) the Group does not yet have the internal data infrastructure and cross-functional modelling capabilities required for financially reliable quantification.

SCENARIO FRAMEWORK

The selected scenarios are based on international physical and transition climate scenarios and sensitised to reflect the local context based on the country's climate risk profile and national climate action agenda as represented by the country's NDC 3.0, Sri Lanka Climate Prosperity Plan and Carbon Net Zero 2050 Roadmap. Key assumptions made under each scenario are summarised below:

IPCC Scenarios used for physical risk assessment (AR6)			IEA World Energy Outlook Transitional Risk Scenarios (2023)		
Scenario	Description	Temp increase	Scenario	Description	Temp increase
SSP 1-2.6	Optimistic scenario with rapid transition to renewable energy, extensive carbon sinks and global co-operation in sustainable economic growth	1.8°C	Net Zero Emission (NZE) Scenario	Pathway achieving global net zero by 2050, supported by transformation of energy systems, rapid deployment of low-carbon technology and unprecedented global cooperation	1.4–1.5°C
SSP 2-4.5	Middle-of-the-road emissions pathway with some transition towards clean energy, inconsistent global cooperation and uneven efforts across countries	2.7°C	Announced Pledges Scenario (APS)	Assumes that governments will meet, in full and on time, all announced climate-related commitments although energy system changes remain inadequate	1.7°C
SSP 3-7.0	High-emission pathway, with energy mix dominated by fossil fuels, weak or inconsistent climate policies and severe climate risks	3.6°C	Stated Policies Scenario (STEPS)	Reflect the current policies and measures that are actually in place and what governments are doing to meet their targets	2.4°C

Sri Lankan Scenarios- Climate Prosperity Plan	
Business as usual (BAU)	Continuation of the current development trajectory with limited climate-related policy interventions. Domestic energy mix remains dominated by fossil fuels, NDC commitments are not met, and climate adaptation investment remains insufficient to materially alter the emissions pathway
Nationally Determined Contributions (NDC) scenario	The country meets its unconditional emission reduction target of 8.11% below BAU levels, delivers on sectoral reduction priorities — including a 75% contribution from the power sector through renewable energy expansion
Climate Prosperity Plan (CPP)	Sri Lanka's most ambitious domestic pathway, under which the country achieves maximum utilisation of its renewable energy resources, targeting 70% of energy requirements from renewable sources by 2030 and full decarbonisation of the electricity sector

HAYLEYS GROUP SCENARIOS

The three scenarios developed by the Group for qualitative assessment are summarised in the table below.

Hayleys Group Scenarios	Scenario A Net Zero	Scenario B Current Pathway	Scenario C Divergence
Reference scenarios	**IPCC: SSP1-2.6** IEA WEO 2023: NZE Sri Lanka: CPP	**IPCC: SSP2-4.5** IEA WEO 2023: APS Sri Lanka: NDC 3.0	**IPCC: SSP3-7.0** IEA WEO 2023: STEPS Sri Lanka: BAU
Global temperature (by 2100)	~1.5°C	~1.7°C	~2.4°C
Sri Lanka temperature (by 2100)	~1.2°C	~2.5°C	>3.0°C
Climate policy environment	Sri Lanka meets both its unconditional (8.11%) and conditional (11.98%) NDC 3.0 emission reduction commitments in full, achieving a total reduction of 20.09% below BAU by 2035. The Climate Prosperity Plan is fully implemented with strong international climate finance, technology transfer and global cooperation mobilised in support.	Sri Lanka meets its unconditional NDC 3.0 emission reduction commitments (8.11% below BAU by 2035). Adaptation ambitions and sectoral reduction targets are delivered, but conditional targets are only partially met due to limited mobilisation of international climate finance and technology support.	Neither unconditional nor conditional NDC 3.0 commitments are met. No material climate-related policy interventions are implemented at the domestic level. Global and local decarbonisation goals face a significant implementation gap, constrained by economic, political and institutional barriers.
Energy transition	Rapid decarbonisation of the energy system, with 70% of Sri Lanka's energy requirements fulfilled by renewable sources by 2030 and full decarbonisation of the electricity sector thereafter. Steep decline in fossil fuel demand.	Gradual transition towards cleaner energy, with renewable energy expansion progressing in line with NDC 3.0 power sector targets — the power sector contributing approximately 75% of total NDC emission reductions.	Energy mix remains dominated by fossil fuels. No accelerated shift towards renewables. Limited investment in energy transition technologies. No material carbon pricing or energy transition incentives in place

Sustainability-Related Financial Disclosures

Hayleys Group Scenarios	Scenario A Net Zero	Scenario B Current Pathway	Scenario C Divergence
Forests & land use	Forest cover rebounds beyond the NDC 3.0 target of 32% by 2035. Active reforestation, sustainable land management and nature-based solutions are fully scaled. Carbon sink capacity is maximised in line with CPP ambitions.	NDC 3.0 forest cover target of at least 32% by 2035 is met. Sustainable forest management and degraded land restoration are implemented in line with stated commitments. Sustainable agriculture practices and post-harvest loss reduction are progressively adopted.	Forest cover targets are not met. Deforestation pressures persist and land-use change continues on a BAU trajectory, reducing carbon sink capacity and amplifying biodiversity and ecological risks.
Physical climate outcomes for Sri Lanka	Manageable increase in physical risk. Rainfall variability and temperature increases remain within a range addressable through planned adaptation measures. Extreme weather events occur but at a frequency and severity consistent with the lower-emission pathway.	Moderate physical risk materialises over the medium-to-long term. Rainfall variability increases and temperatures rise to approximately 2.5°C. Extreme weather events become more frequent, placing increasing pressure on agricultural operations, water availability and supply chains.	Severe physical risk across all sectors. Temperatures exceed 3°C above pre-industrial levels. Drought frequency and intensity in dry and intermediate zones increases materially. Extreme rainfall events and prolonged dry spells cause widespread disruption to agricultural supply chains and infrastruture
Implications for the Group	⊙ Significant transition investment required in ST–MT: renewable energy, manufacturing decarbonisation, EUDR and CBAM supply chain compliance. ⊙ Physical risk manageable with planned adaptation measures. ⊙ Early movers in sustainability positioned to benefit from green market premiums and improved access to sustainable finance.	⊙ Moderate transition costs and compliance requirements with greater flexibility on timing than Scenario A. ⊙ Physical risks manageable near-term but require progressive adaptation investment over MT–LT, particularly for plantation and agricultural operations.	⊙ Transition risk lowest, but physical risk most severe and financially material. ⊙ Agricultural yields, water availability and supply chain reliability significantly impaired over LT. ⊙ Absence of carbon price and sustainability regulations forecloses green market opportunities and exposes the Group to stranded asset risk over the long term.

RESILIENCE TESTING

CRRO#1: Physical climate risk- Rainfall

In higher-emission scenarios, Sri Lanka's dry and intermediate zones are expected to experience more frequent and severe droughts alongside increased variability in rainfall intensity and distribution. Climate projections indicate rising frequency of extreme sub-daily rainfall events and heavier five-day rainfall volumes. These patterns have direct implications for agricultural raw material supply chains, plantation operations, and sectors serving the agriculture value chain. For the Group as illustrated below, significant implications could be expected across several sectors relying on agricultural raw materials, sectors engaging in plantations and those catering to the agriculture sector through input materials, equipment.

● Low ● Medium ● High

Our scenario	Scenario A- Net Zero			Scenario B-Current Pathway			Scenario C-Divergence		
	ST	MT	LT	ST	MT	LT	ST	MT	LT
Plantations	●	●	●	●	●	●	●	●	●
Agriculture	●	●	●	●	●	●	●	●	●
Hand Protection	●	●	●	●	●	●	●	●	●
Purification	●	●	●	●	●	●	●	●	●
Textiles	●	●	●	●	●	●	●	●	●
Eco Solutions	●	●	●	●	●	●	●	●	●
Industry Inputs, Power & Energy	●	●	●	●	●	●	●	●	●

Resilience of strategy: Key strategic interventions in mitigating rainfall exposure include climate adaptation measures in the Plantation Sector including crop diversification, data-driven monitoring of precipitation and rainfall patterns, diversification of supplier base (Purification and Eco Solutions) and backward integration among others. While these interventions will be adequate in the low-emission scenario, the increase in extreme weather events and limited opportunities in climate-resistant technology in the high-emission scenario will impact the Group's operations in the high-emission divergence scenario.

Capacity to adjust business model and strategy: The Group currently remains in a position to adapt its business model through crop diversification, deployment of unused lands to agricultural export crops, diversification of supply chain and backward integration. Further investments may be required over the medium-to-long in sutaibly leveraging technology for precision agriculture techniquess and minimising the imapct of weather variability.

The table below describes the financial areas potentially affected by this risk.

Financial area potentially affected	Direction of impact	Relative magnitude	Scenario-differentiated narrative
Revenue - plantation and agricultural segments	Downward pressure	Potentially significant (High exposure sectors in Scenario C)	Scenario A: limited impact expected with managed rainfall variability. Scenario B: moderate yield and quality reductions likely in dry zones. Scenario C: materially adverse yield and supply disruption expected, particularly for tea and rubber
Cost of goods sold - raw material procurement	Upward pressure	Moderate to significant	Scenarios B/C: reduced local agricultural output likely to increase procurement costs and necessitate sourcing from alternative, potentially higher-cost suppliers for Purification and Eco Solutions
Capital expenditure - adaptation investments	Upward pressure	Moderate (Scenarios A/B); Significant (Scenario C)	Increasing investment expected in water management infrastructure, precision agriculture technology, and climate-resilient crop varieties
Operating costs - insurance and risk management	Upward pressure	Moderate across all scenarios	Rising frequency of weather-related disruptions expected to increase insurance premiums and operational contingency costs.

Sustainability-Related Financial Disclosures

CRRO#2: PHYSICAL CLIMATE RISK- TEMPERATURE

Sri Lanka's average temperature rise is projected to be below the global average across all emission pathways, with increases estimated at approximately 1.2°C (Scenario A), 2.5°C (Scenario B), and above 3°C (Scenario C) above pre-industrial levels by 2100. Temperature increases have direct implications for agricultural yield, quality, and quantity; labour force productivity, cooling energy demand and human health and morbidity.

● Low ● Medium ● High

Our scenario	Scenario A- Net Zero			Scenario B-Current Pathway			Scenario C-Divergence		
	ST	MT	LT	ST	MT	LT	ST	MT	LT
Plantations	●	●	●	●	●	●	●	●	●
Agriculture	●	●	●	●	●	●	●	●	●
Hand Protection	●	●	●	●	●	●	●	●	●
Purification	●	●	●	●	●	●	●	●	●
Eco Solutions	●	●	●	●	●	●	●	●	●
Transportation and Logistics	●	●	●	●	●	●	●	●	●
Consumer & Retail	●	●	●	●	●	●	●	●	●

Resilience of strategy: Plantations and Agriculture sectors are pursuing climate-smart agriculture techniques including climate resitant seed varieties and regenerative practices. Crop diversification is also being explored, with the aim of increasing contribution from climate-resistant crops. The Group is also pursuing diversification of supply chains, in mitigating the exposure to climate change. While this strategy is expected to be effective in the low and mid-emission pathways, the temperature increase of more than 30Cin the high-emission pathway will be challenging to the Group and require more transformative change in order to effectively mitigate the impacts of rising temperature and adverse weather events. gh-emission divergence scenario.

Capacity to adjust business model and strategy: Similar to its strategy against increasing variability in rainfall the Group is currently positioned to adapt its business through crop diversification, deployment of unused lands to agricultural export crops, diversification of supply chain and backward integration. However, over the long-term more substantial investments may be required in suitably leveraging technology for Further investments may be required over the medium-to-long in suitable technological interventions, further diversification of operations and alternative raw materials in minimising the impact of rising temperature.

Financial area potentially affected	Direction of impact	Relative magnitude	Scenario-differentiated narrative
Revenue - plantation and agricultural segments	Downward pressure	Moderate (Scenarios A/B); Significant (Scenario C)	Scenario A: temperature increase manageable with climate-smart agriculture adaptations. Scenarios B/C: progressive yield and quality degradation for temperature-sensitive crops
Operating costs - labour productivity	Upward pressure	Moderate and increasing over time (LT)	Rising temperatures expected to reduce outdoor labour productivity and increase cooling energy demand across manufacturing facilities, cold-chain logistics, and consumer-facing operations. Impact escalates significantly under Scenario C (>3°C).]
Capital expenditure - infrastructure adaptation	Upward pressure	Moderate (LT, all scenarios); Significant (LT, Scenario C)	Potential requirement for facility upgrades, and supply chain infrastructure over the medium-to-long term, particularly in Scenario C where transformative change may be required

CRRO#3: CLIMATE-RELATED TRANSITION RISK- POLICY& LEGAL, MARKET DEMAND

The global and domestic transition to a low-carbon economy creates policy, legal, market, and technology-related risks for the Group's export-oriented sectors and those with carbon-intensive operations. Key regulatory developments include the EU Carbon Border Adjustment Mechanism (CBAM), the EU Deforestation Regulation (EUDR), packaging regulations under the European Green Deal, International Maritime Organization (IMO) shipping emissions standards, and domestic policy developments under Sri Lanka's Climate Prosperity Plan 2022 and NDC commitments.

● Low ● Medium ● High

Our scenario	Scenario A- Net Zero			Scenario B-Current Pathway			Scenario C-Divergence		
	ST	MT	LT	ST	MT	LT	ST	MT	LT
Hand Protection	●	●	●	●	●	●	●	●	●
Textiles	●	●	●	●	●	●	●	●	●
Purification	●	●	●	●	●	●	●	●	●
Transportation & Logistics	●	●	●	●	●	●	●	●	●
Construction Materials	●	●	●	●	●	●	●	●	●

Resilience of strategy: The Group is proactively monitoring sustainability-related policy and regulations, particularly from the EU. The impacts of EUDR and CBAM are expected to materialise in the short to medium-term and will require increased investments in reducing emissions, supply chain interventions as well as product and packaging innovation. In Scenarios B and C, the Group is on track to comply with major regulations, a Net Zero pathway (Scenario A) will require significant investments in processes, resources, technology and capabilities in the medium-to-long term to comply with emerging developments.

Capacity to adjust business model and strategy: The capacity to adjust the business model varies from Sector to Sector; Hand Protection, Textiles and Purification which are significantly exposed to emerging regulations are positioned to gradually adjust its business model and strategy given the nature of the emerging policy developments and required interventions. Transportation & Logistics on the hand, may face challenges given the significant investments required in retrofitting vessels and upgrading infrastructure, which could materialise in the medium-to-long term under a Net Zero Scenario.

Financial area potentially affected	Direction of impact	Relative magnitude	Scenario-differentiated narrative
Revenue - export-oriented sectors	Downward pressure (risk); upward potential (opportunity)	Potentially significant for Hand Protection, Textiles, Purification and Construction Materials	Scenario A: highest regulatory compliance cost but also greatest market access benefit for certified/low-carbon products. Scenarios B/C: EUDR and CBAM impacts materialise at lower stringency, offering some compliance runway
Operating costs - carbon and regulatory compliance	Upward pressure	Moderate (Scenarios B/C); Significant (Scenario A)	CBAM cost exposure increases under more ambitious decarbonisation pathways. Domestic energy policy under CPP scenarios will affect input costs for energy-intensive operations.
Capital expenditure - fleet, infrastructure, processes	Upward pressure	Significant for Transportation & Logistics (Scenario A)	Vessel retrofitting and fleet electrification requirements under IMO and domestic policies represent the most capital-intensive transition cost exposure. The required investment timeline under Scenario A is materially shorter than under B or C.
Market access and competitiveness	Mixed — risk and opportunity	Sector-dependent	Sectors with strong sustainability credentials (Hand Protection, Textiles) are positioned to benefit from green procurement trends. Sectors slower to transition face market access risk in EU and regulated markets. Net impact is sector- and scenario-specific.

Sustainability-Related Financial Disclosures

CRRO#4: ENERGY TRANSITION (OPPORTUNITY)

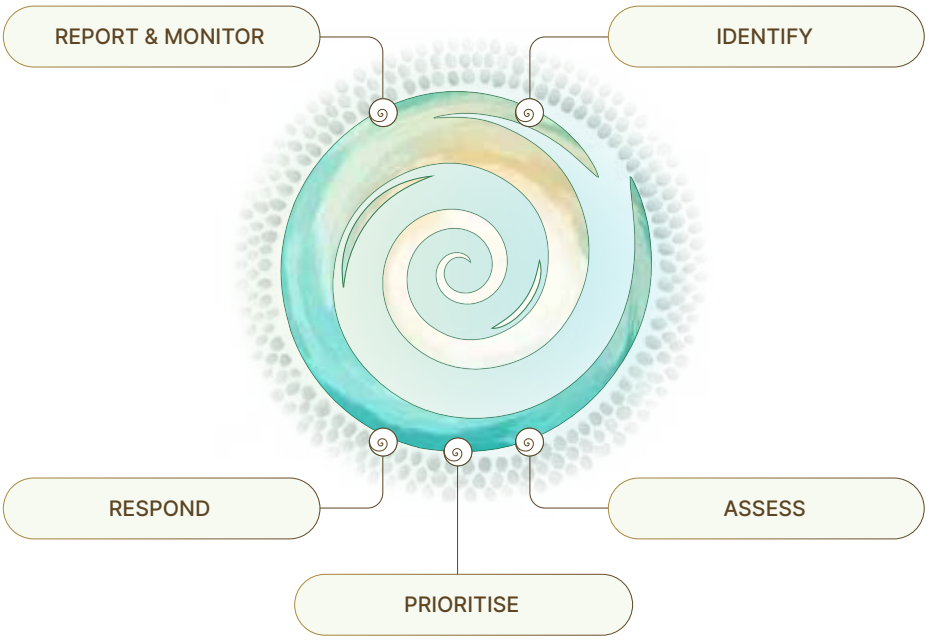
The transition to a low-carbon economy presents significant commercial opportunities for the Group, particularly for sectors positioned to benefit from rising demand for renewable energy, sustainable products, and nature-based solutions. Under Scenarios A and B, accelerated policy support and evolving market preferences are expected to create new revenue streams, reduce cost exposure to fossil fuel price volatility, and strengthen competitive positioning in sustainability-conscious export markets.

Opportunity type	Relevant sectors	Applicable scenario(s)	Time horizon	Nature of financial benefit (qualitative)
Renewable energy generation & energy cost reduction	Industry Inputs, Power & Energy, Energy, Mobility and Projects	A / B (strongest)	ST, MT, LT	Sectors engaged in renewable energy generation are positioned to benefit from growing demand for renewable energy generation, supported by Sri Lanka's NDC 3.0 target of 70% renewable energy by 2030. This opportunity is most significant under Scenario A but remains relevant across all three scenarios as a cost reduction and energy security measure
Sustainable mobility solutions	Energy, Mobility and Projects	A / B (strongest)	ST	Demand for sustainable mobility solutions is expected to grow significantly under Scenarios A and B, supported by Sri Lanka's NDC 3.0 commitment to improve vehicle fleet fuel economy and emission performance by 25% by 2035, and an accelerating consumer shift towards electric vehicles driven by an increasing influx of relatively affordable EV options in the local market.
Energy storage solutions	Purification	A / B (strongest)	ST, MT, LT	Upside potential is more pronounced under Scenario A, where policy-driven decarbonisation accelerates the transition, but the underlying demand trajectory for storage solutions remains robust across Scenarios A and B

RISK MANAGEMENT

In line with the Group's roadmap towards achieving full compliance with the SLFRS Sustainability Disclosure Standards, the Group significantly strengthened its sustainability risk management processes during the year. During the year, the Group fully embedded the management of sustainability-related risks to its existing ERM framework. As such, a formalised risk management framework was implemented across the Group during the year, clearly articulating mechanisms for risk identification, assessment, prioritisation and reporting, alongside the establishment of appropriate governance structures to oversee its effective execution. Refer to page 108 of the Risks and Opportunities Chapter of this Report for further information.

RISK MANAGEMENT



ADVANCING SUSTAINABILITY RISK MANAGEMENT

2023/24

- Identification of climate-related risks
- Qualitative assessment of implications

2024/25

- Widen risk coverage to include broader sustainability-related risks
- Quantification of financial effects for CRROs

2025/26

- Integration of sustainability-related risks to the ERM framework
- Strengthen oversight with the establishment of a Risk Management Committee
- Definition of criteria for risk assessment and prioritisation
- Quarterly reporting to the Board

Risk Identification: Group entities are required to translate internal developments, external trends and drivers into identified risks, which could potentially impact strategic performance and business objectives. Designated persons at Sector-level have been discharged with the responsibility of convening meetings with operational teams (including sustainability practitioners) to identify Sector-specific risks. At present, the Group's broader sustainability-related risk identification and assessment processes incorporate key nature-related impacts and dependencies, including water withdrawal and consumption, waste generation and resource utilisation across operations and value chains. As the Group further integrates the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), it intends to progressively incorporate more formalised nature-related assessment methodologies into its risk management and reporting processes.

Risk Assessment: Risk assessment considers the extent to which identified risks could impact the Group's strategy, business objectives and long-term value creation. The assessment process incorporates a range of approaches including expert input, forecasting and valuation techniques, scenario analysis and the use of external tools and market information, where relevant. Risks are assessed based on both their potential impact and likelihood of occurrence, taking into consideration possible financial, operational, customer, workforce and reputational implications. Likelihood assessments consider the probability and expected frequency of occurrence of a given risk event over the short to medium term.

Tools and processes

- Stakeholder engagement
- Regular performance updates
- Analysis of megatrends
- SWOT analysis
- Media monitoring
- Internal and audit findings

Inputs and parameters

- Environment, climate and nature-related parameters
- Operational indicators
- Regulatory and market parameters

IMPACT				
Severity	Catastrophic	High	Medium	Low
Criteria	Revenue, EBITDA, Employee turnover, Loss of customers, Reputational damage			
LIKELIHOOD				
		High	Medium	Low
Criteria	Frequency of occurrence, Chance of occurrence			

Risk Prioritisation: Risks are prioritised to determine the urgency of the response, types of action required and the resource deployment that may be required. Prioritisation should follow cross-functional debates and discussions with representatives from the relevant functions. Risk assessment and prioritisation culminates in the formulation of a risk-heat map which visually communicates the risk landscape of an organisation, facilitating management attention and resource deployment.

Sustainability-Related Financial Disclosures

USE OF CLIMATE-RELATED SCENARIO ANALYSIS

At present, climate scenario analysis is not directly integrated as an input into the identification process for sustainability-related and climate-related risks and opportunities (SRROs/CRROs). The Group's climate scenario analysis processes remain at a foundational stage, with further work expected going forward to progressively strengthen scenario analysis capabilities and integrate related insights more closely into risk identification, assessment and strategic decision-making processes.

Reporting and Monitoring: Risk management follows a structured and tiered reporting process designed to ensure accountability and timely oversight. Consolidated risk heatmaps are tabled to the Risk Committee. Significant risks and mitigation measures are escalated to the Audit Committee and Board of Directors for review and alignment with group-wide governance standards.

Integration into existing risk management frameworks: The Group applies a consistent risk management procedure across both business risks and SRROs/CRROs ensuring alignment within the broader Enterprise Risk Management framework. Accordingly, SRROs and CRROs are assessed, monitored and tabled alongside other principal risks to the Audit Committee, with key matters subsequently communicated to the Board for oversight and strategic consideration.

METRICS & TARGETS

This Chapter presents the Group's sustainability-related metrics and targets established to monitor performance in managing material sustainability-related and climate-related risks and opportunities. The chapter has been structured into two broad sections: (i) climate-related risks and opportunities and (ii) other sustainability-related risks and opportunities (SRROs). Climate-related disclosures have been further categorised into cross-industry metrics and targets applicable across the Group, together with industry-specific disclosures focused on sectors exposed to the most significant climate-related risks and opportunities.

Climate-related metrics and targets

Cross-industry metrics

Greenhouse gas (GHG) emissions

Computation methodology: The Group measure its Greenhouse gas (GHG) emissions based on the GHG Protocol-Corporate Accounting and Reporting Standard (revised edition). Hayleys also conducted a Group-wide verification of its carbon footprint in accordance with ISO 14064-1(2018)- Greenhouse Gas (GHG) through engaging Control Union.

Organisational and operational boundary: The Group's carbon footprint computation represents all 14 Sectors and 195 subsidiaries which includes both the Group's local and overseas operations. The Group applies the financial control approach in defining its organisational boundary for greenhouse gas accounting purposes. The Group's operational boundary includes Scope 1 and Scope 2 emissions together with selected material Scope 3 categories as described in further detail in subsequent sections.

Maturity of Scope 3 emissions

The Group's Scope 3 emissions are considerably larger than its Scope 1 and 2 emissions, given the depth and breadth of our operations. We are cognisant that accurately capturing the entirety of our Scope 3 emissions is extremely challenging at this juncture and we are adopting a phased approach to identify and measure our Scope 3 emissions. As disclosed last year we continue to widen the coverage of our Scope 3 emissions by adding 2 new categories (fuel and energy related activities and capital goods) thereby reporting on the following 7 categories as a minimum standard across the Group*.

- Category 2: Capital goods
- Category 3: Fuel and energy related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution

Meanwhile, several sectors (particularly Sectors which have committed to SBTI) report all categories of the Scope 3 emissions as listed below.

Sector	Scope 1	Scope 2	Categories captured under Scope 3	Assurance by 3rd party
Eco Solutions	✓	✓	7 categories	✓
Hand Protection	✓	✓	9 categories	✓
Purification	✓	✓	7 categories	✓
Textiles	✓	✓	10 categories covered	✓
Construction Materials	✓	✓	7 categories	✓
Plantations - Talawakelle Tea Estates - Kelani Valley Plantations - Horana Plantations	✓	✓	11 categories covered 5 categories covered 7 categories covered	✓
Agriculture	✓	✓	7 categories	✓
Consumer & Retail	✓	✓	7 categories	✓
Leisure	✓	✓	7 categories	✓
Industry Inputs, Power & Energy	✓	✓	7 categories	✓
Transportation and Logistics	✓	✓	14 categories covered	✓
Energy, Mobility and Projects	✓	✓	6 categories covered	✓
Tea Exports	✓	✓	7 categories	✓
Others	✓	✓	7 categories	✓

Measurement approach: In most instances, the Group has used the Global Warming Potential (GWP) and emission factors published by the Intergovernmental Panel on Climate Change (AR6) in assessing the climate impact of various gases; for emission categories for which IPCC factors are not directly available the Group has relied on other sources. Assumptions and emission factors relating to the computation of the scopes and categories of Scope 3 emissions are listed below:

Scope 3 emission category	Coverage	Emission factors
Scope 1	Emissions stemming from sources that are owned or controlled by Group including stationary combustion, mobile consumption and fugitive emissions. Fuel allowances paid by the organisation to employees is also taken into consideration. Fugitive emissions consist of emissions from refrigerants, fire extinguishers and waste-water treatments.	IPCC (AR6) emission factors
Scope 2	Emissions stemming from purchased electricity	Grid emission factors in the respective countries
Category 2: Capital goods	Emissions from the production of durable assets purchased by the company	DEFRA emission factors 2025
Category 3: Fuel and energy related activities	Emissions from the production and extraction of fuels and energy purchased and consumed by the company that are not included in Scope 1 or Scope 2.	DEFRA emission factors 2025
Category 4: Upstream transportation and distribution	Calculated based on the procurement of both imported and local input materials by air, sea and road. The computation of imported goods considers emissions generated from the port of importation to the organisation's premises.	DEFRA emission factors India GHG emission factors

Sustainability-Related Financial Disclosures

Scope 3 emission category	Coverage	Emission factors
Category 5: Waste generated in operations	Disposal and treatment of waste generated through operations	DEFRA emission factors 2025
Category 6: Business travel	Transportation of employees for business- related activities in vehicles not owned or operated by the company.	ICAO Carbon Emissions Calculator Ecoinvent 3.1
Category 7: Employee commuting	This includes emissions associated with commuting by all employees between their homes and worksites other than those which are given a fuel allowance,. Data is collated through employee surveys which are conducted every two years, covering approximately 80% of employees.	India GHG emission factors
Category 9: Downstream transportation and distribution	This includes emissions that occur from transportation and distribution of finished products, both locally and for exports. The computation of exported goods considers emissions generated up to the port of export.	DEFRA emission factors India GHG emission factors

There have been no changes to the measurement approach compared to the previous year other than the use of updated emission factors.

The Group's GHG emissions for the year under review are given below:

Scope 1 and Scope 2 Disclosures

	Greenhouse gas emissions (metric tonnes CO2e)					
Description	Scope 1		Scope 2		Total	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Consolidated accounting group	112,756	113,207	70,520	72,587	183,276	185,794
Other investee (investment in associate)	280	346	1063	983	1,343	1,329
Total	113,036	113,553	71,583	73,570	184,619	187,120

Scope 3 disclosures

Scope 3 Emissions	Greenhouse gas emissions (metric tonnes CO2e)	
Category description	2024/25	2025/26
Category 2: Capital goods	-	4,966
Category 3: Fuel and energy-related services	-	35,239
Category 4: Upstream transportation and distribution	30,537	25,178
Category 5: Waste generated in operations	1,550	935
Category 6: Business travel	791	2,890
Category 7: Employee commuting	7,504	8,724
Category 9: Downstream transportation and distribution	111,153	54,184
Total	151,534	132,116

Climate-related transition risks

Exposure to climate-related transition risks is considered to be most significant within the Construction Materials, Transportation & Logistics and Textiles Sectors, where operational assets are more susceptible to evolving regulatory requirements, technological shifts and changing market expectations associated with the transition to a lower-carbon economy

Sector	Description	Assets (LKR mn)	% of assets
Transportation Sector	The sea-going fleet of Advantis is exposed transition risks arising from IMO regulations, which may necessitate significant retrofitting investments or potentially result in certain vessels becoming obsolete over time.	4,501	1%
Construction Materials Sector	Assets within the Construction Materials Sector may be exposed to transition risks arising from the CBAM, which could necessitate the gradual phase-out or replacement of carbon-intensive manufacturing assets	1,021	-

Climate-related physical risks

Of these Sectors, exposure of assets to physical climate risks is most pronounced within the Plantations Sector, while the remaining sectors are more likely to experience impacts on revenue generation. A summary of asset vulnerability is presented below:

Sector	Description	Assets (LKR mn)	% of assets
Plantations	The Sector's mature and immature plantations, distributed across 55 estates, are inherently vulnerable to the impacts of excessive rainfall, prolonged wet conditions and associated climate-related disruptions	9,840	2%

Climate-related opportunities

Climate-related opportunities across the Group primarily stem from the global energy transition, with the most significant benefits expected to accrue to the renewable energy portfolio within the Hayleys PLC Group. Additional opportunities are also evident in sustainable mobility solutions offered by Hayleys Fentons, alongside the renewable energy generation activities within the Industry Inputs, Power & Energy Segment and the energy storage solutions of the Purification Sector.

Capital deployment

The Group's future investments directed towards climate-related opportunities are summarised in the table below.

Purification Sector- Energy storage solutions
Energy, Mobility and Projects
Investments in renewable energy generation
Investments in scaling sustainable mobility solutions
Industry Inputs, Power & Energy
Investments in renewable energy generation projects

Internal carbon prices

The Group currently does not apply an internal carbon price within its operations or decision-making processes.

Remuneration

As discussed on page 148 the Group is in the process of aligning sustainability-related KPIs with remuneration frameworks across its sectors..

Sustainability-Related Financial Disclosures

Industry-based metrics

The Hayleys Group operates across 14 industry verticals and reports under 9 applicable SASB Industry Standards. Disclosures are scoped to those sectors where the Group's double materiality assessment has identified material climate-related risks and opportunities (CRROs), and where the applicable SASB standard provides climate-specific metrics that are relevant and reportable in the current period. This approach ensures that disclosures are decision-useful to primary users without presenting immaterial information that could obscure material matters. The basis for inclusion or exclusion of each sector is set out in the table below.

Mechanism for selecting metrics

The selection of metrics for each Climate-Related Risk and Opportunity (CRRO) and Sustainability-Related Risk and Opportunity (SRRO) was informed by the relevant industry-specific SASB Standards, with priority given to those metrics considered most relevant to the Group's operating context and the assessment of material sustainability-related matters. Given the diversified nature of the Group's portfolio, certain additional SASB metrics that are relevant to specific sectors and operating companies have not been included within the CRRO and SRRO disclosures and are instead discussed within the respective portfolio reviews presented on pages 212 to 317. This approach ensures that disclosures remain focused on the most decision-useful metrics while providing comprehensive coverage of sustainability-related performance across the Group.

Plantations (SASB Standard: Agricultural Products)

Material CRRO identified Physical climate risk- Temperature and Rainfall		**Basis** Highest physical risk exposure		
SASB Code	Metric	Unit	2025/26	2024/25
FB-AG-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO_2-e	18,711	18,041
FB-AG-130a.1	Operational energy consumption -% grid electricity -% renewable	GJ % %	484,858 9 85	547,811 17 77
FB-AG-140a.1	Total water withdrawal -% from high/extremely high stress**	M3 %	 100	 100
FB-AG-140a.2	Description of water management risks	Refer to ESG report for further information		
FB-AG-140a.3	Incidents of non-compliance related to water quantity/quality	No.	Nil	Nil

** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

Textiles (SASB Standard: Apparel, Accessories & Footwear)

Material CRRO identified Transition-related risks		**Basis** Direct exposure to global brand sustainability requirements and significant contribut		
SASB Code	Metric	Unit	2025/26	2024/25
CG-AA-440a.2	Amount of priority raw materials purchased (MT) and certified % -Cotton -Polyester -Dyes and Chemicals	% 	 7,407(44%) 9,819(19%) 12,239(100%)	 8,021(41%) 10,609(18%) 13,385 (100%)

Hand Protection (SASB Standard: Household & Personal Products)				
Material CRRO identified Transition-related risks		**Basis** Significant export exposure to carbon-regulated markets		
SASB Code	Metric	Unit	2025/26	2024/25
CG-HP-140a.1	Total water withdrawn Total water consumed, Percentage withdrawn from High or Extremely High Baseline Water Stress**	%	100	100
CG-HP-140a.2				

** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

Purification (SASB Standard: Chemicals)				
Material CRRO identified Transition-related risks		**Basis** Significant export exposure to carbon-regulated markets and escalating customer pressures		
SASB Code	Metric	Unit	2025/26	2024/25
RT-CH-110a.1	Gross global Scope 1 emissions Coverage of emission-limiting regulations	Metric tons (t) CO_2-e, %	13,303	13,741 -
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions	Refer to page 171 for further information		
RT-CH-130a.1	Total energy consumed Renewable energy Grid electricity Self-generated energy	GJ % % %	1,237,234 77 10 76	1,473,979 75 11 75
RT-CH-140a.1	Total water withdrawn Total water consumed Percentage of each in regions with High or Extremely High Baseline Water Stress	 M3 M3 %	 684,768 807,939 100	 673,560 689,921 100
RT-CH-140a.2	Number of incidents of non-compliance relating to water	No.	Nil	Nil

Transportation & Logistics (SASB Standard: Marine Transportation)				
Material CRRO identified Transition-related risks		**Basis** Risks stemming from IMO regulations and significant contribution of emissions to the Group		
SASB Code	Metric	Unit	2025/26	2024/25
TR-MT-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO_2-e	28,935	27,701
TR-MT-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions			
TR-MT-110a.3	(1) Total energy consumed (2) percentage heavy fuel oil (3) percentage renewable	GJ % %	372,138 93 3	343,424 80 3

Sustainability-Related Financial Disclosures

CLIMATE-RELATED TARGETS

Climate-related targets are defined through the Group's ESG Roadmap, the Hayleys Lifecode and cascaded to sectors through sector-specific ESG targets. The target-setting process incorporates both top-down and bottom-up approaches, with the Centre team and sectors collaboratively establishing targets aligned with business growth objectives and sustainability aspirations. Targets are reviewed and approved by the respective ESG Steering Committees and the Hayleys Board, with progress monitored through quarterly Board-level reviews. Targets have not yet been validated by a third party, other than the sectors set out alongside which have committed to the Science-based-targets-initiative.

The Group's key climate-related targets and progress against the targets is summarised below:

Commitment to SBTi

The following Sectors, which collectively account for 28% of the Group's GHG emissions have committed and obtained verification of its SBTi targets

- Talawakelle Tea Estates PLC
- Hayleys Fabric PLC
- Kelani Valley Plantations PLC

Targets

DESCRIPTION OF THE TARGET

The Group's climate-related targets are mitigation targets and cover the Group's scope 1, 2 and 3 emissions. Targets relate to the entities within the Group's financial and operating boundary in the baseline year of 2018/19. Companies which were acquired by the Group subsequently have an annual 4% y-o-y reduction target in Scope 1 and 2 GHG emissions.

SASB Code	Metric	Unit	2025/26
Metric used to set/monitor the target	tCO2e	Time horizon of the target	Long-term target (2030)
Base period and baseline value	FY 2018/19 Scope 1: 46,472 tCO2e Scope 2: 55,647 tCO2e Scope 3 emissions: 5548 tCO2e	Milestones and interim targets	4% annual reduction
Third-party frameworks	No	Changes to the target	No change
Performance against the targets	Target	2025/26	2024/25
Scope 1 GHG emissions	30% reduction by 2030	0%	6%
Scope 2 GHG emissions	30% reduction by 2030	3%	-2%
Scope 3 GHG emissions	10% reduction by 2030	0%	1527%

We are acutely aware that reducing our Scope 3 emissions will require extensive collaboration across our upstream and downstream value chains as well innovation in our product development processes. As our understanding on our Scope 3 emissions increase and we identify opportunities for emission reduction across our value chains, our targets are unlikely to remain static and will evolve as our own maturity in this space grows

SRRO METRICS AND TARGETS

The Group has established a set of metrics and targets to monitor and assess performance against its identified sustainability-related risks and opportunities (SRROs). In determining the relevance and appropriateness of these metrics, the Group has referred to internationally recognised frameworks and guidance, including the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), together with internally developed indicators embedded within the Group's and sector-level ESG Roadmaps.

SRRO#1: Ecological Impacts

In determining the metrics and disclosures relating to ecological impacts, the Group has referred to the recommendations and guidance of TNFD. As the Group remains in the early stages of its TNFD implementation journey, the current disclosures represent a foundational baseline

intended to support the progressive integration of nature-related considerations into decision-making and reporting processes. The Group will continue to enhance and refine its ecological impact-related metrics, over time as data availability and assessment capabilities further mature.

Metric 1			
Metric name and definition	Total rehabilitated/restored area (km2) Source: TNFD guidelines Refers to the total land area under active rehabilitation or restoration initiatives during the reporting period, including areas where tree planting, reforestation and ecosystem restoration programmes are currently being implemented.		
Scope and boundary	Metrics refers to the consolidated group		
Method of computation and inputs, assumptions	The metric is quantified in hectares based on the extent of land area under active rehabilitation and restoration programmes during the reporting period		
Nature of metric	Absolute measure	Third-party validation	No

Targets

Description of the target
Increase the biodiversity enhancing programme to cover 5 times the built area occupied by Group

Metric used to set/monitor the target	**Area of land (hectarage)**	**Time horizon of the target**	**Long-term target (2030)**
Base period and baseline value of baseline operational area	FY 2023/24	Milestones and interim targets	Annual increment of 50%
Third-party frameworks and regulatory requirements	No	Changes to the target	Target was revised in 2024/25 with the launch of the 2nd edition of the Hayleys Lifecode
	Target	**2025/26**	
Performance against the target	Biodiversity enhancing programmes to cover 5 times the built area	248.9 ha	

Metric 2			
Metric name and definition	Water withdrawal and consumption(m3) from areas of water scarcity, including identification of water source Source: TNFD guidelines Total volume of water withdrawn and consumed by operations located within water-stressed or water-scarce regions during the reporting period		
Scope and boundary	Metrics refers to the consolidated group		
Method of computation and inputs, assumptions	Water withdrawal and consumption are measured in cubic metres (m^3) using water meters, sub-meters and supplier invoices, where applicable Assumption: Sri Lanka's water stress exp osure is assessed using the Aqueduct Water Risk Atlas, which classifies the country as having a medium to high level of water stress.		
Nature of metric	Absolute measure	Third-party validation	No

Sustainability-Related Financial Disclosures

Metric 2			
Targets			
Description of the target 50% sustainable water sourcing across the Group			
Metric used to set/monitor the target	Sustainable water sourcing (%)	Time horizon of the target	Long-term target (2030)
Base period and baseline value	FY 2018/19: 10% sustainable water sourcing	Milestones and interim targets	6% annual increase
Third-party frameworks	No	Changes to the target	No change
	Target	2025/26	2024/25
Performance against the target	6%	25%	14%

Metric 3			
Metric name and definition	Weight of hazardous and non-hazardous waste sent to landfill **Source**: TNFD guidelines Total quantity of hazardous and non-hazardous waste generated by the Group's operations and disposed of through landfill during the reporting period		
Scope and boundary	Metrics refers to the consolidated group		
Method of computation and inputs, assumptions	Waste quantities are determined using waste collection records, , invoices provided by licensed waste handlers, and internally maintained waste tracking logs, where applicable.		
Nature of metric	Absolute measure	Third-party validation	No
Targets			
Description of the target 40% of solid waste recycled			
Metric used to set/monitor the target	Amount of waste recycled (MT)/ Total solid waste (MT)	Time horizon of the target	Long-term target (2030)
Base period and baseline value	FY 2023/24: 17%	Milestones and interim targets	5% annual increase in waste recycled
Third-party frameworks	No	Changes to the target	No change
	Target	2025/26	
Performance against the target	40% of solid waste recycled	29%	18%

Please refer to the Group's ESG Report for further disclosures relating to the TNFD-metrics.

SRRO#2 Energy Transition (Opportunity)

Metric 3			
Metric name and definition	Revenue generated from energy transition-related opportunities. Source: Internally developed		
Scope and boundary	The metric relates to entities with significant upside potential arising from energy transition-related opportunities.		
Method of computation and inputs, assumptions	It is assumed that the Group's principal energy transition-related opportunities arise from energy storage solutions within the Purification Sector, sustainable mobility solutions within Hayleys Mobility, and renewable energy EPC and energy generation activities within the Power & Energy Sector and Hayleys Fentons.		
Nature of metric	Absolute measure (LKR mn)	Third-party validation	No
Targets: The Group has not yet defined targets for this metric			

Methodology for of quantification for CRRO/SRRO

CRRO#1 & #2: Physical risks of climate change- Rainfall and temperature	
Computation method	The potential impact on plantation production was estimated by analysing historical estate-level temperature and rainfall trends and mapping these against historical crop yield patterns. This assessment was supplemented by available research on projected yield responses under future climate scenarios. Based on these relationships, estimated changes in crop productivity were applied to current production levels to assess the potential impact on future production volume
Judgements/Assumptions	⊙ Estimation of asset vulnerability, including the exposure of plantations, processing facilities and supporting infrastructure to floods, droughts, landslides ⊙ Assessment of crop sensitivity to climate variables, including the relationship between temperature, rainfall, humidity and crop productivity ⊙ Estimation of future yield impacts, including the extent to which changing climatic conditions may affect crop yields, quality and harvest cycles
Measurement uncertainty: For physical climate risks, emergency operational expenditure is estimated using recent historical experience as a base, with rainfall intensity and landslide frequency assumptions derived from observed trends over a three-year period; however, the episodic and non-linear nature of extreme weather events means that actual future costs may deviate materially from modelled outcomes. Revenue projections for high-grown tea incorporate an assumed yield decline trajectory at higher elevations, calibrated to a mid-range emissions pathway under the IPCC Sixth Assessment Report; however, the precise rate and timing of yield deterioration is subject to uncertainty in regional temperature and precipitation.	

SRRO # 1: Ecological Impacts

The quantification of ecological impacts remains at a nascent stage, and the Group will continue to enhance its methodologies and capabilities in this area going forward.

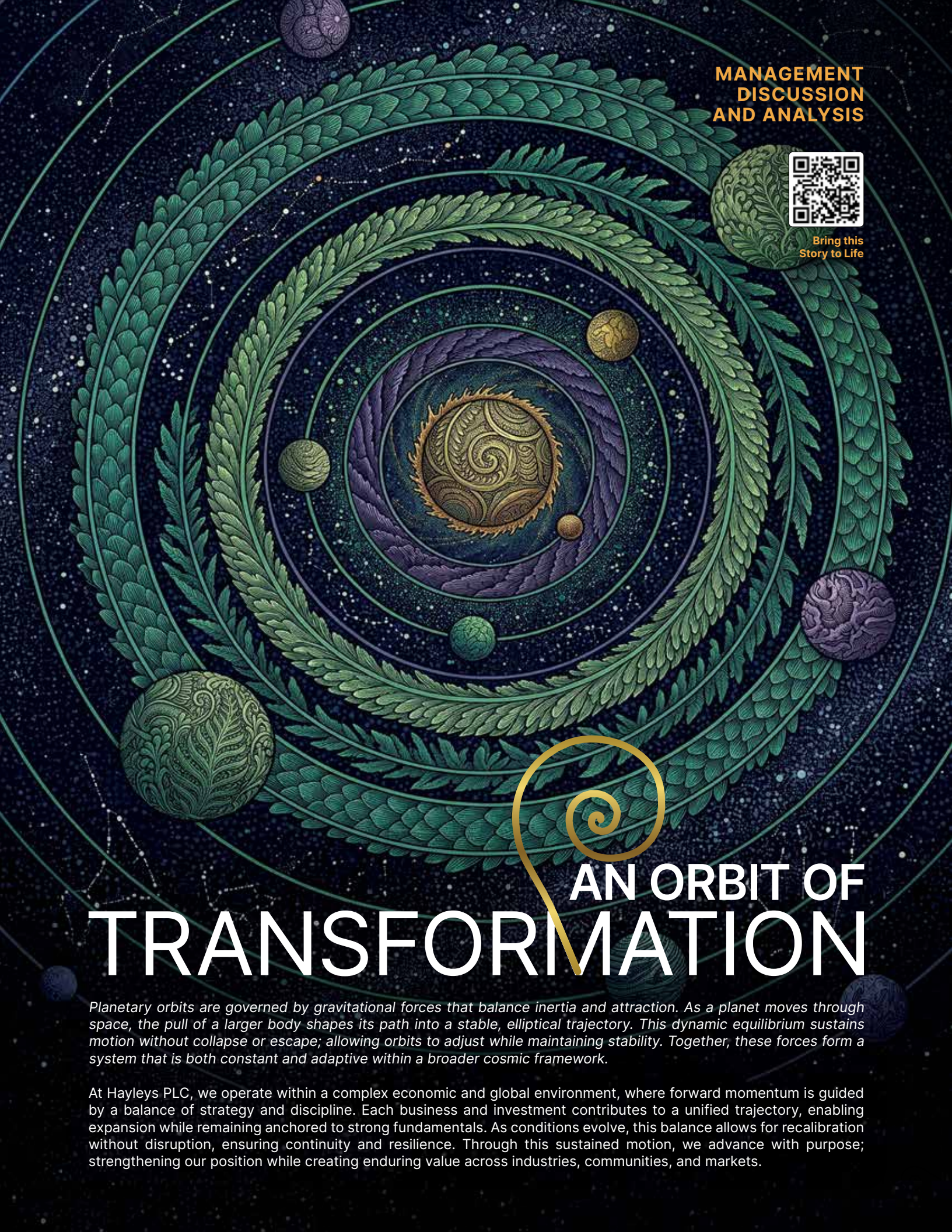
SRRO#2: Operational Safety	
Computation method	The financial impact of operational safety incidents was computed based on the losses incurred from fire-related incidents during the reporting period, as recognised in the financial statements. The calculation is derived from the actual costs and losses attributable to these incidents.
Judgements/Assumptions	The reported amount is derived directly from recorded costs and losses attributable to these incidents and does not involve any significant judgments, estimates or assumptions. The Group will continue to enhance its approach to quantifying the anticipated financial effects of operational safety-related risks and opportunities as data availability and assessment methodologies evolve.

Sustainability-Related Financial Disclosures

CRRO #3: Climate-related transition risk	
Computation method	The potential financial impacts of climate-related transition risks were assessed by evaluating the anticipated effects of emerging sustainability-related regulations on the Group's operations. This involved estimating the incremental cost per unit of production or operation arising from compliance requirements and applying these costs to projected business volumes over the assessment period. The analysis also considered the potential implications for revenue and operating costs, taking into account expected growth in production volumes and business activity under the respective scenarios.
Judgements/Assumptions	Hand Protection - EUDR ⊙ Price premium on EUDR-compliant rubber ⊙ Incremental cost of latex due to EUDR compliance have been considered for the Quantification. ⊙ Price increase of latex prices due to EUDR will not be transferred to customers Construction Materials - CBAM ⊙ Estimated export growth of 7% Transportation & Logistics- IMO ⊙ Annual GHG emissions from the vessel are assumed to reduce by 2% in the short-term, 4% in the mid-term, and 7% in the long-term, based on historical data analysis. ⊙ A GHG levy is applied on total vessel emissions at rates of 17% (short term), 15% (mid-term), and 30% (long-term). ⊙ An additional 3% annual emission reduction is projected through the adoption of new technologies. ⊙ Advantis, as the vessel owner, will bear the full cost of the IMO GHG levy
Measurement uncertainty: Key sources of uncertainty include the timing, scope and enforcement of sustainability-related regulations, future compliance requirements, changes in input and commodity prices, the pace of technological developments and variations in production volumes and growth assumptions. The frequency and severity of climate-related events, together with the effectiveness of adaptation and mitigation measures, may also influence actual outcomes	

SRRO # 4: Energy Transition	
Computation method	
Judgements/Assumptions	⊙ Short-term effects are led by EC mix improvement, while water and air purification revenues of about 19.65 bn LKR and 5.67 bn LKR respectively continue to provide a broad climate-solution revenue base ⊙ Medium-term effects represent the main uplift period, with higher EC volumes providing significant upside while water and air purification demand remains structurally supported by water stress, reuse requirements and industrial emissions controls ⊙ Long-term financial effects remain positive but become more scenario-sensitive for EC than for purification; portfolio resilience arises from the combination of high-upside EC exposure with more persistent and regulation-driven water and air purification revenues
Measurement uncertainty: For physical climate risks, emergency operational expenditure is estimated using recent historical experience as a base, with rainfall intensity and landslide frequency assumptions derived from observed trends over a three-year period; however, the episodic and non-linear nature of extreme weather events means that actual future costs may deviate materially from modelled outcomes. Revenue projections for high-grown tea incorporate an assumed yield decline trajectory at higher elevations, calibrated to a mid-range.	

Bring this
Story to Life



AN ORBIT OF TRANSFORMATION

Planetary orbits are governed by gravitational forces that balance inertia and attraction. As a planet moves through space, the pull of a larger body shapes its path into a stable, elliptical trajectory. This dynamic equilibrium sustains motion without collapse or escape; allowing orbits to adjust while maintaining stability. Together, these forces form a system that is both constant and adaptive within a broader cosmic framework.

At Hayleys PLC, we operate within a complex economic and global environment, where forward momentum is guided by a balance of strategy and discipline. Each business and investment contributes to a unified trajectory, enabling expansion while remaining anchored to strong fundamentals. As conditions evolve, this balance allows for recalibration without disruption, ensuring continuity and resilience. Through this sustained motion, we advance with purpose; strengthening our position while creating enduring value across industries, communities, and markets.

Financial Capital



Insights from Group CFO
Scan to view

GROUP CHIEF FINANCIAL OFFICER'S OVERVIEW

The Group's financial strategy is designed to drive long-term shareholder value through building a resilient and optimal portfolio of businesses, while maximising cash generation to fund future investments. Accordingly our approach to resource allocation and portfolio management seeks to maintain a strategic equilibrium between investing in high-potential, return-accretive growth ventures and preserving the stable cash flows generated by our mature businesses. In this regard, we continue to actively evolve the portfolio, positioning our mature businesses to move further up the value chain through a greater focus on specialised and higher-value market segments, while accelerating the growth of emerging businesses with strong long-term potential

The year under review was a strong one for the Group, with revenue reaching a record high and profitability remaining commendable despite the challenging operating conditions that prevailed. Alongside delivering robust financial performance, we remained focused on strengthening the Group's financial resilience through prudent balance sheet management, enhanced funding flexibility and continued attention to key leverage and debt protection metrics, thereby reinforcing the long-term stability of the business.

KEY AREAS OF FINANCIAL FOCUS

- Strengthening the Group's financial position through the successful mobilisation of capital via debenture issuances and a rights issue
- Strategic deployment of capital prioritising high-return, scalable businesses
- Enhancing portfolio quality through the rationalisation of non-core and underperforming operations.
- Effective capital allocation- which balances the needs of our shareholders while retaining funding for future growth
- Strategic financial reporting and transparency

FINANCIAL DRIVERS

- Revenue growth
- Effective margin management
- Cash flow generation
- Working capital management
- Management of financial risks

REVENUE

Robust performance from our domestic-facing businesses provided an effective counterbalance to the headwinds encountered by export-oriented sectors, reaffirming the value of the Group's diversified earnings base. Consolidated Revenue increased by 19% to an unpredecented Rs.585.02 bn during the year, crossing the half-trillion revenue mark for the first time in the Group's history. Top line growth was driven primarily by the Consumer & Retail (+44%), Purification (+56%) and Transportation & Logistics (+10%) sectors. As domestic operating conditions improved, the Group's local businesses delivered strong growth, resulting in a greater contribution to the revenue mix. Consequently, domestic operations accounted for 50% of Consolidated Revenue during the year, compared to 47% in the previous year. Further information on the factors which shaped the performance of each Sector is detailed in the Portfolio Reviews from page 212 to 317.

During the year, the results of Luxury Resort (Pvt) Ltd have been classified as a discontinued operation in the Financial Statements and presented separately from continuing operations in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations This follows the Group's decision to transfer the Head lease and major operating assets of the entity, in line with its strategy of sharpening portfolio focus and concentrating its leisure investments within Sri Lanka.

HOW WE MEASURE PROGRESS

Financial Capital KPIs

GROWTH	PROFITABILITY	SHAREHOLDER RETURNS
Revenue growth (%) 2024 -10% 2025 13% 2026 19%	**EBIT margin (%)** 2024 10 2025 10 2026 8	**Dividend per share (Rs.)** 2024 5.35 2025 6.00 2026 6.00
How we performed: The Group achieved 19% Revenue growth from continuing operations to reach a record high of Rs. 585.02 bn driven primarily by the strong performance of the domestic businesses while the export-oriented sectors delivered a year of mixed performance.	**How we performed:** EBIT margins recorded a decline during the year, reflecting the escalation of global commodity prices and energy costs across major business lines and start-up costs associated with the Group's newer growth ventures.	**How we performed:** EPS from continuing operations increased by 3.3% as the Group continued to deliver on its shareholder commitments.

19%
Revenue growth

Rs. 113 bn
Equity attributable to parent

26%
Asset growth

'AAA (lka)'
National Long Term Rating - Fitch Ratings

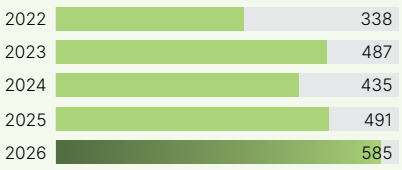
Revenue	Growth (%)	Relevance to group (%)
Eco Solutions	+18	3
Hand Protection	+10	9
Purification	+56	11
Textiles	-13	6
Construction Materials	+23	3
Plantations	+4	3
Agriculture	+18	8
Consumer & Retail	+44	27
Leisure	+8	1
Industry inputs, Power & Energy	-5	2
Transportation & Logistics	+10	20
Energy, Mobility & Projects	+6	5
Tea exports	-20	2
Others	+55	0

Financial Capital

REVENUE

Rs. 585.02 bn
(+19%)

CONSOLIDATED REVENUE Rs. bn



Most significant increases in revenue was driven by,

- **Consumer & Retail** – supported by strategic market activations and portfolio expansion
- **Purification** - driven by the Sector's increasing focus on high-value added, innovative product segments
- **Transportation & Logistics** - Driven by improved performance in Freight Management and Integrated Logistics segments

Implications of SRROs on Revenue

- Rainfall and temperature impact on yields of Plantations Sector
- **Revenue upside from energy transition:** particularly in the Purification and Power & Energy segments

OPERATING PROFITABILITY

The Group's Operating Profit/EBIT by continuing operations increased by 2% to Rs.49.37 bn during the year, reflecting top -line growth as well as improvement in the core performance of Consumer & Retail, Purification and Hand Protection Sectors. Challenges relating to demand dynamics and escalating operating costs impacted across selected sectors including Textiles (-58%) and Transportation & Logistics (-9%) among others. Notably, the Eco Solutions Sector which had incurred a Loss Before Interest and Tax of Rs.333.21 mn the previous year, recorded a strong turnaround to generate an EBIT of Rs. 247.51 mn during the reviewed period. Overall, the Group's EBIT margin narrowed from 10% to 8% during the year. Key determinants of the Group's Operating Profitability are set out below:

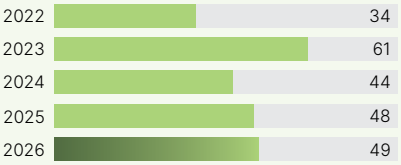
Cost of Sales including Raw Materials and Consumables: The Group's Cost of Sales increased by 20% during the year, reflecting the sharp escalation in global commodity prices and energy costs, resulting in the Consolidated GP margin narrowing marginally to 23%, from 24% the previous year.

Operating Costs: The Group's Administrative Expenses increased by 18% during the year, reflecting higher personnel costs arising from the Group's continued focus on employee value creation, along with start-up costs incurred in developing and scaling its new growth ventures. Distribution expenses increased by 33% to Rs. 23.74 bn during the year, in view of increased investments in market activations across key verticals as well as higher commission paid on the significantly higher business volumes at Singer (Sri Lanka) PLC. Meanwhile, Other Expenses increased by 45% to Rs.1.55 bn during the year.

EBIT

Rs. 49.37 bn
(+2%)

CONSOLIDATED EBIT Rs. bn



Operating profit	Growth (%)	Relevance to group (%)
Eco Solutions	-	0.5
Hand Protection	+8	8
Purification	+10	13
Textiles	-58	4
Construction Materials	-7	4
Plantations	-22	4
Agriculture	+13	8
Consumer & Retail	+69	30
Leisure	-43	1
Industry inputs, Power & Energy	-39	3
Transportation & Logistics	-9	16
Energy, Mobility & Projects	-15	6
Tea exports	-8	1
Others	-84	1.5

Implications of SRROs on Profitability

Physical damage to assets due to extreme weather events

- Increased cost of sourcing water due to supply disruptions
- Increased cost of compliance stemming from sustainability-related regulations

NET FINANCE COSTS

The Group's Net Finance Cost declined by 6% to Rs.10.80 bn during the year, supported by an increase in Finance Income reflecting a change in fair value of financial assets on the Group's investments in Harischandra Mills PLC and DIMO PLC. Meanwhile, Finance Costs also increased by 8% to Rs.19.93 bn during the year, due to a near 42% increase in Total Borrowings to Rs.289.67 bn.

PROFIT BEFORE TAX

The Group's Profit Before Tax from continuing operations increased by 4% to Rs. 38.04 bn during the year, reflecting the strength of its market positions and its ability to proactively capture emerging opportunities across its portfolio. The Consumer & Retail Sector emerged as the largest contributor to PBT with a share of (29%), followed closely Transportation & Logistics (15%), Purification (15%), Hand Protection (11%) and Energy, Mobility & Projects (6%).

TAXATION

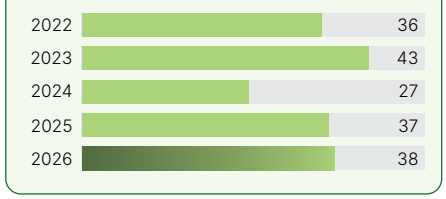
The Group's Tax Expense for the year increased by 13% to Rs.14.59 bn during the year led by improved profitability while the effective tax rate amounted to 39% during the year. The tax payments relevant to each of the tax rates applicable across the Group are set out below.

Tax strategy: The Group's tax strategy is reviewed by the Board and implemented by the Group Head of Tax and the Group Chief Financial Officer. The tax strategy centers on the following pillars:

- Ensuring compliance with all applicable laws and regulations in all jurisdictions that the Group operates in
- Maintain open and transparent engagement with tax authorities
- Efficient management of tax affairs which support achievement of growth profitability targets
- Ensuring timely and accurate filing of all tax returns (corporate income tax, VAT/GST, payroll taxes, etc.).

PBT

Rs. 38.04 bn
(+4%)



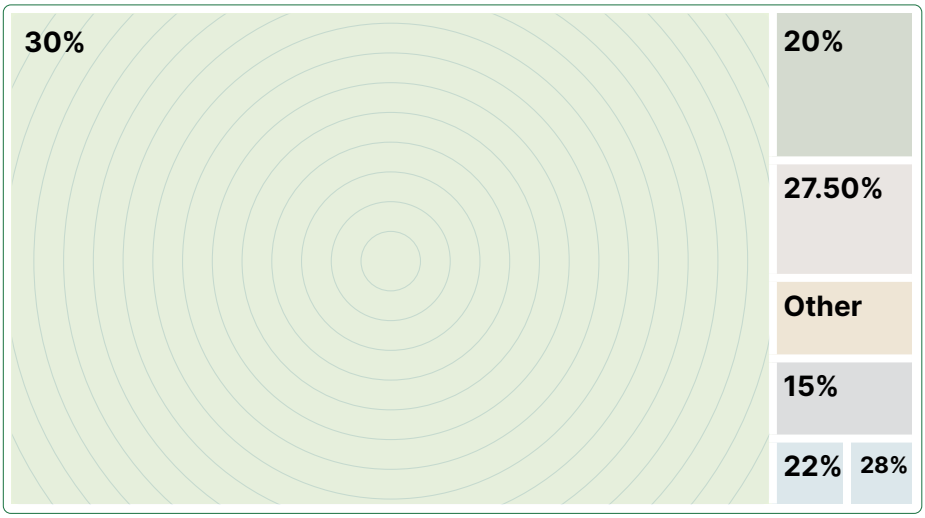
PROFIT AFTER TAX

The Group generated a Profit After Tax from continuing operations of Rs.23.45 bn, a marginal decrease of 2% compared to the previous year. At Company level, Hayleys PLC recorded a Loss After Tax of Rs.1.44 bn, due to the Impairment on Investment and Receivables relating to the transfer of the Head Lease and operating assets of Luxury Resort (Pvt) Ltd during the year (Refer to page 468 for further information)

OTHER COMPREHENSIVE INCOME

The Group's Other Comprehensive Income for the year amounted to Rs.2.62 bn, reflecting net exchange differences on the translation of foreign operations. As a result, the Group's Total Comprehensive Income declined by 8% to Rs.24.84 bn compared to the previous year.

Income tax payments by rate

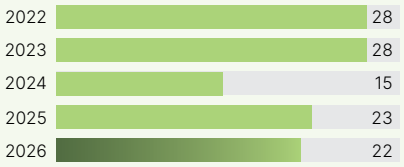


Financial Capital

PROFIT AFTER TAX

Rs. 22.22 bn
(-1%)

CONSOLIDATED PAT Rs. bn



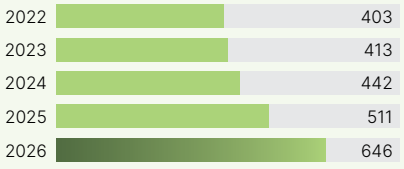
TOTAL ASSETS

The growth in the Group's asset base during the year was driven by strategic investments to strengthen future growth platforms, alongside higher working capital requirements associated with increased business activity. Total assets increased by 26% to Rs.645.82 bn during the year, with Total Non-Current Assets and Current Assets increasing by a respective 16% and 34% during the year. The former represents a near 10% increase in Property, Plant and Equipment reflecting capital expenditure across key sectors including Hand Protection, Purification, Transportation & Logistics and Energy, Mobility & Projects among others. The increase in Total Current Assets was driven primarily by higher operational activity across key verticals, which saw Trade & Other Receivables increasing by 40% during the period under review.

TOTAL ASSETS

Rs. 645.82 bn
(+26%)

TOTAL ASSETS Rs. bn



Total Assets	Growth (y-o-y) %	Contribution %
Eco Solutions	+13	3
Hand Protection	+20	7
Purification	+43	9
Textiles	+2	5
Construction Materials	+6	2
Plantations	+7	4
Agriculture	+24	5
Consumer & Retail	+47	26
Leisure	-16	2
Industry inputs, Power & Energy	+16	3
Transportation & Logistics	+6	12
Energy, Mobility & Projects	+67	6
Tea Exports	+22	1
Others	+16	15

Implications of SRROs on Financial Position

- Physical damage to infrastructure & Inventory due to extreme weather events
- Funding requirement stemming from asset replacement
- Investment in low carbon technology & renewable energy

CAPITAL AND FUNDING

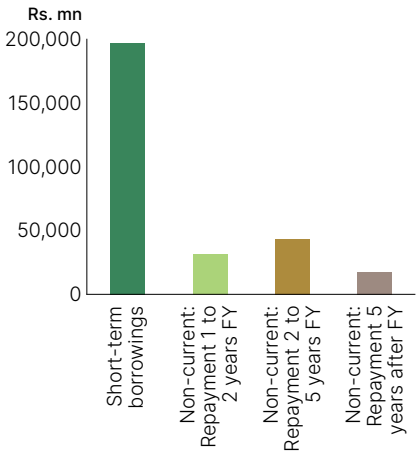
During the year, the Group undertook several strategic initiatives to further strengthen its funding profile and enhance long-term financial resilience. These initiatives were aimed at strengthening the capital structure, partially settling existing debt and providing the financial capacity to pursue future growth opportunities. A key milestone was the completion of a Rs. 9.0 bn Rights Issue, the Group's first equity raising exercise since 2005, which was oversubscribed, reflecting the confidence placed in the Group's strategy and long-term prospects by its shareholders. Complementing this, the Group raised Rs. 12.9 bn through two listed, rated, senior, unsecured redeemable debenture issuances, further supporting its long-term capital management objectives and enhancing funding flexibility.

Maintaining a stable debt profile

The Group's Total Borrowings increased by 42% during the year, reflecting higher working capital requirements across key businesses, capital expenditure undertaken to support strategic investments and investments in new renewable energy generation projects. Effective working capital management remained a key priority throughout the year, ensuring the continuity of operations and the ability of businesses to respond to evolving market opportunities. These investments were undertaken in line with the Group's long-term growth strategy and commitment to strengthening its future earnings capacity. Short-term Borrowings accounted for 68% of the Group's Total

Borrowings, primarily reflecting working capital facilities that are typically revolving in nature. In managing the Group's debt profile, we ensure that the maturities of our funding sources are adequately spread out. Counterparty exposures are also monitored on an ongoing basis, ensuring that our funding platform is diversified across banks and other debt instruments.

DEBT MATURITY PROFILE



CASH FLOW AND LIQUIDITY

The Group's approach to liquidity management is centred on the proactive monitoring of forecast and actual cash flows, maintaining strong relationships with funding partners and ensuring the optimal structuring of funding for capital investments, acquisitions and other strategic initiatives. During the year, the Group recorded a Net Cash Outflow from Operating Activities of Rs. 17.13 bn, compared to an inflow of Rs. 17.99 bn in the previous year, primarily reflecting increased working capital requirements associated with higher levels of operational activity. Net Cash Outflow from Investing Activities amounted to Rs. 31.79 bn, driven by capacity expansions, strategic capital expenditure and investments across key business verticals. Meanwhile, Net Cash from Financing Activities recorded an inflow of Rs. 183.05 mn, supported by proceeds from interest-bearing borrowings and debenture issuances, which helped fund the Group's investment program while supporting liquidity and financial flexibility.

Total Borrowings	Growth (y-o-y) %	Relevance to Group Total Borrowings (%)
Eco Solutions	+24	3
Hand Protection	+62	5
Purification	+152	6
Textiles	-5	4
Construction Materials	-2	3
Plantations	+5	1
Agriculture	+44	5
Consumer & Retail	+60	31
Leisure	-32	3
Industry inputs, Power & Energy	+60	1
Transportation & Logistics	+19	13
Energy, Mobility & Projects	+175	9
Tea Exports	+18	1
Others	+31	15

WAY FORWARD

Priorities for 2026/27

- **Deploy capital towards strategic growth opportunities**, particularly through the Group's investments in renewable energy and large-format supermarkets. These investments are expected to support long-term value creation by expanding exposure to sectors with favourable growth prospects, strengthening recurring earnings streams and enhancing the resilience of the Group's portfolio
- **Maintain prudent liquidity management and proactively manage debt maturities:** The Group remains focused on preserving a strong liquidity position through disciplined cash flow management, maintaining adequate funding buffers and ensuring access to diversified sources of financing
- **Diversify funding sources to enhance financial flexibility and resilience:** The Group seeks to maintain a well-balanced funding structure by accessing a range of financing channels, including bank borrowings, capital market instruments and other alternative funding sources where appropriate



Financial Capital

INVESTOR RELATIONS

Hayleys PLC is committed to maintaining transparent, constructive and ongoing dialogue with its shareholders, facilitated through multiple engagement platforms including the Annual General Meeting, the publication of the Annual Report, quarterly reporting to the CSE as well as periodic press releases and announcements. Through our engagement we seek to provide meaningful and relevant information to facilitate informed decision making.

- Timeliness of disclosures
- Accuracy and integrity of information
- Transparency
- Stakeholder inclusivity in communications

Information we share with our shareholders through this Annual Report

- The operating environment during the year (pg.100)
- Implications of the macro-economic environment (pg.101)
- Financial performance and Portfolio Review (pg.212)
- Corporate Governance and risk management practices (pg.57)
- Our Environmental, Social and Governance (ESG) framework (pg.135)

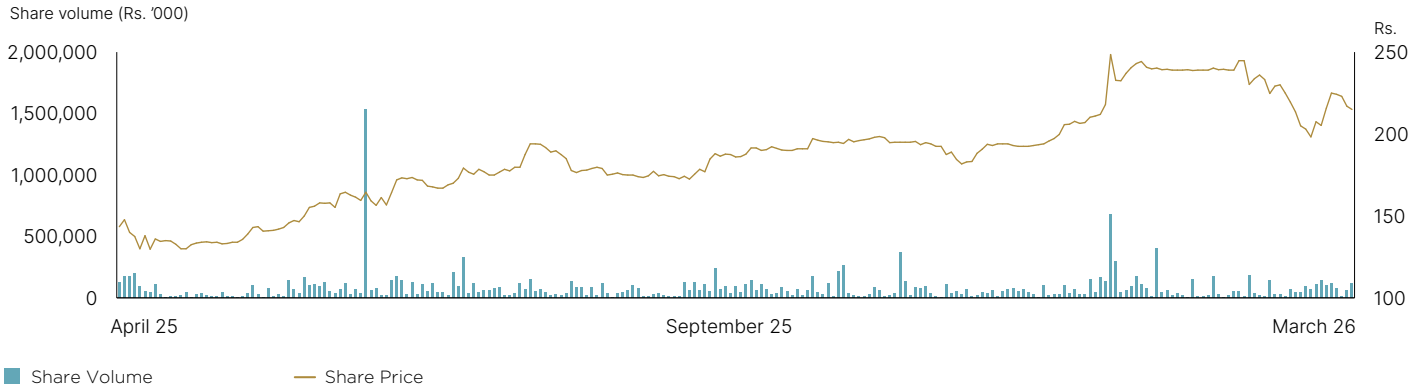
PERFORMANCE OF THE COLOMBO STOCK EXCHANGE

Building on the strong momentum witnessed towards the latter part of 2024, the Colombo Stock Exchange recorded another year of growth in 2025, supported by improving macroeconomic conditions, favourable investor sentiments and stronger corporate earnings. The All Share Price Index (ASPI) and the S&P SL20 recorded gains of 41.9% and 26.6%, respectively, during the year. Market activity remained robust, with average daily turnover increasing significantly to approximately Rs. 5.18 tn from Rs. 2.24 tn in 2025, while market capitalisation surpassed Rs. 8.07 tn by year-end. The positive performance of the market was largely driven by domestic investors, reflecting growing confidence in Sri Lanka's economic recovery and future growth prospects.

Securities in Issue:

Hayleys PLC :
Debenture 1 - Listed, rated, senior, unsecured, redeemable debentures
Type A : 3 year fixed interest rate of 10.50% p.a. payable semi-annually and redeemable on 14th May 2028.
Type B : 5 year fixed interest rate of 11.15% p.a. payable semi-annually and redeemable on 14th May 2030.
Type C : 5 year floating rate of 1 year Treasury Bill + 2.00% p.a. [with a floor of 8.50% p.a. and a cap of 12.50% p.a.] payable and repriced semi-annually and redeemable on 14th May 2030. Interest rate of comparable Government Securities as at 31st March 2026 was 9.68%.
Debenture 2 - Listed, rated, senior, unsecured, redeemable debentures
Type A : 5 year fixed coupon rate of 10.60% p.a. (AER 10.88%), payable semi-annually and redeemable on 23rd March 2031.
Type B : 5 year floating coupon rate of One Year Treasury Bill Rate + 2.00% p.a. [With a floor of 9.50% p.a. and a cap of 11.50% p.a.], payable semi-annually and redeemable on 23rd March 2031. Interest rate of comparable Government Securities as at 31st March 2026 was 9.93%.
Type C : 7 year fixed coupon rate of 11.15% p.a. (AER 11.46%), payable semi-annually and redeemable on 23rd March 2033. Interest rate of comparable Government Securities as at 31st March 2026 was 10.45%.
Singer Finance (Lanka) PLC :
Rated, Listed, unsecured,subordinated redeemable Debentures
Debenture 1 : 5 year, fixed interest rate of 9.25%, redeemable on 25th June 2026
Debenture 2 : 5 year, 1 Year T-Bill Rate + 3.75%, interest rate of 11.70%, redeemable on 25th June 2026
Unrated, Listed, unsecured,subordinated redeemable Debentures
Debenture 1 : 5 year, fixed interest rate of 12.30%, redeemable on 08th May 2030
Debenture 2 : 5 year, fixed interest rate of 12.30%, redeemable on 21st May 2030
Debenture 3 : 5 year, fixed interest rate of 13.75%, redeemable on 09th March 2031

SHARE PRICE MOVEMENTS



PERFORMANCE OF THE HAYLEYS SHARE

The Hayleys share performed exceptionally well during the year, strengthening gradually throughout the year to close at Rs. 215.00, an increase of 57% from the beginning of the year. The share price traded between a low of Rs.127.00 and a high of Rs. 260.00, while the average volume traded amounted to 417,438 during the year while the daily average turnover clocked in at Rs. 18,472 mn compared to Rs.16,357 mn the year before, demonstrating improved investor interest and frequency of trading.

Shareholder Returns

The Group delivered superior returns to shareholders during the year, recording broad-based improvements across multiple shareholder metrics as summarised in the table below.

The Company's Price-to-Earnings (P/E) ratio during the year, indicating that the market valued the Company's earnings at a higher multiple compared to the previous year. The increase reflects a strengthening in market valuation relative to earnings reflects positive investor sentiment regarding the Company's future performance and growth prospects. Meanwhile, the reduction in dividend yield during the year primarily reflects the appreciation in the Company's share price, which outpaced the growth in dividend distributions. This is consistent with the higher market valuation assigned to the Company and reflects investor confidence in its long-term growth prospects and earnings potential

		2026	2025	2024
Market value per share	Rs.	**215.00**	137.00	82.10
Dividend per share	Rs.	**6.00**	6.00	5.35
Company market capitalisation	Rs. mn	**161,250**	102,750	61,575
Group market capitalisation	Rs. mn	**374,462**	254,688	168,127
Price earnings ratio	No. of times	**11.49**	7.65	8.94
Dividend yield ratio	%	**2.79**	4.38	6.52
Dividend payout ratio	%	**32.07**	33.50	58.25
Dividend Cover	No. of times	**3.12**	2.99	1.72

Manufactured Capital

What it means to us: The Group's extensive manufacturing footprint spans 94 facilities in Sri Lanka, Thailand, Indonesia, India, Bangladesh and Phillippines. Meanwhile, B2C sectors such as Consumer & Retail and Projects and Engineering operate island-wide networks of customer contact points. Please refer the note 13 of the Financial Statements for the accounting policy pertaining to the measurement and recognition of these assets.

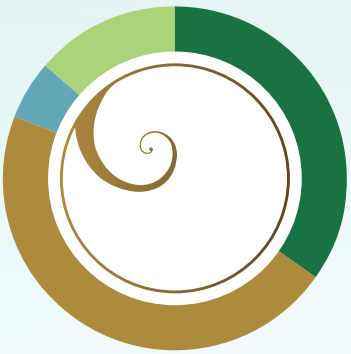
PROFILE OF MANUFACTURED CAPITAL

Sector-wise break up



- Eco Solutions
- Hand Protection
- Purification
- Textiles
- Construction Materials
- Plantations
- Agriculture
- Consumer & Retail
- Leisure
- Industry inputs, Power & Energy
- Transportation & Logistics
- Energy, Mobility & Projects
- Tea Exports
- Others

Asset by type



- Buildings
- Machinery, Stores and Equipment
- Furniture Fittings & Office Equipment
- Vesels



ECO SOLUTIONS

11 manufacturing facilities in Sri Lanka
1 manufacturing facility in India
1 fibre extraction facility
Rs.5.04 bn

PLANTATIONS

Manufacture of tea and rubber
44 factories
Rs.2.96 bn

HAND PROTECTION

5 manufacturing facilities in Sri Lanka, 6th facility currently under construction
2 manufacturing facilities in Thailand
Rs.13.59 bn

AGRICULTURE

Manufacturing a range of agricultural produce
13 manufacturing facilities and plants in Sri Lanka
2 facilities in Bangladesh **Rs. 2.72 bn**

PURIFICATION

2 facilities in Sri Lanka
2 facilities in Indonesia
2 facilities in Thailand
1 facility currently under construction in Philippines **Rs.10.19 bn**

LEISURE

Hotels & Resorts
3 resort properties in Sri Lanka and 5-star city hotel
Rs. 10.96 bn

TEXTILES

Fabric knitting,dyeing,printing and brushing - cotton and polyester
3 manufacturing facilities in Sri Lanka
Rs. 13.14 bn

INDUSTRY INPUTS, POWER & ENERGY

Industrial Inputs, Power & Energy
6 mini hydro plants, 2 solar plant
3 wind-power plants
Rs. 4.53 bn

CONSTRUCTION MATERIALS

Manufacture of aluminium extrusions
2 manufacturing facilities in Sri Lanka
Rs. 4.66 bn

TRANSPORTATION & LOGISTICS

Sri Lanka's largest mega distribution centre
22 vessels
Rs. 22.51 bn

How it supports our strategy

- Portfolio Optimisation
- Nurturing Inspired Teams
- Strategic ESG Integration

KEY INTERVENTIONS IN 2025/26



CONSUMER & RETAIL

Manufacturing, financing and marketing consumer durables
Island-wide network of **423** Singer outlets
63 Singer Finance branches **Rs. 4.54 bn**

ENERGY, MOBILITY & PROJECTS

2 Warehouses
2 Mobility showrooms
5 solar experience centres
Rs. 3.16 bn

TEA EXPORTS

2 manufacturing facilities in Sri Lanka
Rs. 825.40 mn

OTHERS

Head office building
Rs. 860 mn





- Establishment of new manufacturing facilities across Hand Protection, Purification, Agriculture, Industry Inputs, Power & Energy and Tea Exports sectors
- Renovation of outlets, launch of 1 Singer Mega outlet and introduction of 'Singer Light' outlets
- 7 new branches add to the Singer Finance network
- Enhanced manufacturing capabilities through state-of-the-art technology and digital capabilities
- Investments in solar and wind power generation projects
- Flagship showrooms opened for KAIYI, Omoda and Jaecoo vehicles by Hayleys Mobility
- Investments in backward integration capabilities and facilities.

Way forward

- Establishment of large-format retail outlets with the Group's foray into the Retail Sector
- Geographical diversification of manufacturing capabilities
- Strengthening capabilities of value-added products

OUTCOMES

SCALE OF INFRASTRUCTURE

Capital expenditure:
Rs.30.05 bn

Rs.4.22bn Purification	Rs.5.65bn Hand Protection
Rs.1.21bn Textiles	Rs.1.89bn Plantations
Rs.628mn Others	Rs.1.58bn Consumer & Retail
Rs.6.66bn Energy, Mobility & Projects	Rs.3.83bn Transportation & Logistics

CUSTOMER/SERVICE CAPABILITIES

11% growth in customer base

MODERNISATION AND TECHNOLOGY ADOPTION

Manufacturing processes digitalised and automated

OPERATIONAL EFFECTIVENESS

2.6 Hand Protection	1.6 Eco Solutions
4.1 Purification	5.3 Tea Exports

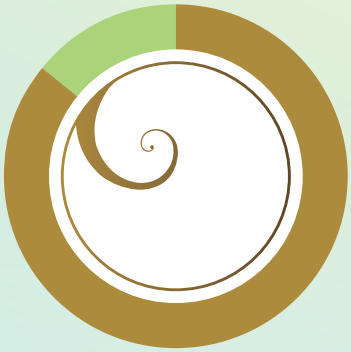
Social & Relationship Capital

What it means to us: Comprising relationships with supplier networks, customers, business partners and regulators, the Group's Social & Relationship capital is critical to the Group's ability to operate, grow and create value over the long term, providing access to markets, supporting business continuity and strengthening stakeholder confidence.

PROFILE OF SOCIAL & RELATIONSHIP CAPITAL

Supplier profile

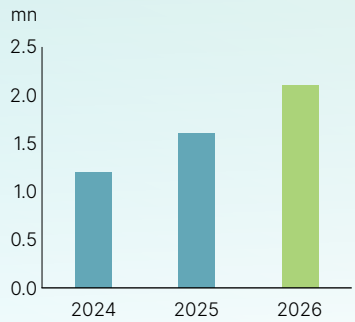
Total number of suppliers: 20,862



Customers acquired

2.1 mn

CUSTOMERS ACQUIRED



Communities

CSR beneficiaries: **668,859**



SUPPLIERS

- Guided by Group-wide Procurement Policy
- The Group's inclusive supply chain model serves as a key mechanism through which economic value is distributed across communities
- Ongoing investment in supplier development through programmes in Hand Protection, Purification, Eco Solutions and Agriculture Sector
- Building supply chain resilience and security through broadening the supplier network and backward integration

CUSTOMERS

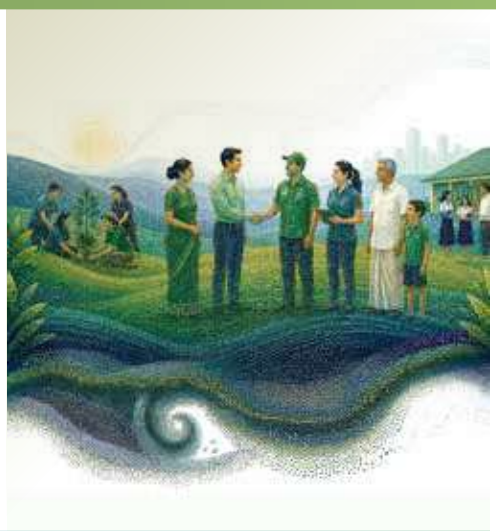
- Customer value proposition centered on innovation, customer service and product stewardship
- Innovation and product development across key Sectors such as Hand Protection, Purification, Textiles and Agriculture with emphasis on high-value added segments
- Commitment to product stewardship embedded across procurement, manufacturing, marketing and product use

How it supports our strategy

Inclusive Business Models

KEY INTERVENTIONS IN 2025/26





COMMUNITIES

- Guided by Group-wide CSR Policy
- Sectors monitor the impact of its community engagement activities on an ongoing basis, defining project-specific criteria to monitor progress and assess success.
- Long-term community engagement initiatives in Plantations, Purification and Hand Protection Sectors
- Skill development through the Construction Material Sector's fabricator training academy, Hayleys Agriculture Training School, Singer Fashion Academy

Way forward

- Improve environmental and social screening suppliers aligned with Sustainable Procurement guidelines
- Ongoing investments in enhancing customer value proposition through innovation and product stewardship

OUTCOMES

SUPPLIER

Rs. 408 bn
Total payments to suppliers:

Rs. 57.4 mn
Investment in supplier development:

CUSTOMER VALUE CREATION

785
New products development

95%
Customer complaints resolved

COMMUNITY DEVELOPMENT

Rs. 444 mn
Investment in CSR

Human Capital

What it means to us: The Group's diverse, highly-skilled team of over 38,000 employees are the centre of our ability to adapt, create long-term value and shape the future of the Group. While strategy provides direction, it is our people who give it life, shaping decisions, strengthening relationships and driving the resilience needed to navigate changing environments over time

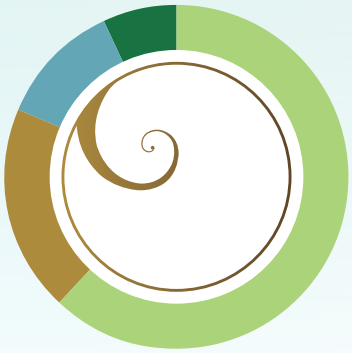
PROFILE OF HUMAN CAPITAL

Headcount by Sector



- Eco Solutions
- Hand Protection
- Purification
- Textiles
- Construction Materials
- Plantations
- Agriculture
- Consumer & Retail
- Leisure
- Industry inputs, Power & Energy
- Transportation & Logistics
- Energy, Mobility & Projects
- Tea Exports
- Others

Headcount by Category



- Manual
- Clerical & supervisory
- Executives
- AM & above



38,746
employees

34%
female representation

10,635
new recruits

74%
employee retention rate

- Human capital priorities embedded within the Hayleys Lifecode, with clear 2030 commitments relating to employee engagement, learning and development, health and safety, inclusion, succession planning, and leadership development
- Accelerate digital transformation within HR by automating core people processes, enhancing workforce analytics, and leveraging AI-enabled tools across recruitment, performance management, and employee experience.
- Strengthen employee well-being initiatives with greater emphasis on mental resilience, emotional wellness, and work-life balance
- Strengthen leadership and succession pipelines through structured development programmes and targeted coaching interventions

How it supports our strategy

Nurturing Inspired Teams

Insights from Head of Group Human Resources & Legal
Scan to view

KEY INTERVENTIONS IN 2025/26



- Ongoing commitment to diversity, equity, and inclusion through anti-discriminatory training, fair employment practices, and efforts to foster an inclusive and equitable work environment.
- Comprehensive governance framework for occupational health and safety, supported through Group-wide policies, sector-specific interventions, dedicated H&S teams, ISO 45001-aligned systems, and proactive hazard identification processes.



Way forward

- Continue advancing the HR digitalisation agenda to create a more efficient, responsive, and data-driven people management ecosystem across the Group
- Build a future-ready workforce by strengthening digital, technological, and AI-related capabilities aligned with the evolving demands of the business landscape
- Expand leadership development and succession planning initiatives to strengthen internal talent pipelines

OUTCOMES

EMPLOYEE PRODUCTIVITY

18%
Revenue per Employee

TALENT RETENTION

74%
Retention rate

WORKFORCE CAPABILITY AND DEVELOPMENT

15
Average training hours/person (+31% growth)

579,104
Total training hours (+33% growth)

INVESTMENT IN TRAINING

Rs. 325 mn
(+67% growth)

DIVERSITY, EQUITY AND INCLUSION

14%
Female representation in AM & above roles

Rs. 62 bn
Payments to Employees (+12% growth)

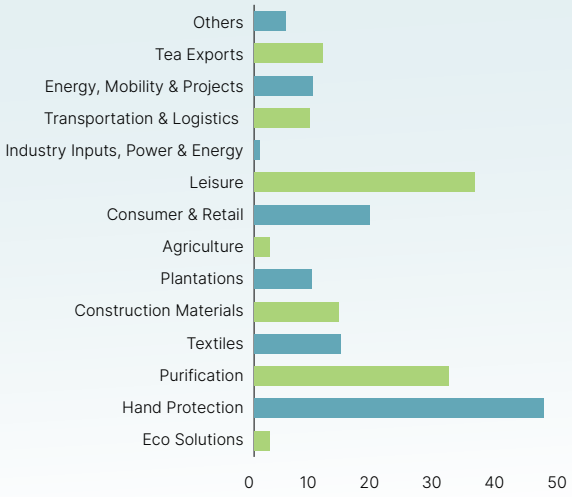
80%
Return to work after maternity leave

Intellectual Capital

What it means to us: Intellectual capital represents the collective knowledge, expertise, innovation, systems and brands that enable the Company to create sustainable value and maintain its competitive edge over the long term. Leveraging this capital ensures that we have the organisational discipline to drive operational excellence, strategic execution, and long-term resilience across the Group.

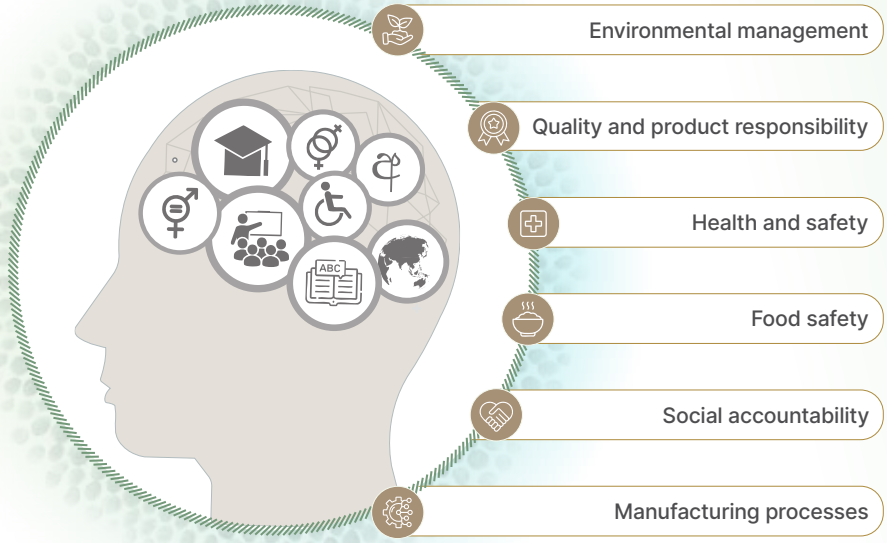
PROFILE OF INTELLECTUAL CAPITAL

AVERAGE TRAINING HOURS PER EMPLOYEE BY SECTOR





Systems and standards



- The Group continued to strengthen its innovation agenda through ongoing investments in research and development, capability enhancement, and strategic collaborations which support the advancement of products and operational processes.
- During the year, the Group continued to advance its digital transformation agenda through multiple enterprise-wide initiatives aimed at strengthening operational efficiency, enhancing customer engagement and enabling data-driven decision-making across sectors and functions.
- Industry insights and domain-specific knowledge built over the Group's long-standing legacy have cultivated a unique base of intellectual capital, which has continued to deepen through organic growth, acquisitions, and cross-sector collaboration

How it supports our strategy

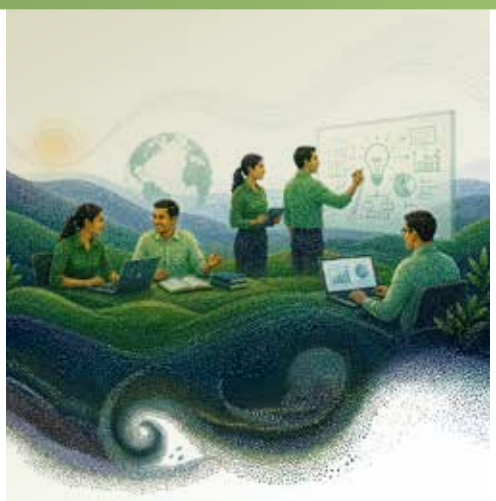
- Portfolio Optimisation
- Customer Centricity

KEY INTERVENTIONS IN 2025/26



- Hayleys' AI strategy is focused on building a data-intelligent enterprise that leverages AI to strengthen decision-making, efficiency, and automation across commercial, operational, and customer-facing functions.
- During the year, the Company received multiple awards and recognitions across diverse areas including corporate reporting, business excellence, exports, human resource management, innovation, and technical capabilities, reflecting the breadth of its expertise and the strength of its operational and strategic execution





Way forward and adequacy of Intellectual Capital

- Integration of the digital transformation roadmap across all relevant areas of the business
- Innovation focused on the development of premium and value-added products, enabling the Group to strengthen market positioning, enhance customer differentiation
- A strong product pipeline, continued investment in research and development, and a culture of knowledge sharing are expected to further strengthen the Group's intellectual capital, enhancing its ability to capture new opportunities, enter new markets, and expand customer reach.

OUTCOMES

RESEARCH AND DEVELOPMENT

785
New products

4
No. of patents

Rs. 969 mn
Investments in R&D

STRENGTH OF BRAND

LMD
No.1 Company
Over 250 Awards across the Group

DIGITALISATION OF PROCESSES

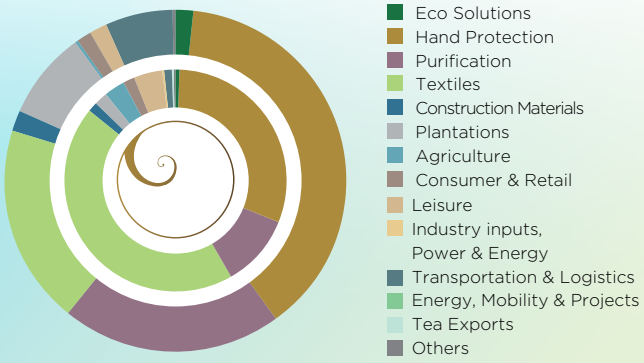
- Digital innovation
- Digital literacy
- Change and communication
- Data to value
- Digital product delivery

Natural Capital

What it means to us: Natural capital forms the foundation of many of our business operations, particularly in the resource-dependent sectors. As ecosystems provide essential inputs and services, from raw materials to climate regulation, the degradation of natural capital poses significant risks to long-term business viability

PROFILE OF NATURAL CAPITAL

Energy and water consumption





Management Approach



Policies

Environmental policy framework under the Hayleys Lifecode

Commitments

Environmental ambitions set out in the Hayleys Lifecode and sector-specific ESG roadmaps

Certifications

Group companies comply with a range of environmental certifications including ISO 14001:2015, ISO 14064: 2018 and industry-specific certifications

ENERGY & EMISSIONS

- Fuel switching and conversion of furnace boilers to biomass boilers across key sectors
- Majority of new production lines are powered with biomass energy
- Real time energy monitoring systems
- Ongoing investments in large-scale renewable energy generation
- Strategic expansion into sustainable mobility solutions

WASTE

- Embedding circularity concepts into innovation and product development
- Waste to energy conversions
- E-waste collection through Singer outlets
- Somerset ECO Material Collection & Processing Centre established by Talawakelle Tea Estates in partnership with Coca Cola and Janashakthan

Refer to the Group's ESG Report for further information

How it supports our strategy

- Portfolio Optimisation
- Strategic ESG Integration

Refer the Group's ESG Report for further information on the Group's environmental commitment

KEY INTERVENTIONS IN 2025/26





WATER & EFFLUENTS

- Increased reliance on sustainable water sourcing
- Improved water monitoring and measurement mechanisms
- Optimising water usage in manufacturing operations
- Increasing effluent treatment plant capacity

BIODIVERSITY

- Project Kirulu- the Group's flagship biodiversity conversation programme
- Mangrove restoration by Hayleys Advantis
- Biodiversity preservation in the Plantation Sector (Rotary one million trees project, Project REGROW by Horana Plantations)
- ECO Pulse Cloud Forest Restoration programme

Way forward

- Contributing to the country's green energy transition through increasing investments in large-scale energy generation projects and investments in sustainable mobility solutions
- Ongoing investments in biodiversity and ecosystem restoration projects

OUTCOMES

ENERGY

-10% Energy consumption

-22% Energy intensity

WATER

5% Water consumption

-10% Water intensity

WASTE

1% Waste generated

-13% Waste intensity

EMISSIONS

1% Scope 1 & 2 GHG emissions

13% Reduction in emission intensity

Portfolio Review

The Group's portfolio review set out in the following pages, provides a concise and balanced overview of the value creation of our Sectors for the period under review. In line with the principles of Integrated Reporting, we have included material information relating to the Sectors' resource allocation, strategy, performance, external environment and stakeholder value creation among others.

Key improvements featured in this year's Sector Review

- **Improved clarity and conciseness:** In line with the Group's overall target towards improving conciseness of the Report, the content included in each Portfolio Review has been consciously streamlined
- **Focus on financial materiality:** Aligned with the evolution of the Group's Integrated Annual Report this year, the Portfolio Review focuses primarily on matters that are financially material. Topics that are high in impact materiality are disclosed in the Group's ESG Report. .
- **Performance against target disclosures:** We have disclosed performance against budgets/ targets for financial, environmental and social performance in each Portfolio Review

Information shared in the Sector Reviews

- Key factors shaping the operating environment and impacts on the business
- Risk and opportunity landscape
- Strategic priorities and measurement against KPIs
- Financially material sustainability topics
- Prospects and plans





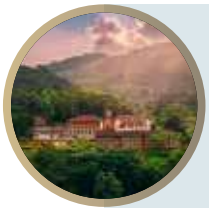
Eco Solutions



Consumer & Retail



Hand Protection



Leisure



Purification



Industry Inputs, Power & Energy



Textiles



Transportation & Logistics



Construction Materials



Projects & Engineering



Plantations



Tea Exports



Agriculture



Others



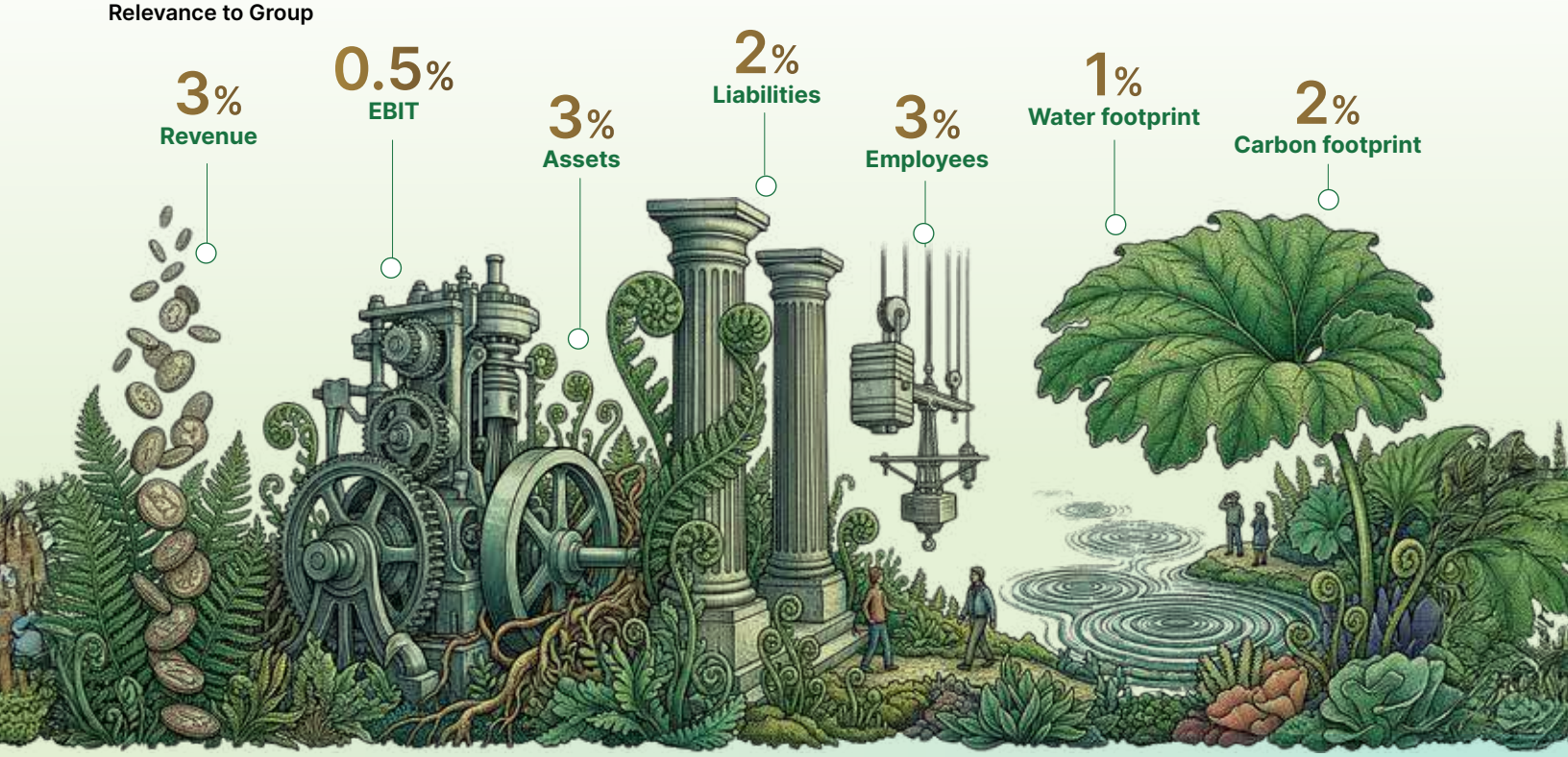
Insights from sector GMC member
Scan to view

Eco Solutions

The Sector is one of Sri Lanka's leading exporters of traditional and value-added coconut fibre products, catering to a global network of retailers, industries and households through a wide portfolio of innovative and sustainable solutions.

Eco Solutions

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 15.11 bn (+18%)	Rs. 98.93 mn	Rs. (154.3) mn (+70%)	Rs. 23.41 bn (+13%)	Rs. 11.81 bn (+24%)	1,105 (-2%)	11,568 tCO_2e (+6%)

Year in review

Financial performance

The Sector delivered a strong recovery during the year, with revenue increasing by 18% to Rs. 15.11 bn and Profit Before Tax recovering to Rs. 98.93 mn Performance was supported by the improved contribution of the Eco Fibre segment and notable improvements across several business segments.

ESG performance

73% reliance on renewable energy and reduction in emission intensity

Indirect employment generation across the value chain

Strategic highlights

Pursued increased penetration in non-traditional markets while expanding the product portfolio

Way forward

Strengthen competitive position and access new markets in the eco fibre segment

Operational efficiency and lean management

Ensure supply chain security through backward integration

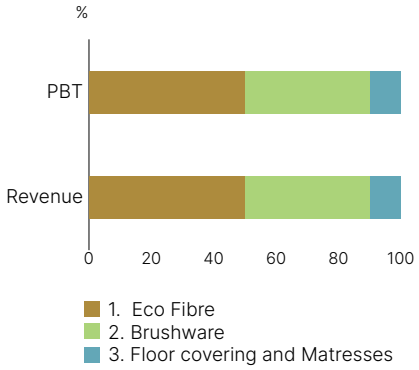
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. ECO FIBRE
Manufacture a range of value-added coir fibre products

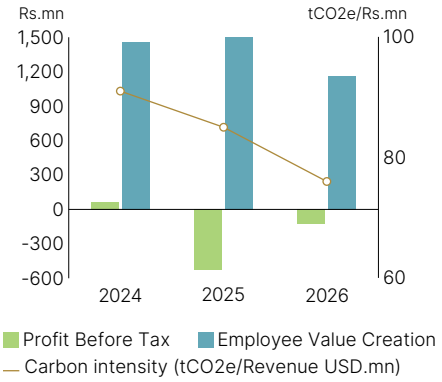
2. BRUSHWARE
Pioneer in the brush market, catering to both the local and international markets

3.FLOOR COVERING AND MATTRESSES
Manufacturer of coir, rubber, flocked door mats and PU mattresses

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Product capabilities	Market reach	Brands	Manufacturing
Over **1000 product** varieties including value-added coir fibre products, brushware, floor coverings and mattresses	Over **300 industry-leading customers across 80 markets** ranging from Fortune 500 companies to international supermarket chains and local customers.	Portfolio of **leading brands** including Bonterra, Haygreen Ravi, Rileys, Hayleys Fibre and Hayleys Mattresses	**13** manufacturing facilities including 1 in India and regional marketing offices in the UK, Netherlands and Japan

OPERATING ENVIRONMENT

The global coir market continued to record steady growth during the year, supported by increasing customer preference towards sustainable and environmentally responsible materials. Demand for coir-based solutions remained resilient across key export markets, reflecting the industry's growing relevance within agriculture, horticulture, landscaping, and industrial applications. On the other hand, the operating environment was also marked by significant supply-side pressures with weaker harvests in key sourcing regions resulting in a sharp escalation in raw material prices during the year. These conditions, together with broader supply chain disruptions, placed considerable pressure on industry cost structures and margins.

At the same time, the global market remained intensely competitive, compelling manufacturers to strengthen their focus on innovation and agility to preserve market share and customer relationships amid evolving industry dynamics. Despite these challenges, several long-term structural trends continued to support market expansion. The increasing adoption of coir in erosion control and hydroponics applications, combined with limited arable land availability and growing consumer preference for healthier and more sustainable food production methods, continued to drive demand for high-quality growing media products globally.

7% CAGR
(2023-2030)
Global demand projections for growing media

6% CAGR
(2023-2030)
Global demand for natural fibre carpets

Eco Solutions

OPERATING ENVIRONMENT SUCCESS

RAW MATERIAL COST

>100% increase in coconut husk price

Reflecting heightened global demand for coir-based products and peat substitutes, compounded by weaker coconut harvests in key sourcing regions

H

DEMAND DYNAMICS

7% CAGR (2023-2030)

Growing media products

Driven by the expansion of hydroponics, limited arable land availability, and rising consumer preference for sustainable and high-yield food production

H

GEOPOLITICAL DYNAMICS

Surge in freight rates

Freight rates surged during the year amid escalating geopolitical tensions and continued disruptions across global shipping and logistics networks.

H

Key risks

Market risks
Geopolitical trade dynamics and escalation of conflict

Competitive pressures from regional manufacturers

Operational risks
Supply chain security

Sustainability-related risks
Impact of physical climate risks on raw material availability

CRRO#1

Opportunities

Market opportunities
Rising adoption of coir in agriculture and horticulture applications

Sustainability-related opportunities
Stringency of environmental regulations and prevalence towards sustainable products

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

1 Market development

Achieved increased penetration in the South American market, securing considerable market share for specialised eco fibre products

Resource allocation: Sales& marketing expenditure – **Rs. 307.48 mn**

Relevance to Group strategy:

2 Expansion of product portfolio

Development of value-added products in eco fibre and floor coverings and complementary products in mattresses

Resource allocation: Investment in R&D – **Rs. 11.82 mn**

Relevance to Group strategy:

3 Supply chain management

Completion of fibre extraction plant in Nikaweratiya and expansion of supplier base

Resource allocation: Payments to suppliers – **Rs. 7.93 bn**

Relevance to Group strategy:

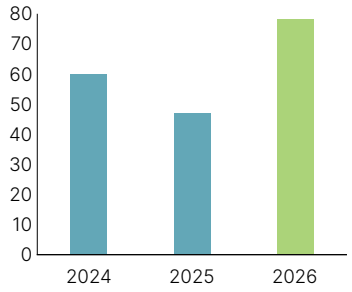
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Assesses the strength of the Sector's market expansion and customer acquisition strategy.

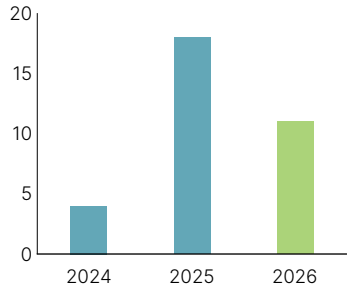
NEW CUSTOMERS ACQUIRED



About this KPI and why we use it:

- Demonstrates the effectiveness of the Sector's innovation and R&D capabilities

NEW PRODUCTS DEVELOPED



About this KPI and why we use it:

- Assesses the effectiveness of the Sector's supplier diversification strategy and supplier relationship management.

24

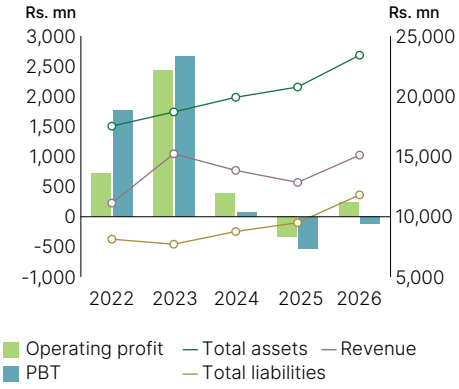
New suppliers added

INTEGRATED PERFORMANCE REVIEW

Performance upheld by eco fibre: The Sector recorded a strong turnaround during the year, with revenue increasing by 18% to Rs. 15.11 bn and recorded a Profit Before Tax of Rs. 98.93 mn compared to a loss of Rs. 523.9 mn in the previous year. Performance was driven primarily by the Eco Fibre segment, which delivered a healthy performance during the year, supported by improved demand conditions and stronger market penetration. Strategic measures implemented in the previous year resulted in expansion into new markets and product categories. Meanwhile, the performance of the Brushware segment remained below expectations amid challenging market conditions, although the Mattresses and Floor Coverings segments recorded notable improvements compared to the previous year.

	Revenue (y-o-y) %	PBT (y-o-y) %
y-o-y growth	Revenue	Profit
Eco fibre	+47%	+1,639%
Brushware	-7%	-54%
Floor covering and mattresses	+22%	+17%

SECTOR FINANCIAL PERFORMANCE



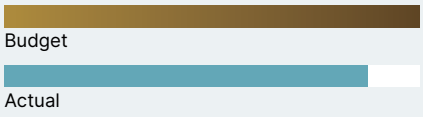
Eco Solutions

PERFORMANCE HIGHLIGHTS

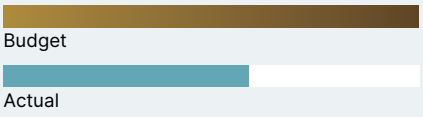
FINANCIAL METRICS	2026	2025	%	2024
Revenue	**15,112**	12,847	18	13,846
Earnings before interest and tax	**248**	(333)	-	384
Net finance income/(cost)	**(188)**	(250)	-25	(357)
Profit before tax	**99**	(524)	-	68
Profit after tax	**(154)**	(520)	-	(17)
Assets	**23,408**	20,763	13	19,911
Liabilities	**11,814**	9,508	24	8,775
Operating cash flow	**(1,227)**	387	-	(494)

PERFORMANCE AGAINST TARGETS

Revenue



Profit before tax



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**1,105**	1,123	-2	1,119
Revenue per employee (Rs. mn)	**14**	11	20	12
No. of manufacturing facilities	**14**	13	8	12
Production volumes (MT)	**52,818**	56,452	-6	6,157
Capacity utilisation (%)				
- Hayleys Fibre	**58**	50	8	65
- Bonterra	**63**	70	-7	69
- Creative Polymats	**67**	50	17	43

SUSTAINABILITY-RELATED FINANCIAL METRICS		2026	2025	%	2024
SASB METRICS*	Water withdrawal from areas with baseline water stress(%) - CG-HP-140a.1	**100**	100	-	100
	Water consumption (m3) - CG-HP-140a.1	**59,964**	42,969	40	18,426
	Total weight of packaging (MT) -CG-HP-410a.1	**119**	97	23	N/A

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues

*SASB Household and Personal care Products standard

The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

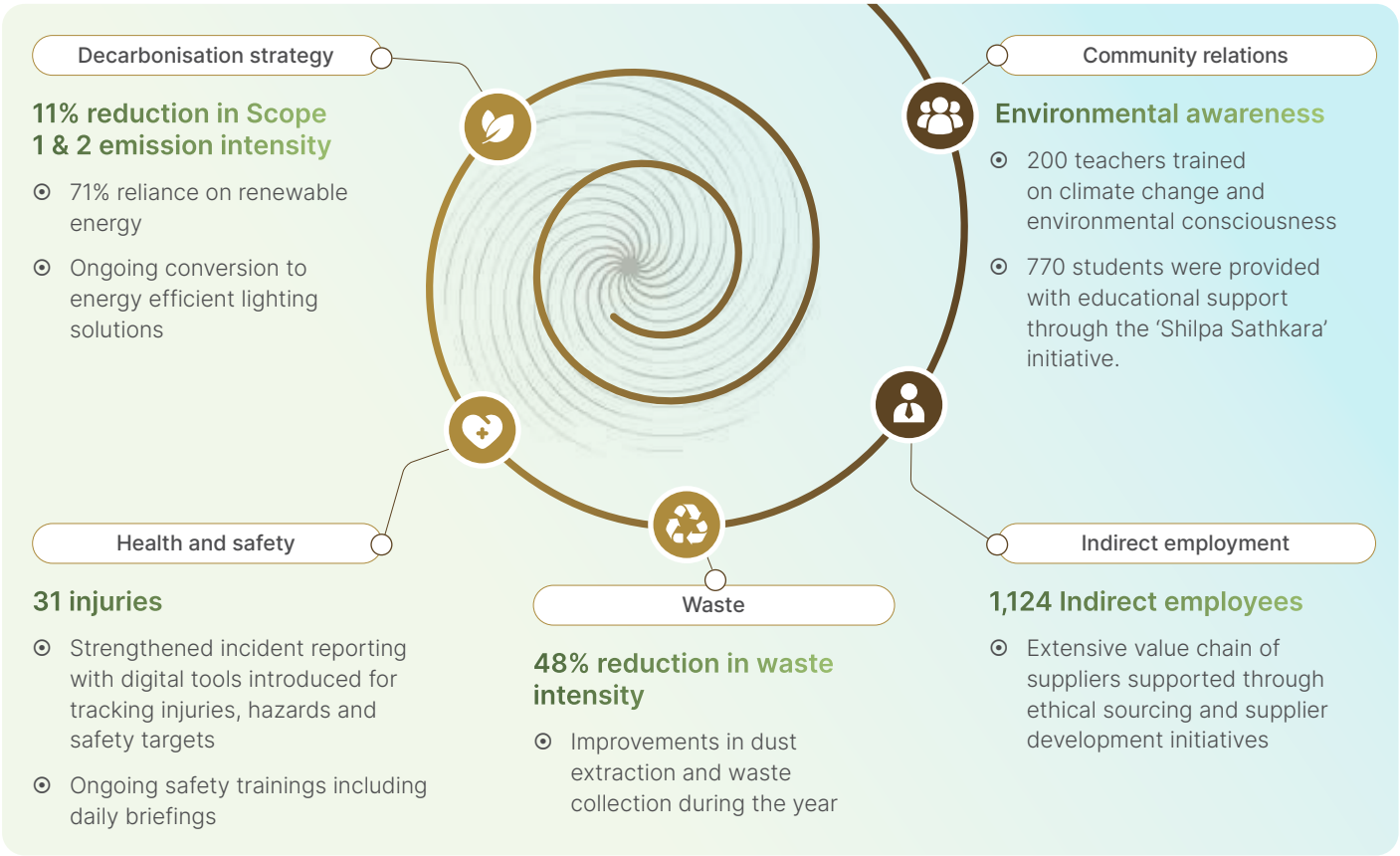
Sub-sector performance: The Eco Fibre segment emerged as the primary driver of the Sector's growth during the year with Profit Before Tax increasing exponentially, supported by growth momentum across global horticulture markets and continued expansion into new geographies and applications. The business successfully penetrated the Moroccan market while making inroads in specialised solutions for tomato and berry cultivation. In line with its strategic focus on expanding its global footprint, the Sector also ventured into South America, leveraging opportunities in seed production and other high-value cultivation applications. The growing emphasis on value-added growing media solutions, particularly for European and US markets, continued to support customer acquisition and volume expansion.

The Floor Coverings segment recorded an improvement in performance during the year, with revenue increasing alongside improved margins and a reduction in losses, although overall performance continued to remain below expectations. New product development initiatives also gained traction, with certain products reaching commercial supply stage during the year. The Sector continued to focus on streamlining its distribution network and improving market effectiveness by rationalising its dealer base while strengthening direct distribution channels. In parallel, the business underwent a broader restructuring process, including changes to key personnel, SKU rationalisation, enhanced marketing initiatives, and measures aimed at improving capacity utilisation.

The Mattresses segment delivered a strong performance during the year, supported by improved market penetration and strengthened distribution capabilities through the Singer network. The ranks as the third-largest player in the market, recorded a healthy volume growth while operating at approximately 80% capacity utilisation. Performance was further supported by the expansion into complementary product categories, rationalisation of its distribution model by transitioning from a dealer-based structure to a distributor-led network.

Brushware: The Brushware segment continued to face challenging operating conditions during the year, with losses increasing from Rs. 165 mn to Rs. 323 mn, reflecting low-capacity utilisation levels and elevated raw material costs. In response, the Sector continued to pursue a focused recovery strategy centred on driving export market growth through investments in machinery, development of new molds, process improvements, and backward integration initiatives

ESG as a driver of business value



Eco Solutions

relating to key raw materials. At the same time, the business leveraged its strong domestic distribution footprint, which now covers approximately 8,800 hardware outlets, to channel new product offerings and broaden its hardware-related product portfolio.

Backward integration: During the year, the Sector officially launched its fibre extraction facility in Nikaweratiya, representing an investment of approximately Rs. 700 mn and marking a significant milestone in strengthening backward integration and supply chain resilience. Following initial product testing and quality optimisation processes, the facility is expected to gradually scale up operations and eventually supply approximately 30% of the Sector's raw material requirement. The investment positions the business among the few players in the industry with integrated fibre extraction capabilities, thereby enhancing long-term supply chain stability.

PROSPECTS AND PLANS

The long-term outlook for the Sector remains positive, supported by favourable global demand dynamics for sustainable coir-based solutions, particularly within growing media. Increasing environmental regulation and the broader global focus on sustainability are expected to continue driving demand for natural and renewable alternatives across international markets. The Sector will continue to focus on simplifying its holding structure while rationalising and consolidating loss-making business lines in order to improve operational efficiencies and strengthen overall profitability. The Eco Fibre segment is expected to remain a key growth driver, supported by planned initiatives to improve lead-time responsiveness, and further strengthen market presence within the Middle Eastern and African regions. The Sector's risk and opportunity landscape and its interventions to mitigate and leverage these developments are mapped below:

	Short-term	Medium to Long-term
Portfolio optimisation	• Rationalise organisational structure and • Strengthen competitive position and access new markets in the eco fibre segment • Operational efficiency and lean management	• Strengthen trading operations in India
Customer Centricity	• Strengthen competitive position and access new markets in the eco fibre segment • Enhance value-added product portfolio through R&D investments	• Embrace digitalisation in driving better customer service • Pursue growth in new application
Inclusive business models	• Ensure supply chain security through backward integration	
What we hope to achieve	**17%** Revenue growth ROCE **>8%** Gearing **<40%**	**9%** Revenue growth ROCE **>9%** / Gearing **<44%** **15%** reduction in Scope 1 & 2 emissions

Opportunities and levers

- Increasing demand for growing media products
- Sustainability as a competitive edge

Risks to strategy

- Escalating geo-economic confrontations
- Escalating physical implications of climate change (CRRO1, CRRO 2)



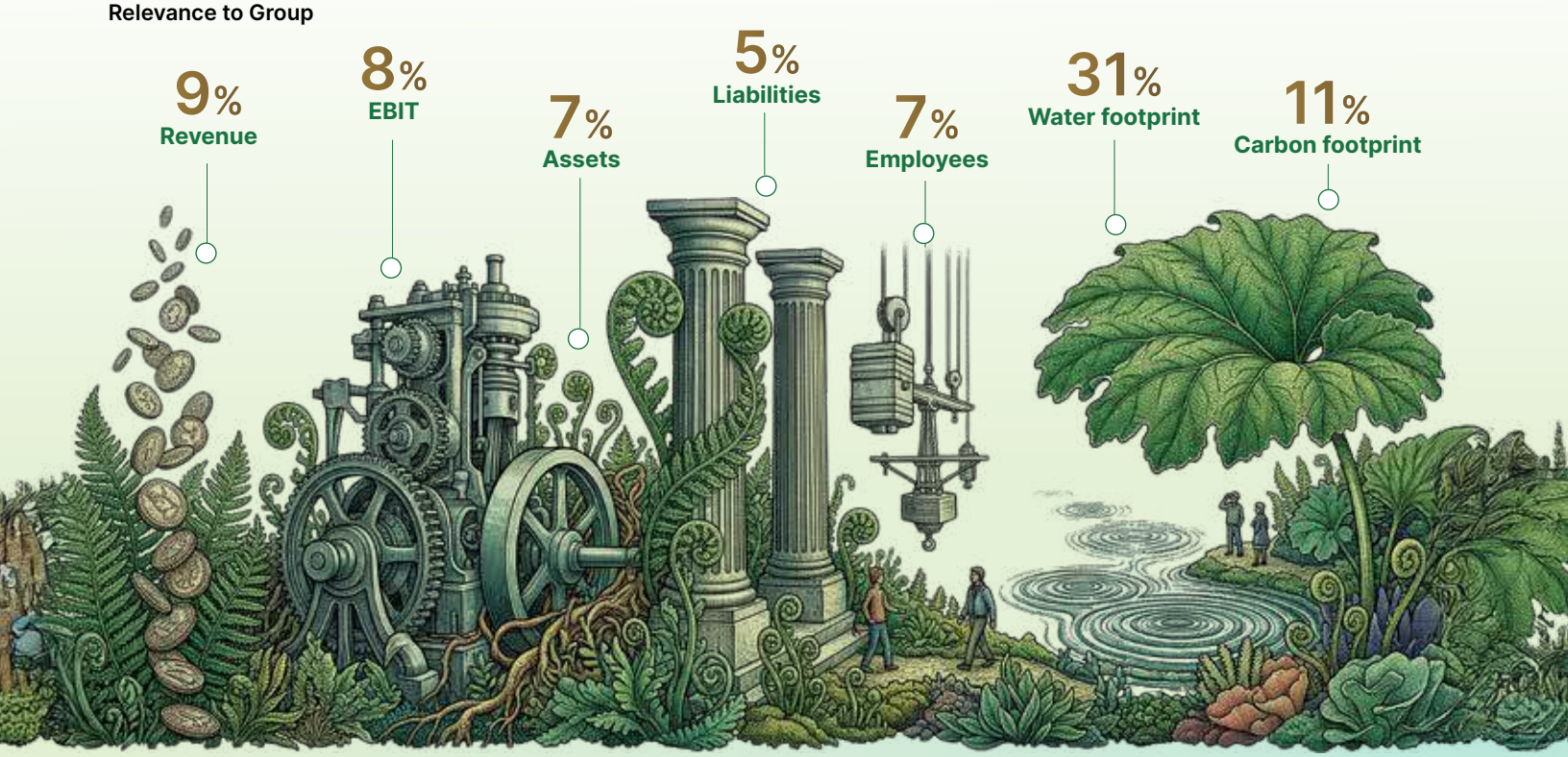
Insights from sector GMC member
Scan to view

Hand Protection

The Sector, represented by Dipped Products PLC is a global leader in protective hand-wear, with a strong track record for innovation, quality, advanced manufacturing capabilities and sustainable operations. The Sector's products cater to diverse applications and markets across the world.

Hand Protection

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 51.1 bn (+10%)	Rs. 4.36 bn (+13%)	Rs. 3.15 bn (-3%)	Rs. 50.36 bn (+20%)	Rs. 24.11 bn (+27%)	2,679 (+4%)	233,957tCO₂e (+24%)

Year in review

Financial performance

The Sector delivered a strong performance during the year, driven by robust volume growth, favourable market conditions and continued operational improvements

Strategic highlights

Enhancing manufacturing capacity while investing in product development centering on value-added products



ESG highlights

Ongoing efforts towards driving decarbonisation

DPL Cloud Forest initiative demonstrating commitment to ecosystem preservation

Way forward

Pursue growth opportunities in non-traditional markets

Enhance contributions from value-added product portfolio

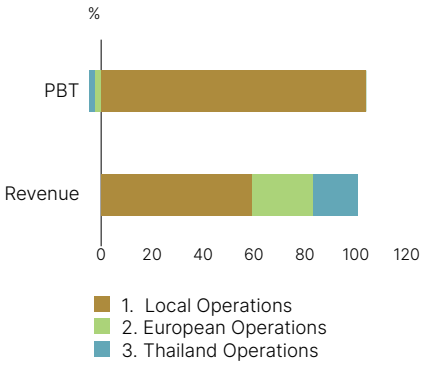
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. LOCAL OPERATIONS
5 manufacturing facilities producing a range of household, industrial and sports gloves

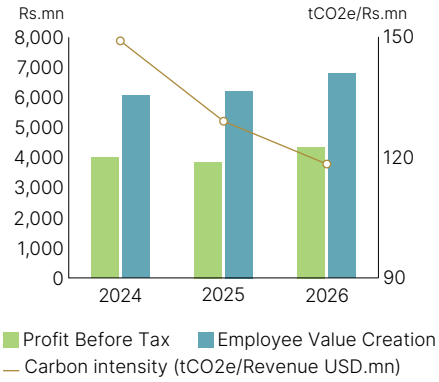
2. EUROPEAN OPERATIONS
Distribution arm in Italy, France, Poland and India

3. THAILAND OPERATIONS
2 manufacturing facilities in Thailand producing disposable gloves

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Product capabilities	Market reach	Manufacturing	Quality and innovation
A comprehensive portfolio of products with over 770 variants in supported, unsupported, disposable, electrician, sports gloves and sleeves	The Sector's products are sold in over **70 countries** across **6 continents**	**7 manufacturing facilities comprising** 5 in Sri Lanka and 2 in Thailand	Quality and best-in-class innovation supported by state-of-the-art research capabilities, accredited laboratory facilities and an array of system and product certifications

OPERATING ENVIRONMENT

The glove industry operating environment remained volatile during the year, shaped by changing demand dynamics, raw material fluctuations, and geopolitical developments. At the beginning of the year, demand conditions improved with a strong order book and a favourable product mix weighted towards synthetic gloves, while the disposable glove market remained sluggish due to excess industry capacity. Raw material prices remained relatively stable during the early part of the year despite some shortages in natural rubber supply and freight-related disruptions. Sourcing strategies were diversified to reduce reliance on individual markets, while weather-related disruptions in Thailand had limited impact on operations. However, conditions changed significantly following the escalation of geopolitical tensions in the Middle East, which drove sharp increases in nitrile-based raw material prices linked to crude oil markets amid supply shortages and production disruptions.

The long-term growth potential of the glove industry remains favourable, supported by increasing global emphasis on occupational safety, hygiene standards and health protection across a wide range of industries. Demand is expected to be driven by the healthcare sector and also by growing requirements for protective handwear in industries such as manufacturing, automotive, construction, food processing, electronics and chemical handling. Structural trends including stricter workplace safety regulations, rising industrialisation in emerging markets and greater awareness of worker protection are expected to sustain demand over the long term.

>8%
demand growth
(2025-2030)

4%
Reduction in local rubber production

9%
Increase in cost of production of rubber

Hand Protection

OPERATING ENVIRONMENT SUCCESS

FAVOURABLE DEMAND DYNAMICS

Demand conditions are expected to be robust supported by rising demand across various sectors such as healthcare, manufacturing and F&B

H

LOCAL RUBBER PRODUCTION

Sri Lanka's rubber production continued its declining trend reflecting rising costs, disease outbreaks and labour shortages

H

CUSTOMERS' INCREASING SUSTAINABILITY CONSCIOUSNESS

Emerging regulations such as the EUDR together with customers' increased consciousness of social and environmental factors.

M M

Key risks

Market risks
Geopolitical trade dynamics and escalation of conflict

Operational risks
Supply chain security

Sustainability-related risks
Impact of physical climate risks on raw material availability

CRRO#1

Emerging sustainability related regulations such as EUDR, CBAM

CRRO#3

Opportunities

Market opportunities:
Increasing awareness of health and safety across industries

Operational opportunities:
Digital transformation

Sustainability-related opportunities
Strategic integration of sustainability considerations

Transition to renewable energy

CRRO#4

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

1 Capacity expansions

The Sector invested in two new production lines and commenced construction of its 6th manufacturing facility in Sri Lanka

Resource allocation: CAPEX **Rs. 5.65 bn**

Relevance to Group strategy:

2 Value-added product strategy

The Sector continued to pursue growth in value-added specialised gloves in niche segments across industrial applications, electric vehicles and sports among others

Resource allocation: Investment in R&D: **Rs. 570 mn**

Relevance to Group strategy:

3 Sustainability integration

The Sector launched the second edition of its ESG roadmap during the year, reviewing progress against existing targets while setting priorities and direction for the years ahead.

Resource allocation: Investment in energy & water initiatives: **Rs. 1.0 bn.**

Relevance to Group strategy:

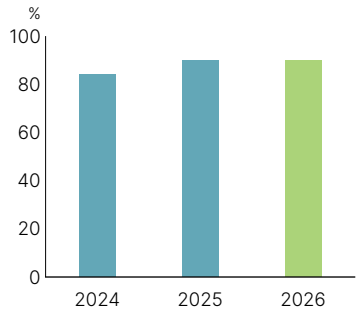
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- This KPI helps to plan future supplies while assessing manufacturing efficiency, utilisation levels and bottlenecks

CAPACITY UTILISATION



About this KPI and why we use it:

- Reflects the effectiveness of the Sector's R&D strategy and innovation capabilities

248
New products developed

04
Patents received

About this KPI and why we use it:

- Represents the effectiveness of the Group's ESG interventions

9%
Reduction in emission intensity

7%
Reduction in energy intensity

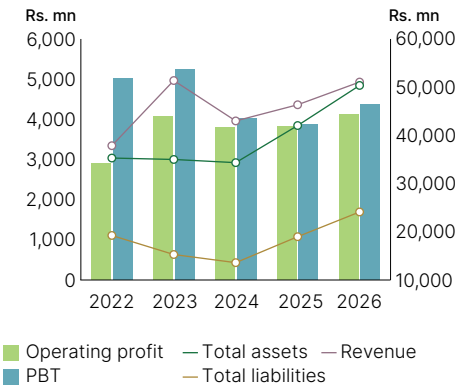
Water intensity unchanged

INTEGRATED PERFORMANCE REVIEW

Year of strong growth: The Sector delivered a strong performance during the year, with revenue increasing by 10% to Rs. 51.1 Bn, supported by volume growth of 14%, a more favourable product mix, and strong pricing momentum for nitrile gloves, particularly during the early part of the year. Profit before tax increased by 13% to Rs. 4.4 Bn, driven by improved margins, continued focus on operational efficiencies and automation, and the ongoing transition towards more technologically advanced manufacturing capabilities.
The Italian operations recorded a strong improvement in profitability, with Profit Before Tax increasing by nearly 134%, led by ICOGuanti's continued expansion within disposable glove markets, particularly the medical segment, supported by dedicated marketing efforts and market share gains. Meanwhile, the France operations remained loss-making during the year, although losses moderated compared to the previous year as restructuring and rationalisation initiatives continued. Performance at Hi-Care in Thailand remained below expectations; however, efforts are underway to improve product mix towards higher-value products, enhance capacity utilisation, and strengthen margins through ongoing operational rationalisation initiatives.

Y-o-y growth	Revenue	Profit
Local operations	13%	35%
European operations	6%	75%
Thailand operations	18%	-117%

SECTOR FINANCIAL PERFORMANCE

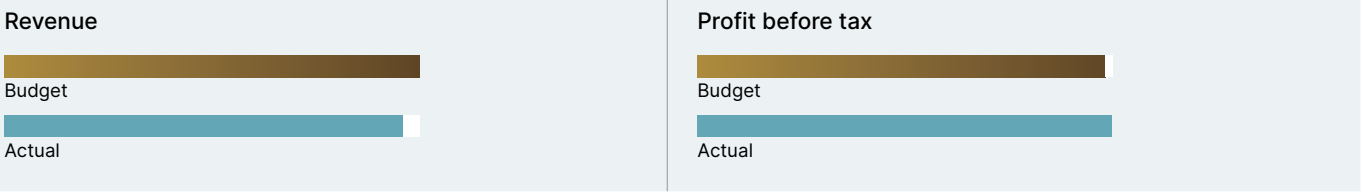


Hand Protection

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**51,061**	46,350	10	42,998
Earnings before interest and tax	**4,126**	3,813	8	3,786
Net finance income/(cost)	**187**	37	399	226
Profit before tax	**4,363**	3,858	13	4,013
Profit after tax	**3,146**	3,255	-3	3,673
Assets	**50,356**	42,042	20	34,341
Liabilities	**24,115**	18,983	27	13,595
Operating cash flow	**1,067**	2,546	-58	3,439

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**2679**	2,570	4	2,171
Revenue per employee (Rs. mn)	**19**	18	6	20
No. of manufacturing facilities	**7**	7	-	6
Capacity utilisation (%)	**90**	90	-	84
Units of equivalent production sold (mn)	**325**	286	-14	252

	SUSTAINABILITY-RELATED FINANCIAL METRICS	2026	2025	%	2024
SASB METRICS	Water consumed from medium to high-stress regions (%) *CG-HP-140a.1*	**100**	100	-	100
	Revenue from products containing substances of high concern (Rs.mn) *CG-HP-250a.1*	**Nil**	Nil	-	Nil
	Revenue from products designed with green chemistry principles (Rs.mn) *CG-HP-250a.3*	**875**	616	+42	N/A
	Total weight of packaging (MT) *CG-HP-140a.1*	**4,691**	4,112	+14	3,773
	Percentage made from recycled and/or renewable materials (%) *CG-HP-410a.1*	**87**	70	+17	70
	Percentage that is recyclable, reusable, and/or compostable (%) *CG-HP-410a.1*	**95**	95	-	90

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*SASB Household and Personal Care Products standard

The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

Strengthening the manufacturing footprint: The Group continued to expand its manufacturing capacity during the year through several strategic investments and commissioning initiatives. The Sector commenced construction of its sixth manufacturing facility in Sri Lanka through the strategic conversion of an acquired plant, the commissioning of a natural rubber glove manufacturing facility in Hanwella, and the launch of next-generation natural rubber and electrician's glove dipping plants in Kottawa, strengthening the Group's production capabilities and product portfolio.

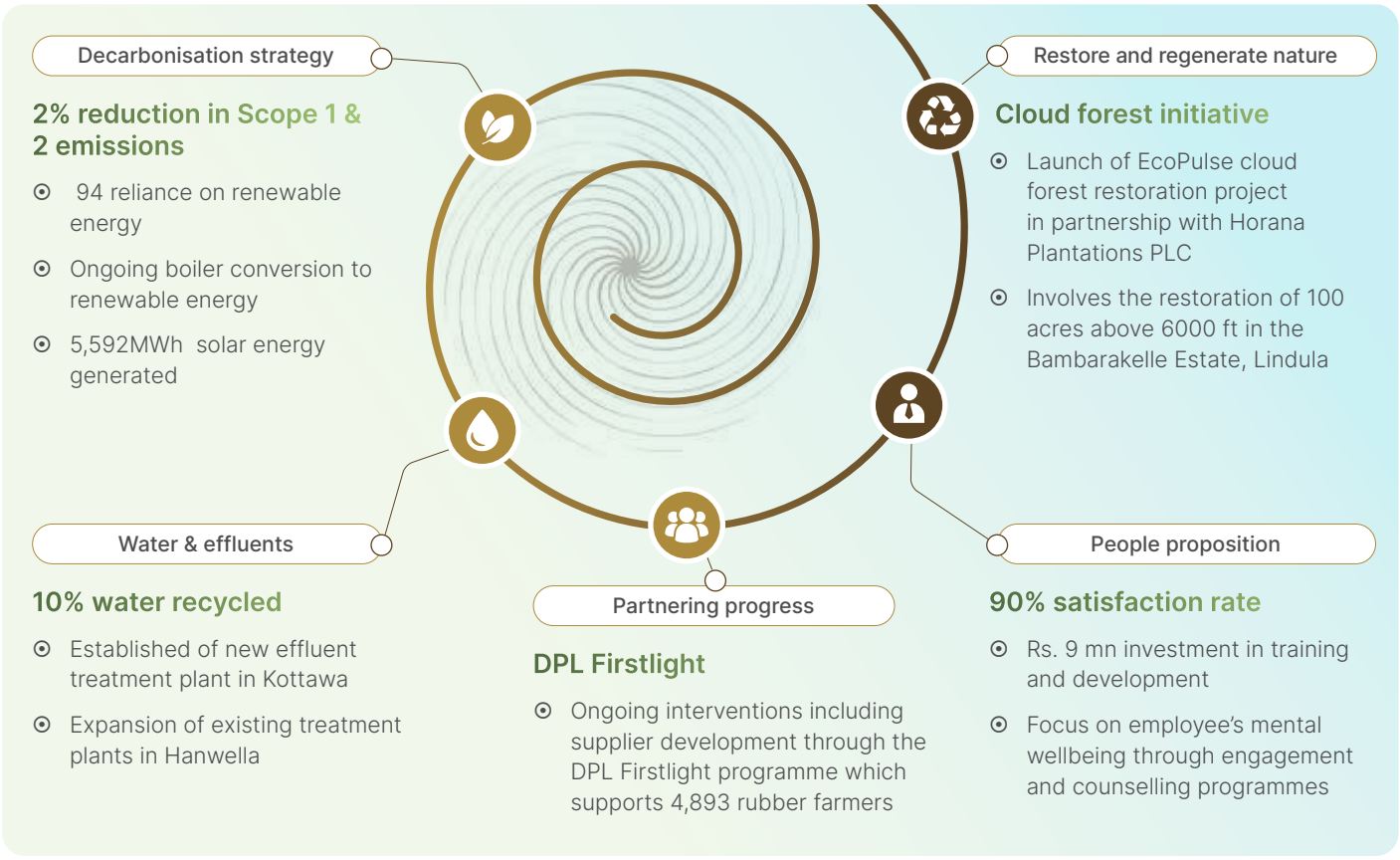
Value-added product strategy: The Sector continued to strengthen its value-added product strategy during the year, with several high-end products introduced and enhanced across key segments. Focus remained on developing high-value, niche, and customer-specific solutions targeting sophisticated industrial and specialised markets. Key developments included the introduction of high-end chemical-resistant butyl gloves, expansion of specialised industrial product offerings, and continued growth within the household glove category.

Strategic customer acquisition: The Sector pursued strategic customer acquisition during the year, onboarding 47 new customers through participation in international trade exhibitions and focused market development initiatives. Efforts were directed towards strengthening presence in high-growth markets including India, Saudi Arabia, East Asia, Australia, and South America. The Sports Gloves segment also recorded continued momentum, with expansion of the customer portfolio and increasing engagement with globally recognised brands, supporting ongoing capacity expansion initiatives within the segment.

Digitalisation and innovation: The Sector continued to strengthen its position as an industry leader in technologically advanced manufacturing through ongoing investments in automation, robotics, and digitalisation. During the year, the Sector commissioned the industry's first next-generation AI and robotics-enabled dipping plant, while also advancing several digital initiatives including a pre-launched enhanced production planning system with future AI-driven planning capabilities, qualified systems, energy monitoring platforms, warehouse management systems, and robotic material handling solutions, including several first-time implementations in Sri Lanka.

Our people proposition: The Sector continued to invest in its people during the year, recognising that a strong organisational culture, diversity, equity and inclusion, and ongoing training and

ESG as a driver of business value



Hand Protection

development remain fundamental to long-term success. Reflecting these efforts and the Sector's broader operational excellence, Dipped Products PLC (DPL) was recognised as the Overall Winner – Most Outstanding Exporter 2025 at the National Chamber of Exporters (NCE) Export Awards, in addition to securing the Gold Award in the Rubber and Rubber Products Sector – Extra Large Category and three Special Awards recognising foreign exchange earnings, performance in emerging markets, and support for persons with disabilities within the export sector.

PROSPECTS AND PLANS

The immediate operating environment remains uncertain given the ongoing geopolitical tensions and resulting supply chain disruptions, particularly across key raw materials and petroleum-based packaging inputs. In response, the Sector continues to strategically navigate the situation by balancing customer retention with the timely pass-through of cost escalations where necessary. Despite these near-term challenges, the Sector's longer-term outlook remains favourable, supported by continued focus on expanding customer reach and launching value-added products. The commissioning of the new plant in Katunayake is also expected to support future volume growth through catering to the industrial and niche product segments. The Sector's risk and opportunity landscape and its interventions to effectively mitigate and leverage these developments are mapped below:

	Short-term	Medium to Long-term
Portfolio optimisation	• Pursue growth opportunities in non-traditional markets • Cost optimisation and efficiencies through digital transformation	• Digital transformation across all processes
Customer Centricity	• Enhance contributions from value-added product portfolio • Leverage manufacturing capabilities to offer customised solutions catering to evolving needs	• Cater to evolving demand dynamics across niche segments
Strategic ESG Integration	• Strengthen supplier networks to diversify raw material supply chains • Supply chain interventions to ensure compliance to EUDR	• Drive decarbonisation agenda in line with the aspirations of DPL Pulse
What we hope to achieve	**14%** Revenue growth ROCE **>14%**	**8%** to **10%** Revenue growth / ROCE **>15%** **20%** reduction in Scope 1 and 2 GHG emissions **40%** social and environmental screening of suppliers

Opportunities and levers

- Value-added, specialised industrial gloves
- Growth opportunities in non-traditional markets
- Leverage sustainability as a competitive edge

Risks to strategy

- Escalation of state-based armed conflict
- Escalating implications of climate change on raw materials
- Supply chain disruptions



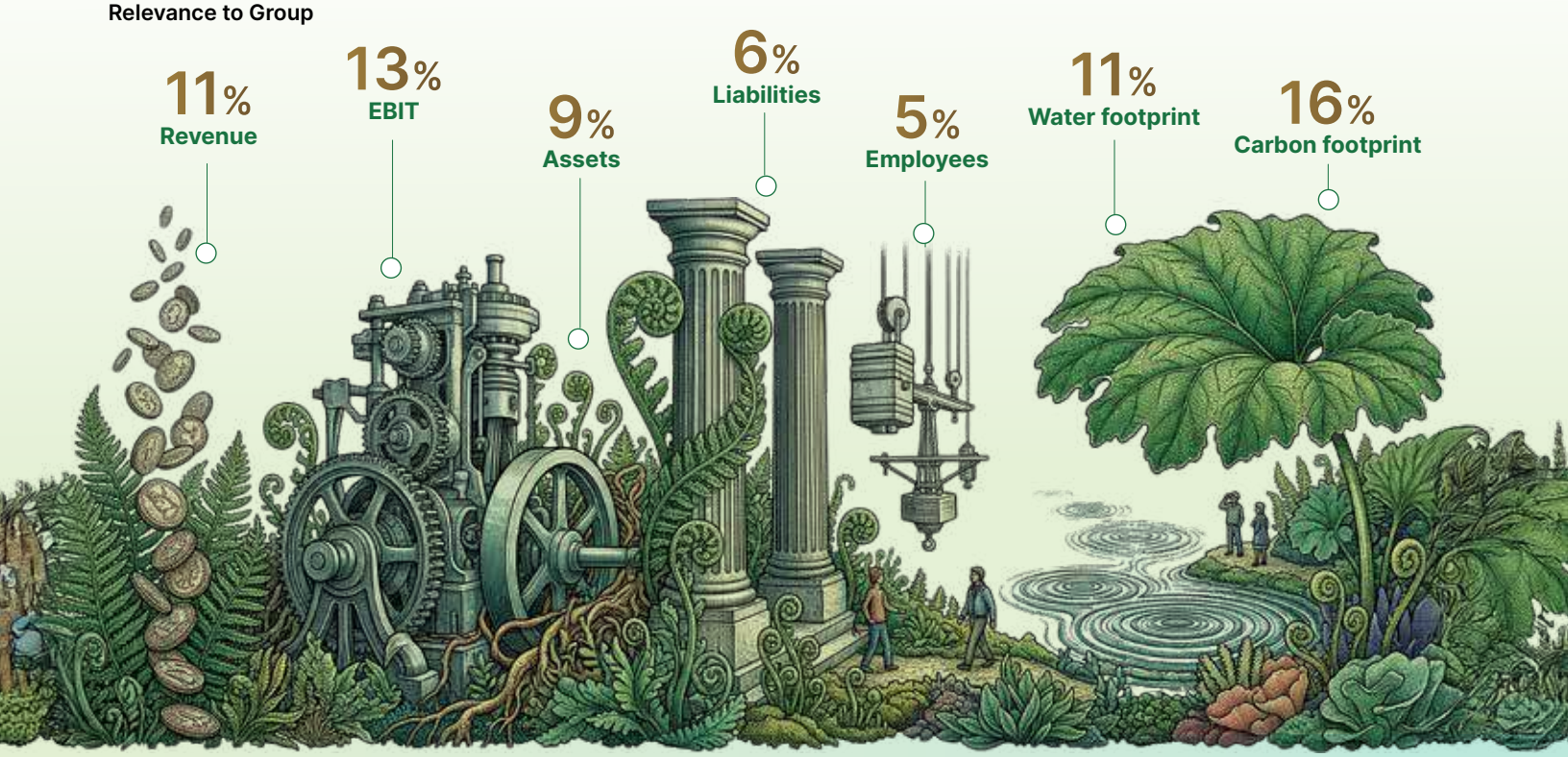
Insights from sector GMC member
Scan to view

Purification

The Sector, represented by the Haycarb Group is one of the world's leading manufacturers of coconut-shell based activated carbon, producing a range of world-class, innovative and sustainable solutions which shape a greener future across numerous applications in diverse industries.

Purification

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 66.77 bn (+56%)	Rs. 5.9 bn (+7%)	Rs. 4.34 bn (+2%)	Rs. 61.23 bn (+43%)	Rs. 30.21 bn (+90%)	2,084 (+3%)	49,785 tCO_2e (+12%)

Year in review

Financial performance

The Sector delivered a strong performance during the year, driven by higher volumes, improved pricing and a favourable shift towards energy storage carbons. Profitability was impacted by significant raw material cost inflation and margin compression, the Sector maintained earnings growth through its continued focus on higher-margin products

ESG highlights

Decarbonisation in line with the goals set out in the Sector's ESG Roadmap

Ongoing investments in supplier development and community engagement



Strategic highlights

Strategic emphasis on expanding capacity of the high value, energy storage solutions while driving supply chain resilience

Way forward

Increase contribution from value-added carbon products while expanding customer acquisition across Asian markets

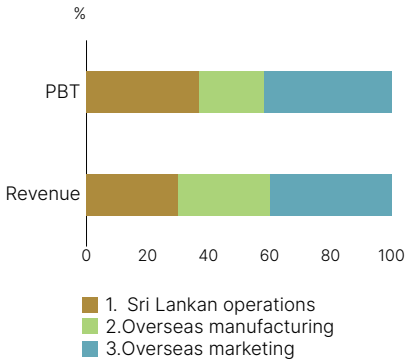
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. SRI LANKAN OPERATIONS
Manufacture of coconut-shell based activated carbon

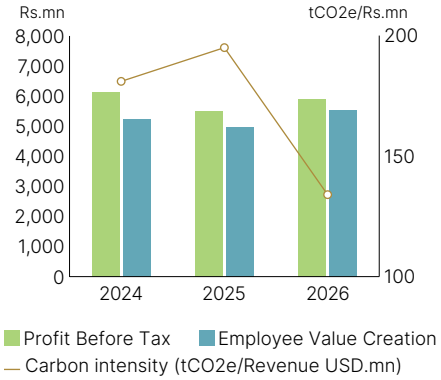
2. OVERSEAS MANUFACTURING
Manufacturing operations in Indonesia and Thailand

3. OVERSEAS MARKETING
Marketing arms engaged in distribution

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Product capabilities	Market reach	Manufacturing	Technical excellence
A complete range of over **1,500 product variants** including standard, washed impregnated granular powder and extruded pelletized forms	The Sector caters to over **600customers** in over 50 countries with marketing offices in Sri Lanka, USA, Europe and Australia and an extensive distributor network globally	**Seven manufacturing facilities** comprising 2 each in Sri Lanka and Indonesia, 2 in Thailand and 1 in Philippine.	Advanced **research and product development capabilities** which have enabled the Sector to cater to evolving customer demands across different applications including value added activated carbon for energy storage applications

OPERATING ENVIRONMENT

The operating landscape during the year was shaped by a combination of strong demand dynamics and heightened input-side pressures. Global demand remained favourable, underpinned by robust performance in core application segments, The gold sector, in particular, experienced sustained momentum in line with global economic uncertainty while tightening environmental regulations supported increasing demand for water purification carbons. Emerging application segments also gained traction, with demand for energy storage solutions rising significantly, driven by structural shifts such as the expansion of AI-driven data centres, grid stabilisation requirements, and growth in the electric vehicle market, particularly in China.

Against this backdrop of demand strength, the industry faced notable supply-side challenges. Raw material markets remained constrained, with key sourcing regions including Sri Lanka, Indonesia and India affected by climate-related disruptions and competing demand from China. In addition, competitive intensity for raw materials increased, particularly from emerging producers in India and the Philippines. Resultantly, charcoal prices increased by over 50% during the year, resulting in a significant escalation in input costs. While supply conditions showed signs of moderate stabilisation toward the latter part of the period, pricing pressures remained elevated.

>50%
increase in charcoal prices

20%
tariff from USA

Strong demand dynamics for energy storage solutions

Purification

OPERATING ENVIRONMENT SUCCESS

RAW MATERIAL COST

Sharp increase in charcoal prices

Increasing demand from regional manufacturers as well as persistent supply deficits led to a sharp increase in charcoal prices

H

GEOECONOMIC DEVELOPMENTS

20% tariff from USA

While causing initial disruptions, alignment with other Asian exporters meant demand remained largely unaffected

L

DEMAND DYNAMICS

Strong demand growth for energy storage solutions particularly from China is reshaping global demand dynamics for activated carbon.

H

Key risks

Market risks
Geopolitical trade dynamics and escalation of conflict

Operational risks
Supply chain security

Sustainability-related risks
Impact of physical climate risks on raw material availability

CRRO#1

Opportunities

Market opportunities:
Shifting regional demand dynamics stemming from China's dominance in the electric vehicle market

Operational opportunities:
Digital transformation

Sustainability-related opportunities
Opportunities for energy storage solutions stemming from the low-carbon transition

CRRO#4

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

1 Innovation-led energy storage

Strategic focus on expanding the innovation-led energy storage portfolio of solutions including super capacitator carbons and silicone carbon composites

Resource allocation: Investment in R&D: **Rs. 262 mn**

Relevance to Group strategy:

2 Supply chain security and resilience

Continued emphasis on backward integration, geographical expansion of supplier base and pursuing opportunities in alternative input material

Resource allocation: No. of new coconut-shell and charcoal suppliers added: **44**

Relevance to Group strategy:

3 Capacity expansions

The Sector expanded production capacity in value-added energy storage solutions while also adding capacity in Thailand. The Sector's new manufacturing facility in Phillippines is currently under construction

Resource allocation: CAPEX: **Rs. 4.22 bn**

Relevance to Group strategy:

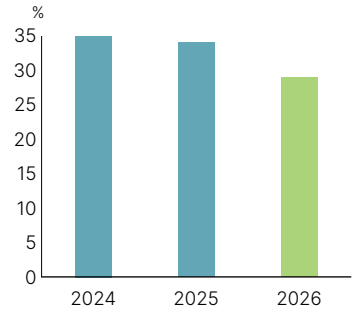
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING PROGRESS

About this KPI and why we use it:

- Demonstrates the effectiveness of the Sector's value-added product strategy and optimum product mix

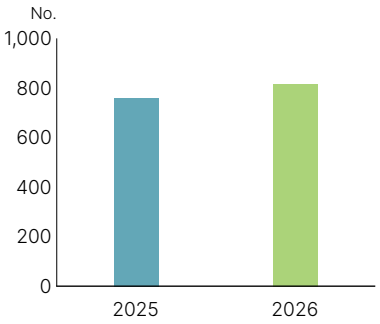
NEW PRODUCTS DEVELOPED



About this KPI and why we use it:

- Demonstrates the success of the Sector's supplier expansion and diversification strategy

TOTAL SUPPLIERS



About this KPI and why we use it:

- Represents the Sector's upside potential and ability to cater to evolving market opportunities

15%

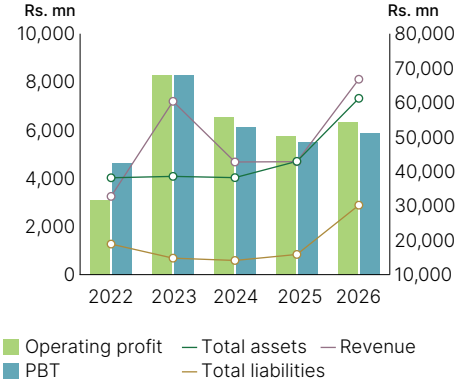
Capacity expansion during the year

INTEGRATED PERFORMANCE REVIEW

Resilient performance: The Sector delivered a strong Revenue growth of 56% to Rs. 66.77 bn during the year, driven by a near 5% volume growth, higher prices and a favourable shift in the product mix towards value-added segments, particularly energy storage carbons. However, the sharp escalation in raw material costs exerted pressure on gross margins which narrowed from 28% to 20% during the year. Despite these cost headwinds, the Sector's continued emphasis on value-added carbons and higher-margin product categories enabled profit resilience. Accordingly, the Sector's Profit Before Tax recorded a marginal growth of 7% to Rs. 5.9 bn underscoring the effectiveness of the Sector's strategic focus on portfolio optimisation and value enhancement. The Environmental Engineering segment recorded a marginal decrease in Profit Before Tax of 4% to Rs. 64 mn during the year, although the long-term prospects are promising given the gradual recovery in government-led projects across Sri Lanka and the Maldives. Activity levels showed a notable uptick towards the latter part of

Y-o-y growth	Revenue	Profit
Local manufacturing	39%	-16%
Overseas manufacturing	90%	6%
Overseas marketing	56%	188%

SECTOR FINANCIAL PERFORMANCE



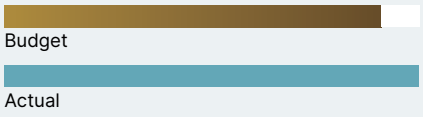
Purification

PERFORMANCE HIGHLIGHTS

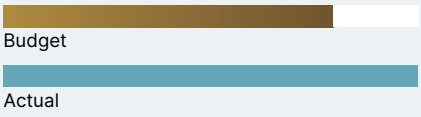
FINANCIAL METRICS	2026	2025	%	2024
Revenue	**66,773**	42,835	56	42,743
Earnings before interest and tax	**6,337**	5,754	10	6,521
Net finance income/(cost)	**(460)**	(252)	82	(399)
Profit before tax	**5,890**	5,502	7	6,106
Profit after tax	**4,344**	4,256	2	4,299
Assets	**61,231**	42,935	43	38,198
Liabilities	**30,207**	15,895	90	14,146
Operating cash flow	**(5,578)**	(352)	1475	7,877

PERFORMANCE AGAINST TARGETS

Revenue



Profit before tax



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**2,084**	2,026	3	1,933
Revenue per employee (Rs. mn)	**32**	21	52	22
Production volumes (MT)	**58,500**	48,207	21	47,754
Capacity utilisation (%)	**91**	85	6	84

	SUSTAINABILITY-RELATED FINANCIAL METRICS	2026	2025	%	2024
SASB METRICS*	Scope 1 GHG emissions (tCO2e) *RT-CH-110a.1*	**13,303**	13,741	-3	10,903
	Coverage of emission-limiting regulations (%) *RT-CH-110a.1*	**N/A**	N/A	-	N/A
	Renewable energy (%) *RT-CH-130a.1*	**77**	75	2	78
	Grid electricity (%) *RT-CH-130a.1*	**10**	11	-1	10
	Self-generated energy (%) *RT-CH-130a.1*	**76**	75	1	78
	Water consumed from high-stress regions (%)** *RT-CH-140a.1*	**100%**	100%	-	100%
	Hazardous waste (MT) *RT-CH-150a.1*	**118**	190	38	1,200
	Recordable incident rate (%) *RT-CH-320a.1*	**3.6**	2.1	71	1.6

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues

*SASB Chemicals Standard.

** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high risk category for water stress

The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

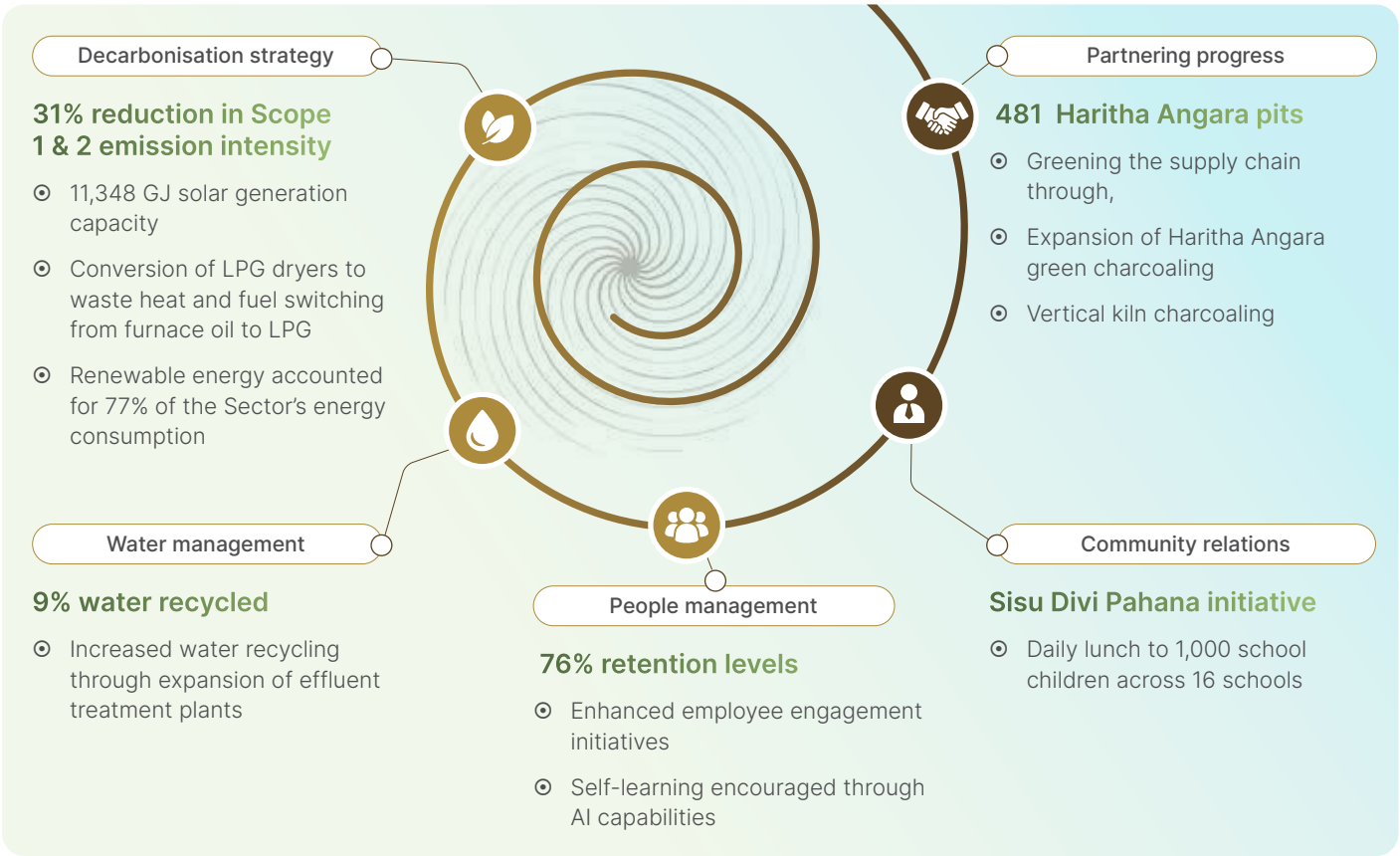
the year, reflecting an improving project pipeline and a more conducive operating landscape.

Innovation-led energy storage solutions: Energy storage carbons continued to gain strategic prominence during the year, supported by accelerating demand across key end-use applications. Structural shifts driven by the rapid expansion of electric vehicle manufacturing in China, increasing investments in AI-driven data centres, and the growing need for grid stabilisation and synchronisation have strengthened the long-term growth potential of this segment. In response to these dynamics, the Sector focused on strengthening its portfolio of supercapacitor carbons and silicon carbon composites while also intensifying its market development efforts, recording significant customer acquisition across China and South Korea. As a result of these efforts, Haycarb has now emerged as a significant player in the global energy storage solutions domain attesting to the technical excellence of its solutions.

Investing for the future: Capacity expansion and operational enhancement initiatives remained a key focus area during the year. Strategic investments in Thailand, including the commissioning of a new turbine and boiler and increased capacity of RECOGEN supported a circa 15% increase in production volumes. In parallel, an investment of over Rs. 2.0 bn was directed towards expanding energy storage carbon manufacturing capacity, more than doubling output in this high-growth segment. The Group's latest manufacturing facility in the Philippines is also currently under construction and is expected to be commissioned in early 2027, further strengthening its regional production footprint. Complementing these investments, the Sector advanced its digitalisation agenda in boiler control systems and charcoal procurement processes.

Supply chain security: Supply chain security and resilience remained a critical focus area amid regional shortages stemming from adverse climate impacts, disease, and heightened demand from China. In response, the Sector advanced its multi-pronged strategy centred on geographical diversification of manufacturing and deeper backward integration. This included the expansion of the Haritha Angara programme and the establishment of a new charcoal production project in Surabaya, Indonesia. This initiative enabled the development of a broader supplier ecosystem in Indonesia, currently fulfilling approximately 15% to 20% of raw material requirements. Concurrently, the Sector continues to evaluate and integrate alternative raw material sources to enhance long-term supply resilience.

ESG as a driver of business value



Purification

PROSPECTS AND PLANS

Looking ahead, the operating environment is expected to remain volatile in the immediate term, particularly with ongoing disruptions in the Middle East impacting global shipping routes, freight costs and marine insurance premiums. Despite these headwinds, underlying demand fundamentals remain extremely encouraging. In particular, the energy storage segment is expected to witness robust growth, supported by the rapid expansion of electric vehicle manufacturing, especially in China, and rising investments in AI-driven data centres and grid infrastructure. These structural shifts are anticipated to sustain long-term demand for advanced carbon solutions, reinforcing the sector's relevance within evolving global energy and technology ecosystems. The Sector's risk and opportunity landscape and its interventions to effectively mitigate and leverage these developments are mapped below:

	Short-term	Medium to Long-term
Portfolio optimisation	• Increase contribution from value-added carbon products • Customer acquisition across Asian markets	• Expand regional presence of water purification business
Inclusive business models	• Continued expansion of Haritha Angara initiatives in regional manufacturing locations	• Drive supply chain integration efforts in Phillippines
Strategic ESG Integration	• Drive decarbonisation agenda in line with the aspirations of the Activate framework	• Leverage opportunities arising from low-energy transition
What we hope to achieve	**20%** Revenue growth ROCE **>15%**	**30%** Revenue growth / ROCE **>20%** **25%** reduction in Scope 1 and 2 GHG emissions Average training hours of 40 p/a

Opportunities and levers

- Energy transition to low carbon economy
- Increasingly stringent air and water purification regulations
- Sustainability as a competitive edge

Risks to strategy

- Escalation of state-based armed conflict
- Implications of physical climate risk including rainfall and temperature on coconut supply chains
- Escalating regional competition for raw materials



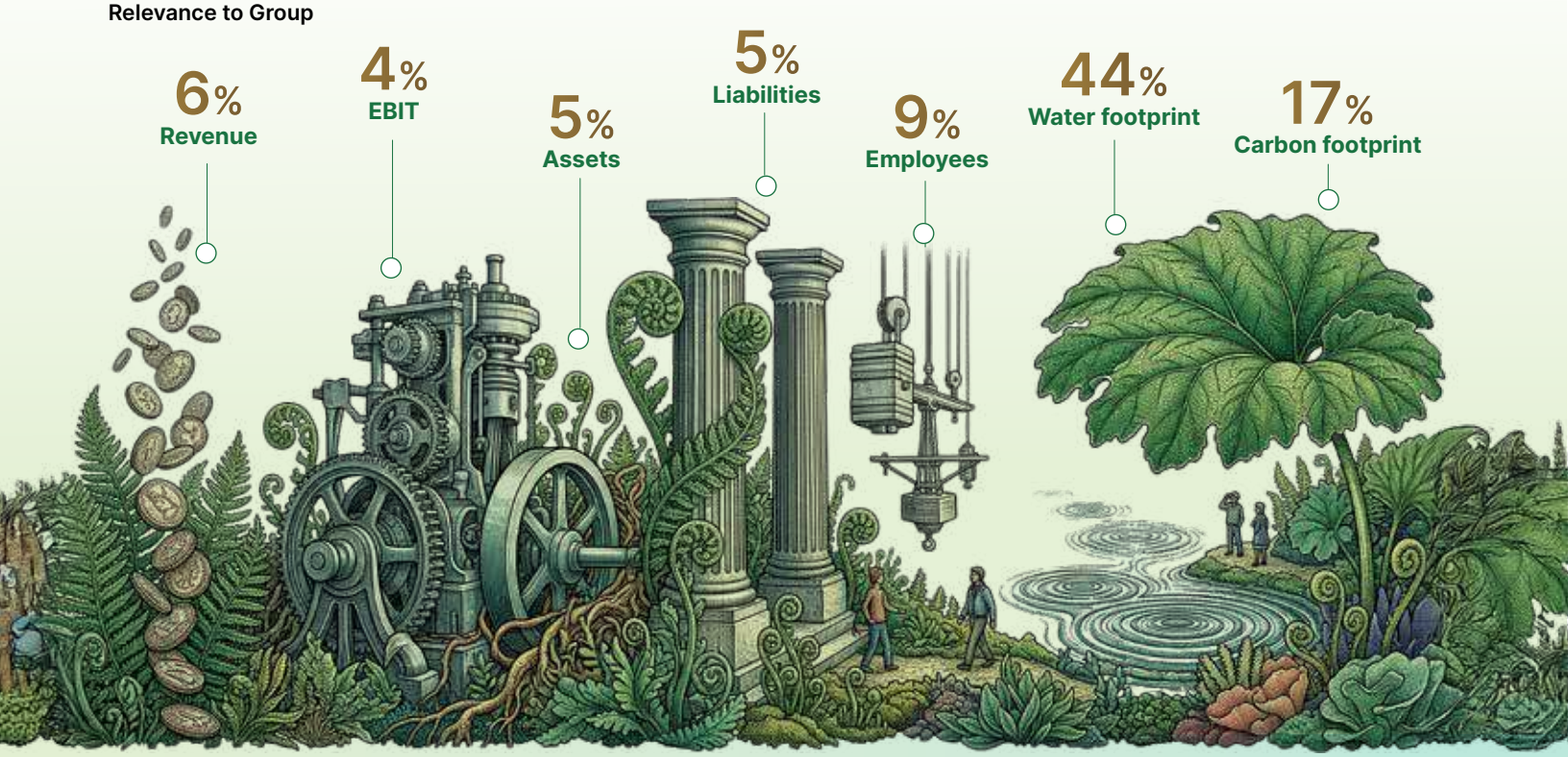
Insights from sector GMC member
Scan to view

Textiles

The Sector is the largest textile manufacturer in Sri Lanka, catering to leading global fashion brands through a diverse portfolio of natural and synthetic-fibre based fabrics. The Sector's competitive edge is underpinned by its world-class innovation, product development and manufacturing capabilities and award-winning sustainability practices.

Textiles

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 37.79 bn (-13%)	Rs. 1.04 bn (-66%)	Rs. 638 Mn (-70%)	Rs. 36.48 bn (+2%)	Rs. 23.64 bn (-1%)	3,435 (+1%)	177,856 tCO_2e (-13%)

Year in review

Financial performance

Performance during the year was impacted by weakened global demand, shifting sourcing dynamics, and rising input and labour costs, although the Sector responded through strategic agility to navigate the challenging operating environment.

Strategic highlights

Zero tolerance waste strategy and achieving 100% right-first-time execution

Brand diversification and value-added product strategy

ESG highlights

13% reduction in Scope 1& 2 GHG emissions

Ongoing investments in biodiversity and ecosystem preservation

Way forward

Diversify customer base through increased engagement with emerging, fast-growing brands

Innovation in value-added synthetic portfolio

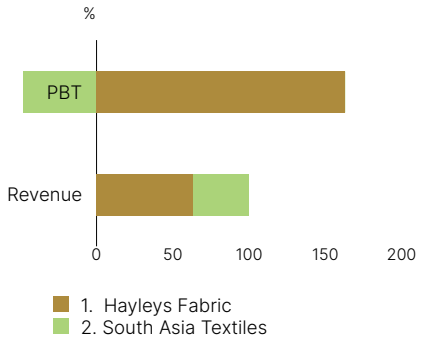
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year



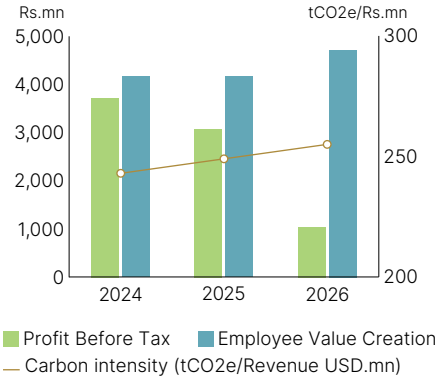
1. HAYLEYS FABRICS PLC
Fabric manufacturer with an annual production capacity of 11,400 MT

2. SOUTH ASIA TEXTILES
Fabric manufacturer with an annual production capacity of 10,32 MT

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Market presence	Manufacturing capabilities	Innovation	Sustainability focusw
The Sector's caters to a **high-end and emerging global fashion brands** such as Calvin Klein, Tommy Hilfiger and Victoria's Secret among others	Knitting, Dyeing, Printing, Brushing, Sueding and Finishing, with the ability to **manufacture a variety** of tailor-made natural, synthetic and weft-knit fabrics.	The first Sri Lankan fabric mill to launch its own brand, 'INNO'- enabling it to position itself as a niche supplier of fashion-forward fabric	Globally recognised for its strong **sustainability focus**, with numerous innovations centered on decarbonisation, circularity and resource efficiency

OPERATING ENVIRONMENT

The global fashion industry is undergoing a period of long-term structural transformation, shaped by shifting trade dynamics, evolving consumer behaviour and rapid technological disruption. Tariff measures adopted by the United States in 2025 have redrawn global trade flows, compelling brands and suppliers to recalibrate sourcing strategies with greater agility. The growing dominance of e-commerce platforms and digital marketplaces is further reshaping the industry, intensifying competition and driving the need for faster, more responsive supply chains aligned with changing consumer preferences. The luxury segment saw a wave of creative resets supported by the entry of exciting new brands seeking to reinvigorate consumer interest.

The heightened global disruptions placed considerable strain on Sri Lanka's apparel value chain. A key development was the imposition of a 40% tariff on apparel exports to the United States, materially eroding the country's cost competitiveness in its largest end-market. This was further compounded by the rationalisation of supplier bases by global brands, which consolidated volumes into alternative regional markets. Meanwhile intense price competition due to excess capacity and rising domestic costs, including an increase in minimum wages, placing significant pressure on margins. Collectively, these factors contributed to one of the most challenging operating environments for the industry in recent years, necessitating strategic agility and recalibration across the value chain.

4%
Global industry growth rate
(2025-2030)

5%
Growth in Sri Lanka's apparel exports in 2025

39%
of Sri Lanka's total export income in 2025

Textiles

OPERATING ENVIRONMENT SUCCESS

GEOPOLITICAL TRADE DYNAMICS

Significant demand drop stemming from consumer behaviour and shifts in sourcing strategies of global fashion brands

H

LABOUR COSTS

23%

increase in minimum wages

Substantial increase in wage bill exerted margin pressure

H

ESCALATING SUSTAINABILITY CONSCIOUSNESS

Escalating environmental and social consciousness of buyers is reshaping demand dynamics, presenting both risks and opportunities for current manufacturers

M

Key risks

Market Risks

Geopolitical trade dynamics and escalation of conflict

Shifting demand dynamics of global brands

Sustainability-related risks

Escalating customer requirements on sustainability

CRRO#3

Exposure to water stress

Opportunities

Market opportunities:

Emergence of rapidly growing, fresh brands offering new product propositions

Sustainability-related opportunities

Opportunity to sharpen competitive edge through embracing social and environmental sustainability

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

1 Zero tolerance lean strategy

Anchored on eliminating wastage and achieving 100% right-first-time execution with zero rework this operational excellence initiative was operationalised through five core KPIs, with direct oversight and ownership driven at Board level.

Resource allocation: Intellectual and Human Capabilities

Relevance to Group strategy:

2 Brand diversification

Ongoing emphasis on diversifying the brand portfolio and reducing concentration risk to reflect evolving market dynamics

Resource allocation: Sales and marketing expenditure **Rs. 245 mn**

Relevance to Group strategy:

3 Value-added product strategy

The Sector continued to pursue a strategy of product differentiation, driving investments towards developing premium and value-added products both in natural and synthetic fibre.

Resource allocation: Investments in R&D- **Rs. 40 mn**

Relevance to Group strategy:

H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Cost savings provide a tangible and quantifiable outcome of eliminating inefficiencies such as waste and rework

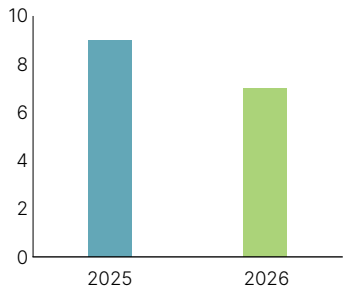
Rs. 400 mn

Cost Savings

About this KPI and why we use it:

- This KPI demonstrates the effectiveness of the Sector's marketing, promotional and customer engagement strategies

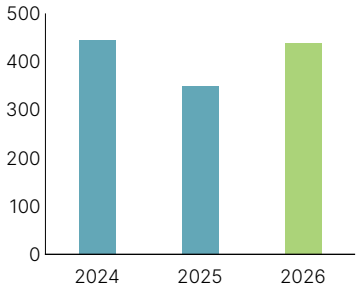
CUSTOMERS ACQUIRED



About this KPI and why we use it:

- Reflects our ability to consistently deliver superior quality and command differentiated pricing in competitive global markets

NEW PRODUCTS/VARIANTS DEVELOPED



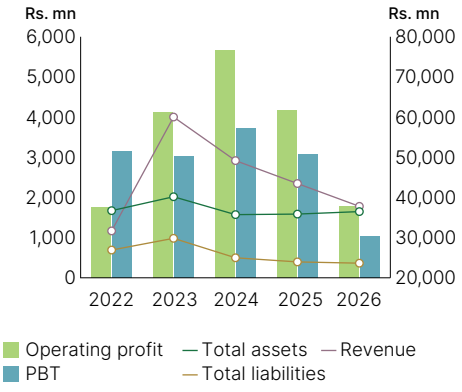
INTEGRATED PERFORMANCE REVIEW

Navigating market headwinds:

Performance during the year reflected the pronounced challenges stemming from the operating landscape, while also highlighting the Sector's ability to respond with strategic agility and proactive intervention. Revenue declined by 13%, reflecting a 13% contraction in volumes, as demand from global fashion brands weakened sharply amid shifting sourcing dynamics and subdued consumer sentiment. On the other hand, margins were pressured by intensified price competition across an oversupplied market, further compounded by escalating input and labour costs. Against this backdrop, the Sector recorded a decline in Profit Before Tax and Profit After Tax of 66% and 70% respectively to Rs. 1.04 bn and Rs. 637.75 mn.

	Revenue (y-o-y) %	PBT (y-o-y) %
Hayleys Fabrics PLC	(15%)	(37%)
South Asia Textiles	(11%)	(238%)

SECTOR FINANCIAL PERFORMANCE

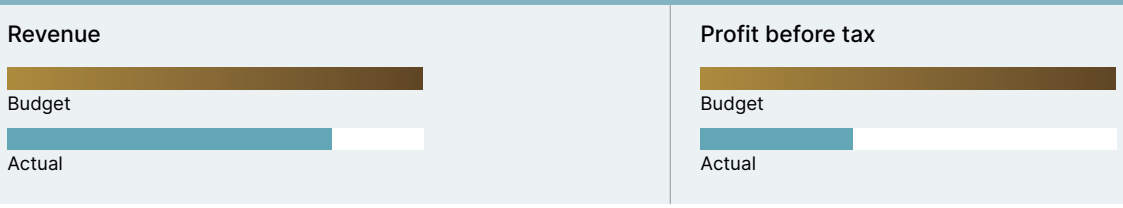


Textiles

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**37,787**	43,461	-13	49,167
Earnings before interest and tax	**1,768**	4,179	-58	5,660
Net finance income/(cost)	**(730)**	(1,104)	-34	(1,941)
Profit before tax	**1,038**	3,075	-66	3,719
Profit after tax	**638**	2,111	-70	2,488
Assets	**36,476**	35,858	2	35,721
Liabilities	**23,636**	23,952	1-	24,979
Operating cash flow	**1,340**	1,966	32	6,011

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**3,435**	3,397	1	3,285
Revenue per employee (Rs. mn)	**11**	13	(14)	15
Production volumes ([LD1.1]MT)	**14,476**	15,856	(9)	16,413
Capacity utilisation (%)	**85**	>85	-	>90

	SUSTAINABILITY-RELATED FINANCIAL METRICS	2026	2025	%	2024
SASB METRICS*	% of suppliers in compliance with wastewater discharge permits Tier 1 *CG-AA-430a.1*	**91**	92	(1)	91
	Amount of priority raw materials purchased (MT) and certified % *CG-AA-440a.4* - Cotton - Polyester - Dyes and Chemicals	 **7,407(44%)** **9,819(19%)** **12,239(100%)**	 8,021(41%) 10,609(18%) 13,385 (100%)	 (8) (7) (9)	 8,815 (58%) 7,553 (26%) 13,273 (100%)
	% of tier 1 suppliers that have completed the Higg FEM assessment *CG-AA-430a.2*	**87**	75	12	86
	% of suppliers that have been audited to a labour code of conduct *CG-AA-430b.1*	**80**	79	1	84
	No. of Tier 1 suppliers *CG-AA-000.A*	**54**	48	13	58

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*SASB Apparel, Accessories and Footwear Standard

The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

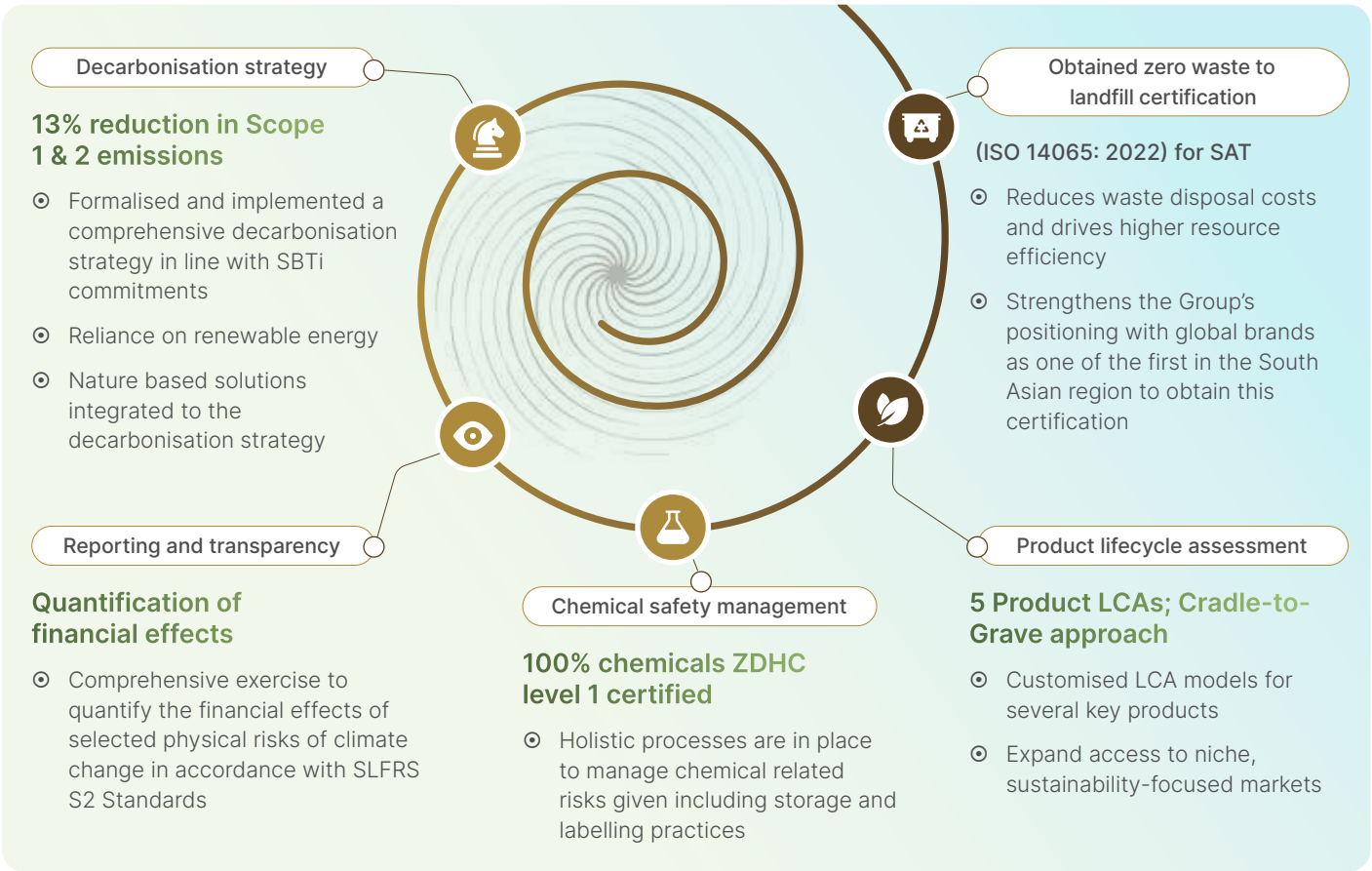
Relentless focus on resource optimisation: Operational excellence remained a critical lever in mitigating the impact of an increasingly adverse operating environment. In August, the Group initiated its 'Zero Tolerance' programme, centred on eliminating wastage and achieving 100% right-first-time execution with zero rework, underpinned by five clearly defined KPIs driven directly by the Board. Notably, while the Group experienced a deterioration in performance from mid-year amid escalating external pressures, the operational efficiencies realised through this programme proved pivotal in stabilising performance

Brand and product diversification strategy: The Sector continued to refine its brand and product strategy in line with evolving industry dynamics. Increased focus was placed on the fast-growing athleisure category, where the rise of digitally native and e-commerce-driven brands is reshaping traditional sourcing models. Accordingly, the Sector broadened its engagement to include a more diverse mix of customers aligning with their preference for smaller, more flexible order quantities. This strategy has also enabled the diversification of major markets, with the reliance on the USA declining from 58% to 51% during the year.

In parallel, the Sector continued to advance its product strategy by progressively moving into higher-value fabric segments, particularly nylon-based products. Leveraging INNO, the Sector's own brand, the Sector is accelerating the introduction of differentiated and innovative offerings such as advanced knitted structures and enhanced functionality, positioning itself as a price leader in niche, value-added segments.

Labour dynamics: Efforts to improve gender representation remained a key area of focus in people management, with female participation increasing to approximately 24%, with pronounced improvements in knitting operations. This shift reflects observed improvements in operational outcomes, as higher levels of diligence and precision have translated into lower rejection rates and reduced downgrades. In parallel, the Group strengthened its talent pipeline by integrating young engineering graduates into production roles, fostering greater intergenerational diversity and accelerating the adoption of modern technical capabilities. The year also saw the successful conclusion of labour negotiations, culminating in the signing of a wage agreement, thereby ensuring continuity and stability across the workforce.

ESG as a driver of business value



Textiles

PROSPECTS AND PLANS

The near-term outlook remains uncertain, shaped by ongoing geopolitical tensions and volatility in global commodity markets. The Group remains particularly exposed to rising crude oil prices, which directly impact the cost of petroleum-based synthetic yarns sourced from key markets such as China, while elevated freight rates continue to exert additional pressure on input and logistics costs. In this context, maintaining agility and the ability to adapt swiftly to shifting conditions will be critical. Notwithstanding these near-term challenges, the long-term prospects of the industry remain encouraging, with emerging niche opportunities in value-added and specialised segments presenting avenues for sustainable growth.

	Short-term	Medium to Long-term
Portfolio optimisation	• Diversify customer base through increased engagement with emerging, fast-growing brands • Ongoing focus on process optimisation and operational excellence	• Expansion of manufacturing capabilities and capacities
Customer Centricity	• Innovation in value-added synthetic portfolio	• Technical developments through collaboration
Strategic ESG Integration	• Strategic emphasis on driving decarbonisation agenda • Increase reliance on renewable energy	• Accelerated positive impacts in line with the Green Catalyst ESG roadmap
What we hope to achieve	**3%** Revenue growth ROCE**>10%**	**7%** Revenue growth ROCE**>20%**

Opportunities and levers

- Emergence of new apparel brands
- Digitalisation and new operating models
- Customers' increasing sustainability consciousness

Risks to strategy

- Ripple effects of prevalent geopolitical conflict
- Increasing cost pressures and potential impacts on margins
- Escalating implications of climate change and water availability on the cotton value chain (CRRO 1)



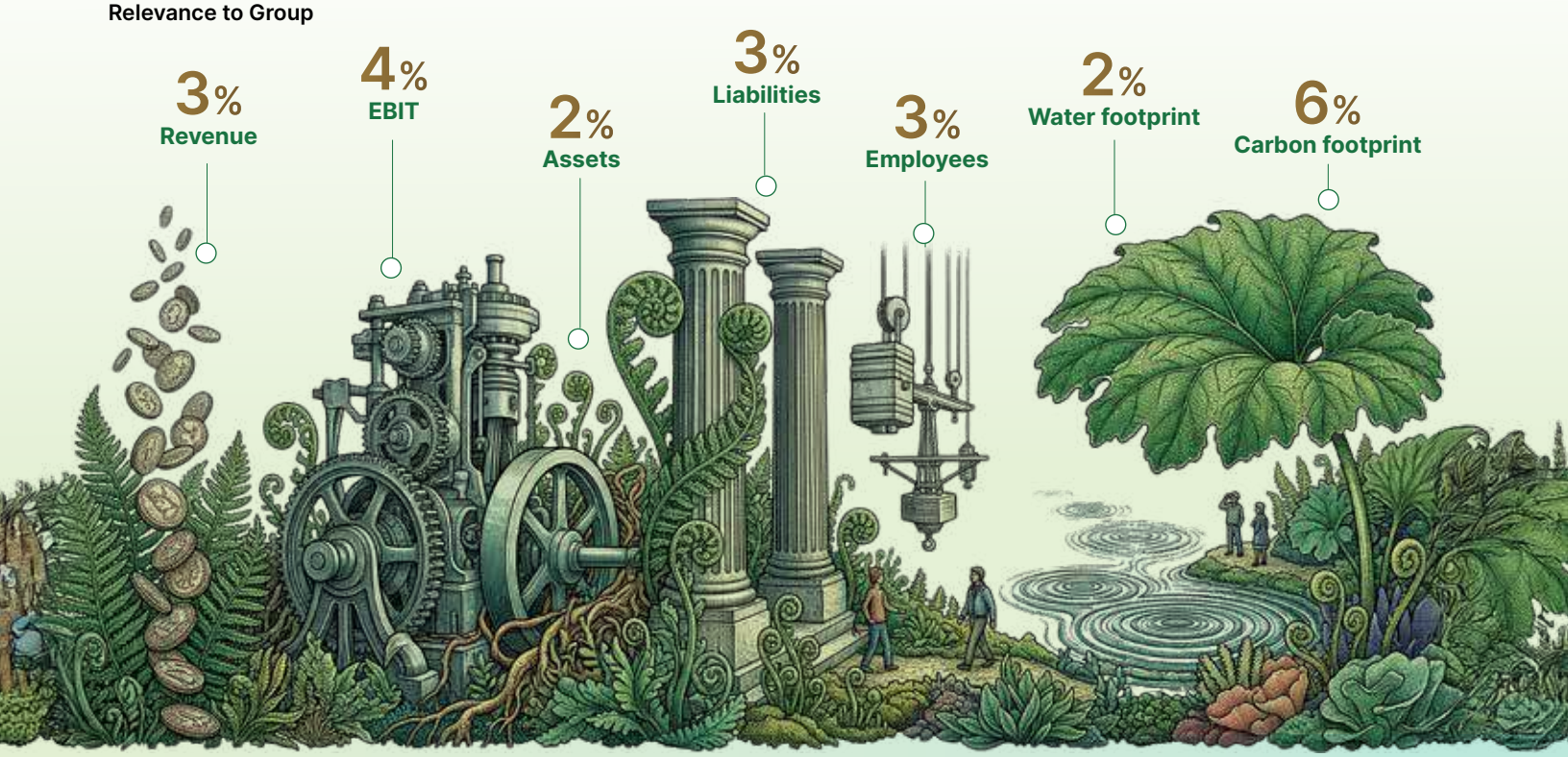
Insights from sector GMC member
Scan to view

Construction Materials

The Sector is represented by Alumex PLC, Sri Lanka's largest manufacturer and market leader of aluminium extrusions, offering a range of best-in-class industrial, residential and architectural profiles. It is also Sri Lanka's largest exporter of aluminium extrusions, with a global reputation for product design, quality and innovation.

Construction Materials

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 16.12 bn (+23%)	Rs. 1.04 bn (-9%)	Rs. 0.81 bn (-6%)	Rs. 17.53 bn (+6%)	Rs. 12.14 bn (+4%)	971 (-3%)	13,741 tCO_2e (+9%)

Year in review

Financial performance

The Sector experienced a challenging year due to external pressures and temporary operational disruptions during the replacement and refurbishment of several extruders.

Strategic highlights

The Sector continued to focus on growing contribution from exports

Strategic focus on strengthening manufacturing capabilities and driving digital transformation



ESG performance

First Aluminium extruder to obtain the ASI Certification in Sri Lanka

Reduction in Scope 1 & 2 GHG emissions

Increased usage of recycled billet

Way forward

Develop presence in non-traditional markets

Strengthen value-added proposition in export markets

The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

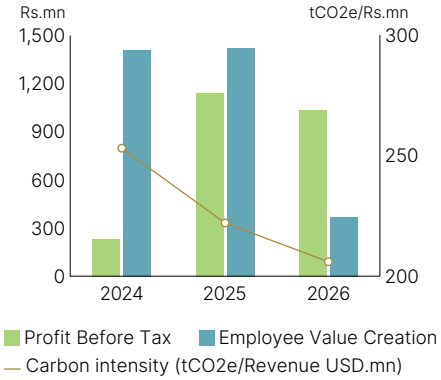
Manufacturing strength	Quality commitment	Global reach	Access to proprietary systems
As the **largest manufacturer** of aluminium extrusions in Sri Lanka the Sector has an annual capacity of 22,000 MTs. Infrastructure includes • Extrusion, melting, powder coating and anodizing plants • 9 distribution centres • 13 Lumin Concept centres	A host of **local and international certifications** including QMEA, QUALANOD, QUALICOAT and several ISO Standards	Strong presence in international markets such as **UK, USA, Canada, Australia, New Zealand, Germany, Italy, Singapore and India**, with exports generating nearly 35% of the Sector's Revenue	Manufacturing rights for **9 globally renowned proprietary systems** for Aluminium windows

OPERATING ENVIRONMENT

The Sector's performance is typically correlated to the country's construction sector which demonstrated a measured recovery during the year, expanding by 9.2%, underpinned by a resurgence in residential activity, including an uptick in suburban luxury housing developments. This momentum was, in part, supported by the release of pent-up demand and reflects the gradual recommencement of projects across key urban and peri-urban corridors.

Against this backdrop, the domestic aluminium market witnessed heightened competitive pressures, particularly in the earlier part of the financial year, which saw the continuation of duty-free imports of finished aluminium doors and windows until January. This exerted downward pressure on pricing structures, compressing margins across local manufacturers. Meanwhile, global aluminium prices recorded a sharp escalation of over 40%, driven by elevated demand, persistent supply chain disruptions and geoeconomic tensions. These dynamics were further compounded by the imposition of a 25% tariff on aluminium imports by the USA, which led to a significant drop in demand in additional cost pressures across the value chain.

INTEGRATED PERFORMANCE



INTEGRATED PERFORMANCE REVIEW

Moderation in performance: The Sector's performance reflected the external challenges that prevailed during the year which were compounded by partial operational disruptions in the first half, as several extruders underwent replacement and refurbishment. This resulted in an overall volume decline of 25%, which, together with prevailing price pressures, led to a near 8% reduction in Revenue. EBIT declined by 7% to Rs. 1.77 billion, driven by the weakening of core operations and the normalisation of the relatively high insurance claim recognised in the previous year. Consequently, the Sector's Profit Before Tax decreased by 9% to Rs. 1.04 billion for the year. Notwithstanding these challenges, momentum improved towards the latter part of the year, with a strengthening demand pipeline in the final quarter, which resulted in capacity utilisation levels increasing from approximately 50% to 70%.

Diversifying export markets: Amid evolving geoeconomic developments, particularly in the United States which has traditionally been a key export destination, the Sector adopted a strategic shift towards diversifying its export markets. This included a focused effort on customer acquisition across both new and existing regions, aimed at reducing market concentration risk and strengthening revenue resilience. Leveraging its innovative product portfolio, including specialised offerings such as balcony systems, the Sector was able to enhance its international value proposition resulting in the Sector's export volumes increasing by 16% during the year, accounting for 18% of Revenue.

Digital transformation: During the year, the Sector placed increased emphasis on digitalisation and AI-driven initiatives, including the implementation of an AI-assisted platform for policy access,

Construction Materials

OPERATING ENVIRONMENT SUCCESS

GLOBAL TRADE DYNAMICS

25% import tariff from US

Resulted in the sharp escalation of costs and adversely impacted demand from USA which accounted for around 40% of exports

H

GLOBAL ALUMINIUM PRICING

>40% increase

Stemming from supply chain disruptions, geoeconomic conflict and an increase in global demand, the increase in global pricing exerted significant pressure on margins

H

DOMESTIC TRADE POLICY

The domestic aluminium extrusion market faced intensified price competition and margin pressure during the early part of the year due to continued duty-free imports of low-cost aluminium doors and windows

M

Key risks

Market Risks

Geoeconomic trade dynamics

Volatility global aluminium pricing

State-based armed conflict

Sustainability-related risks

Emerging sustainability-related regulations such as the Carbon Border Adjustment Mechanisms

CRRO#3

Opportunities

Market opportunities:

Long term demand dynamics with customers' preference for sustainable, lightweight and durable solutions

Sustainability-related opportunities

Low carbon transition opportunities

CRRO#4

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Export drive 1

The Sector continued to focus on growing contribution from exports, supported by customer acquisition in new and existing markets as well as new product propositions catering to export markets.

Resource allocation: Investment in sales and marketing expense in export markets: **Rs. 5.70 bn**

Relevance to Group strategy:

Manufacturing capabilities 2

The Sector strengthened its manufacturing capabilities with investments in advanced machinery including a new extruder, CNC dye casting machine and shearing machine

Resource allocation: Capital expenditure **Rs. 324.09 mn**

Relevance to Group strategy:

Digital transformation 3

Leveraging AI capabilities for optimising resource use, driving energy efficiency and enriching decision-making through access to real-time information

Resource allocation: Investment in digital **Rs. 3.24 mn**

Relevance to Group strategy:

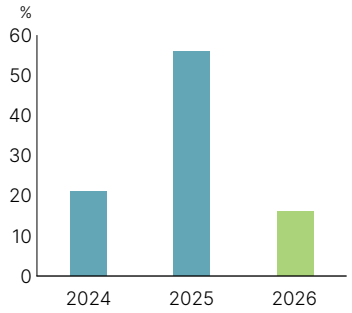
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Showcases the effectiveness of the Company's export strategy and its ability to compete in the global market place

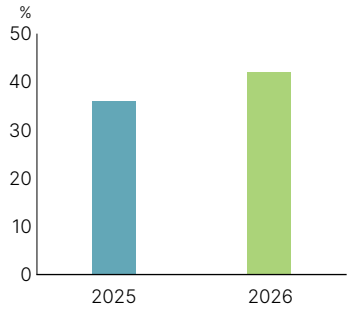
GROWTH IN EXPORT VOLUMES



About this KPI and why we use it:

- The Sector's full production capacity represents its potential for growth

CAPACITY UTILISATION



About this KPI and why we use it:

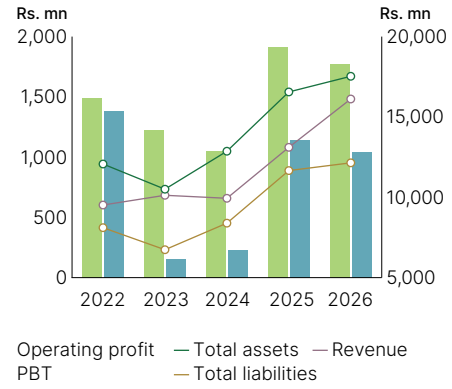
- ndicates the level of digital integration with the operational processes in place.

04

No. of processes digitalised/ automated during the year

	Revenue (y-o-y) %	PBT (y-o-y) %
Hayleys Fabrics PLC	(15%)	(37%)
South Asia Textiles	(11%)	(238%)

SECTOR FINANCIAL PERFORMANCE



enhancements in chemical formulation through data driven optimisation, process improvements across melting and extrusion to develop optimal operating parameters, strengthened energy monitoring systems, and the deployment of SAP cloud analytics with integrated dashboards. These investments are expected to enhance precision and operational effectiveness, while enabling more informed, data-driven decision-making across the entire manufacturing process.

Investing for the future: The Sector continued to invest for the future, with capital expenditure of Rs. 3.24 billion during the year directed towards enhancing manufacturing capabilities and expanding its product offering. Key investments included the installation of a new extruder capable of producing profiles aligned with global proprietary aluminium systems, alongside the introduction of advanced technologies such as high-pressure and fully automated die casting

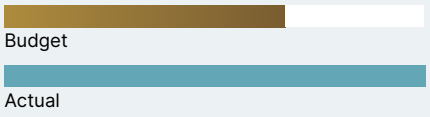
Construction Materials

PERFORMANCE HIGHLIGHTS

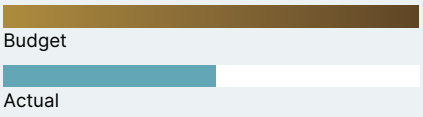
FINANCIAL METRICS	2026	2025	%	2024
Revenue	**16,116**	13,108	23	9,937
Earnings before interest and tax	**1,770**	1,911	-7	1,053
Net finance income/(cost)	**(732)**	(770)	-5	(821)
Profit before tax	**1,038**	1,141	-9	232
Profit after tax	**811**	867	-6	186
Assets	**17,529**	16,555	6	12,866
Liabilities	**12,144**	11,661	4	8,390
Operating cash flow	**1,204**	28	4235	(1,366)

PERFORMANCE AGAINST TARGETS

Revenue



Profit before tax



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of Employees	**971**	1,001	-3	774
Revenue per employee (Rs. mn)	**17**	13	27	13
Production volumes (MT)	**22,000**	8,064	173	5,926
Capacity utilisation (%)	**42**	36	6	27

	SUSTAINABILITY-RELATED FINANCIAL METRICS	2026	2025	%	2024
SASB METRICS*	Gross global Scope 1 emissions *EM-CM-110a.1*	**6,212**	5,896	5	4,527
	Air emissions- NOx *EM-CM-120a.1*	**N/A**	N/A	-	N/A
	Energy *EM-CM-130a.1*				
	-% grid electricity	**34**	31	3	34
	-% alternative energy	**N/A**	N/A	-	N/A
	-% renewable energy	**2**	2	-	8
	Water *EM-CM-140a.1*				
	-% water recycled	**3**	2	1	2
	-% in regions with medium-high water stress**	**100**	100	-	100
	Waste *EM-CM-150a.1*				
	-Waste generated (MT)	**2,257**	2,105	7	974
	-% hazardous	**95**	85	10	81
	-% recycled	**18**	30	(22)	29
	Recordable incident rate *EM-CM-320a.1*	**3.21**	2.82	14	1.13
	Near-miss incident rate *EM-CM-320a.1*	**N/A**	N/A	-	N/A

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues

*SASB Construction Materials Standard

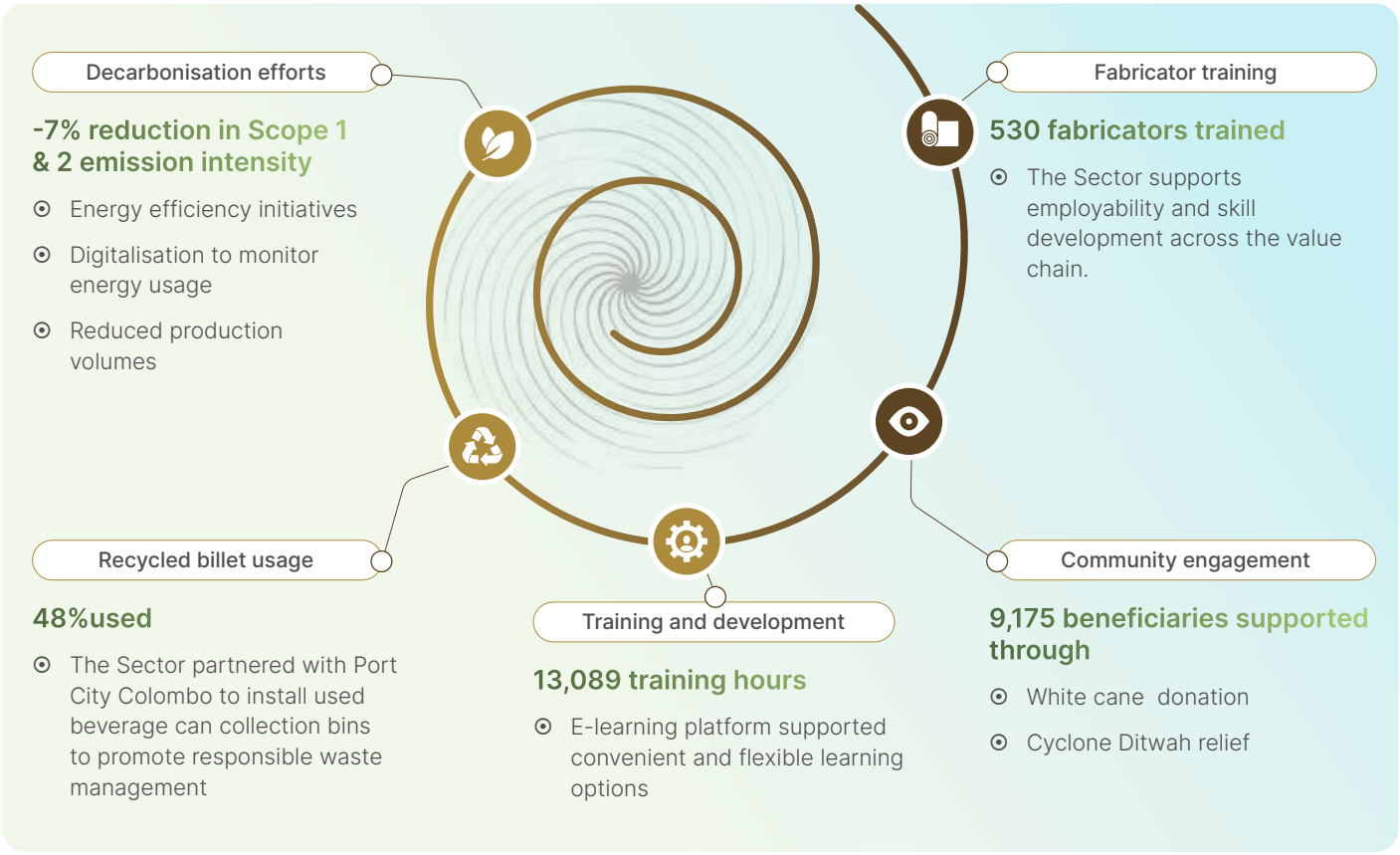
** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

and sheet processing equipment including bending and shearing machines. In parallel, the Sector placed significant emphasis on increasing the use of recycled materials and driving efficiency improvements across operations, reinforcing its commitment to sustainable and cost-effective growth.

People and partners: During the year, the Sector's employee value proposition was strengthened through a continued focus on talent development, including increased training hours across all categories and the introduction of an e-learning platform featuring structured monitoring of training effectiveness and knowledge absorption. Alumex continues to be a catalyst for skill development across the aluminium value chain, delivering training sessions to diverse industry stakeholders including fabricators, dealers, engineers and students of the Vocational Training Authority and NAITA among others.

Decarbonisation strategy: The Sector's decarbonisation strategy is aligned with the 1.5°C emission reduction pathway outlined by the International Aluminium Institute and is anchored within its ESG roadmap, Elevate, launched last year. This roadmap sets the foundation for reducing emission intensity across operations through targeted initiatives such as increasing the use of recycled billets and driving energy efficiency improvements across manufacturing processes. Collectively, these efforts will support a gradual reduction in emission intensity while also positioning the Sector to align with emerging regulatory requirements, including the Carbon Border Adjustment Mechanism (CBAM).

ESG as a driver of business value



The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

Construction Materials

PROSPECTS AND PLANS

In the immediate term, Alumex operates within a markedly volatile environment, shaped primarily by escalating geopolitical tensions in the Middle East. The disruption of operations in that region, including the impact on plants linked to three of the largest billet suppliers to the global extrusion industry, has constrained supply chains and contributed to a sharp escalation in input prices. The Sector is pursuing increased diversification of its supply chain to mitigate this potential vulnerability although fuel availability remains the most critical risk to operations and the broader economy.

Over the medium to long term, prospects remain positive, supported by an expected recovery in the construction sector, improving macroeconomic conditions, and the rollout of large-scale projects. This outlook is further reinforced by the increasing preference for aluminium over timber, driven by its durability, sustainability, design flexibility, and weather resistance, which has supported rising demand in recent years. Growth in export markets further strengthens the trajectory, positioning the Company for sustained expansion beyond the current period of uncertainty.

	Short-term	Medium to Long-term
Portfolio optimisation	• Develop presence in non-traditional markets	• Develop customers across 5 continents and set up sales offices in key markets
Customer Centricity	• Strengthen value-added proposition in export markets	• Increase contribution from premium products
Strategic ESG Integration	• Ongoing development of fabricators to manage proprietary systems	• Drive decarbonisation plans in line with Elevate Roadmap
What we hope to achieve	**18%** Revenue growth **9%** PBT growth	**18%** Revenue growth ROCE **>20%**

Opportunities and levers

- Sustainability as a competitive edge in the industry
- Recommencement of large-scale infrastructure projects in Sri Lanka
- Customer demand for convenient and alternatives to wood fixtures

Risks to strategy

- State-based armed conflict and implications on global supply chains
- Cost and availability of fuel stemming from disruptions to supply chain
- Increasing focus on industry decarbonisation through regulations such as the Carbon Border Adjustment Mechanism



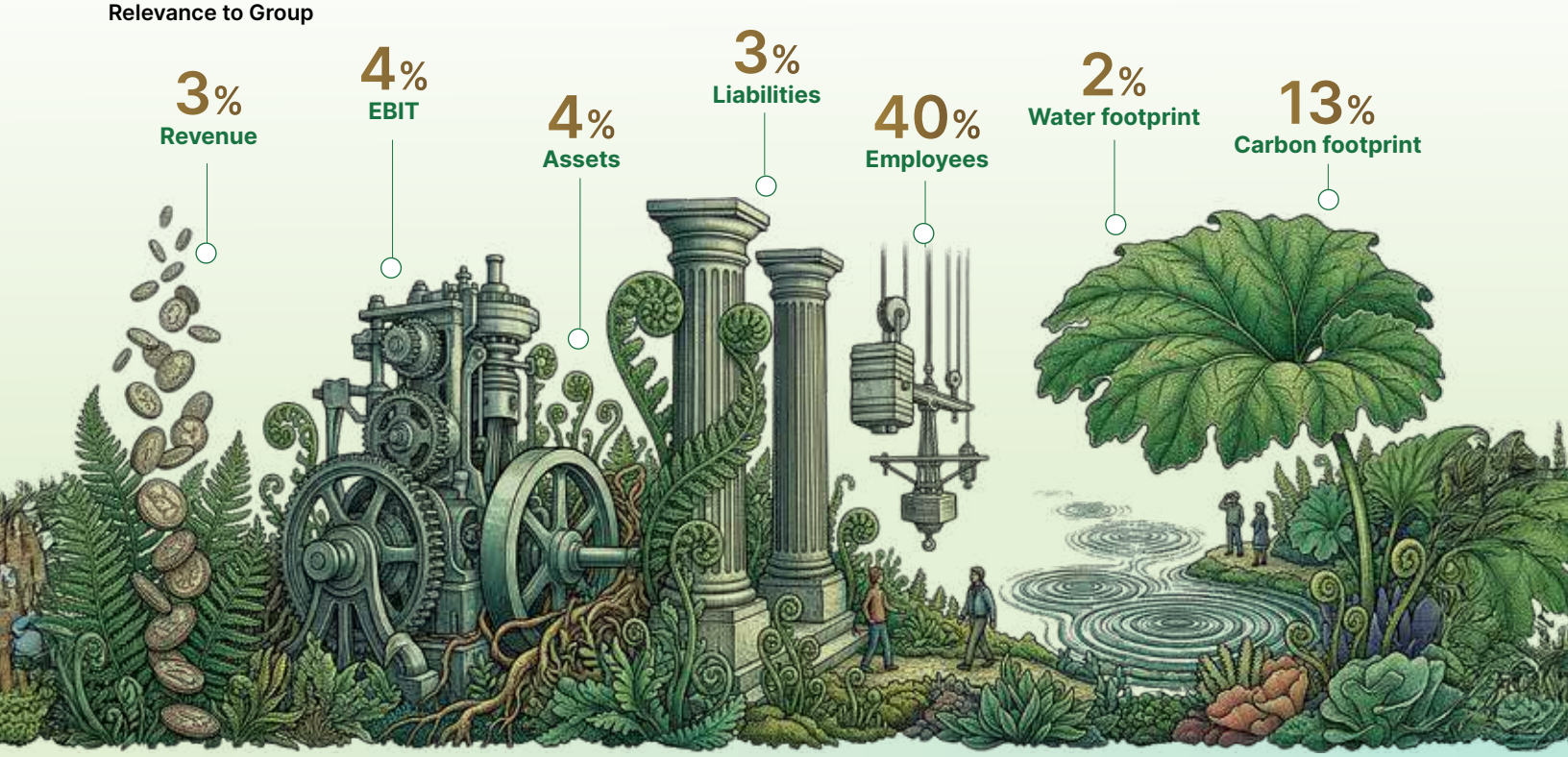
Insights from sector GMC member
Scan to view

Plantations

The Group's Plantations Sector is represented by the country's three leading regional plantation companies (RPCs), Kelani Valley Plantations PLC (KVPL), Talawakelle Tea Estates PLC (TTE) and Horana Plantations PLC (HPL) which collectively cultivate around 13,000 hectares of Tea, Rubber and other crops across 55 estates. The Hayleys Plantation Companies are at the forefront of transforming Sri Lanka's plantation sector, redefining industry benchmarks in sustainability, innovation and quality.

Plantations

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 19.97 bn (+4%)	Rs. 2.21 bn (-24%)	Rs. 1.39 bn (-27%)	Rs. 29.15 bn (+7%)	Rs. 12.87 bn (-3%)	15,528 (-2%)	39,355 tCO_2e (+2%)

Year in review

Financial performance

The Sector delivered a resilient performance during the year, recording a 4% increase in revenue to Rs. 19.97 bn despite a challenging operating environment. Profitability was impacted by elevated wage and operating costs, resulting in a decline in Profit Before Tax.

ESG performance

KVPL and TTE have obtained verification on its SBTi emission reduction targets

85% renewable energy consumption

Strategic highlights

The Sector continues to advance crop diversification while all three RPCs place strategic emphasis on sustainability and quality

Way forward

Ongoing focus on crop diversification

Focus on efficiencies, yield improvements and automation

Strategic emphasis on integrating sustainability

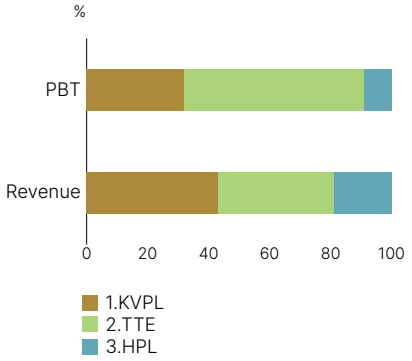
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1- KELANI VALLEY PLANTATIONS PLC
Producer of Tea, and Rubber in 25 estates

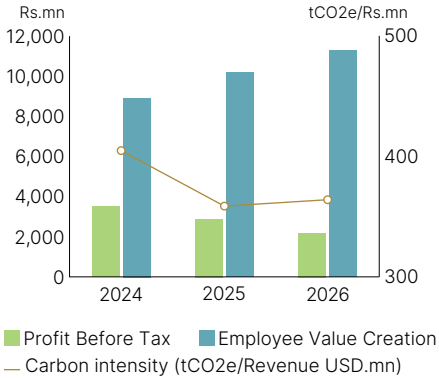
2.TALAWAKELLE TEA ESTATES PLC
Produces Tea in 16 estates

3. HORANA PLANTATIONS PLC
Produces Tea, Rubber, Oil Palm and Coffee in 14 estates

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Strength and impact	Competitive position	Quality benchmark	World-leader in industry sustainability
Sri Lankas' largest plantation sector group, collectively accounting for **4.5%** and **4.8%** of the country's tea and rubber production	Consistently ranking among the top price takers in the Colombo Tea Auction, with TTE and KVPL ranking 1st and 2nd and HPL 4th respectively	Benchmark of quality as the most Certified Plantation Companies in Sri Lanka, which includes **43** certifications and 16 management systems across all three RPCs	TTE and KVPL have obtained verification of its SBTi targets, in addition to obtaining the regenagri® certification

OPERATING ENVIRONMENT

Sri Lanka's plantation sector remains at critical crossroads, reflecting mounting structural pressures from rising labour costs, acute labour shortages and low productivity as well as the escalating implications of climate change. The country's tea production increased marginally to 264.12 million kg in 2025, with all three elevations recording modest growth during the year. Despite Sri Lankan continuing to command premium pricing in global markets, underpinned by its reputation for quality, auction prices declined marginally during the year, falling by 5% during the year. The most significant challenge arose from the near 70% increase in daily wages of plantation sector workers to LKR 1,750, intensifying cost pressures in a sector where labour accounts for approximately 60% of total cost of production. This has further strained and already challenged operating landscape, particularly for RPCs, which, unlike smallholders who benefit from various subsidies, receive limited direct support—thereby constraining their ability to sustain margins and reinvest in long-term productivity. To navigate structural challenges, the plantation sector is rethinking traditional operating model to drive transformation and ensure future readiness.

Meanwhile, the rubber industry also faced significant pressure impacted by weakening global demand, policy uncertainty, persistent disease outbreaks, labour shortages and rising cost of production. The removal of the SVAT system led to strained liquidity across the value chain, altering market dynamics as the industry increasingly shifted from traditional auction mechanisms to direct purchasing.

1%
Increase in production volumes

5%
Decline in NSA

5%
Increase in tea exports

Plantations

OPERATING ENVIRONMENT SUCCESS

LABOUR COSTS

70% increase in daily wages

A spike in labour costs, coupled with low labour productivity and higher fertiliser prices, continue to pressure cost of production

H

LABOUR SHORTAGES

75% less workforce than at point of privatization

Changing aspirations of the younger generations continue to drive increased labour migration from the estate sector, resulting in critical labour shortages

H

ESCALATING IMPLICATIONS OF CLIMATE CHANGE

Increased variability of rainfall and temperature continue to impact the country's Tea production, underscoring the critical importance of climate adaptation

H

Key risks

Strategic risks:
Wage increases that misaligned with productivity
Labour shortages

Market risks:
Implications of global geopolitical tensions on demand dynamics and price of input materials

Sustainability risks:
Physical risks of climate change

CRRO#1 CRRO#2

Opportunities

Market opportunities:
Consumers' increasing prevalence towards products that contribute to health and well-being

Sustainability-related opportunities
Opportunity to sharpen competitive edge through embracing social and environmental sustainability

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Crop Diversification 1

The Sector continues to advance crop diversification, with an increased focus on cinnamon, coffee, coconut and other alternative crops. The anticipated removal of the ban on oil palm cultivation is also expected to enable HPL to recommence cultivation within the environmental parameters stipulated by the Government

Resource allocation: Investments in new crop **Rs. 690 mn**

Relevance to Group strategy:

Sustainability 2

All three RPCs have strategically embedded sustainability into their operations, as reflected in the attainment of multiple certifications and ongoing initiatives in decarbonisation, ecosystem preservation, reforestation and water stewardship.

Resource allocation: Investments in environmental initiatives **Rs. 120 mn**

Relevance to Group strategy:

Quality focus 3

The Group's plantation companies continue to set industry benchmarks in quality, underpinned by compliance with a wide range of both local and international certifications spanning food safety, ethical business practices, and environmental and social standards

Resource allocation: No. of certifications: **43**

Relevance to Group strategy:

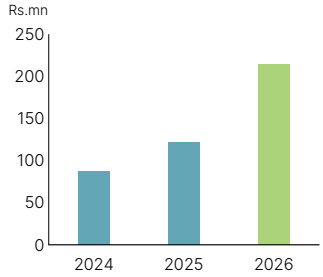
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- This KPI demonstrates the effectiveness of the Sector's diversification strategy and its efforts to reduce reliance on traditional crops

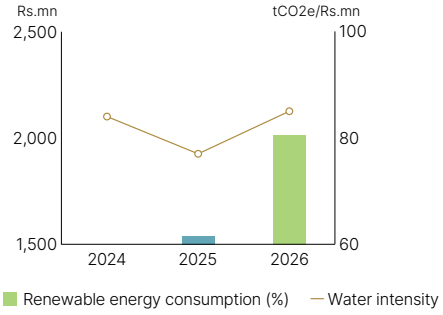
REVENUE FROM CROP DIVERSIFICATION



About this KPI and why we use it:

- Key metrics that reflect our carbon footprint and resource efficiency, enabling us to manage climate risks and ensure responsible water utilisation.

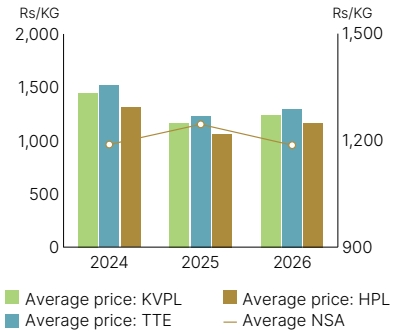
ENVIRONMENTAL SUSTAINABILITY INDICATORS



About this KPI and why we use it:

- Reflects our ability to consistently deliver superior quality and command differentiated pricing in competitive global markets

PREMIUM PRICING



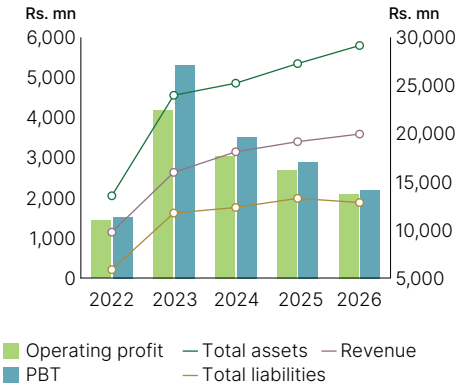
INTEGRATED PERFORMANCE REVIEW

Resilience in a challenging landscape:

The Sector demonstrated strategic foresight in navigating the industry's structural constraints to deliver a resilient performance during the year. Despite a 1% contraction in tea production, the Sector's relentless focus on delivering superior quality enabled all three RPCs to sustain price premiums, while ongoing crop diversification initiatives helped enhance revenue stability. Accordingly, the Sector's Revenue increased by 4% to Rs. 19.97 bn during the year. However, EBIT declined by 22% to Rs. 2.01 bn, reflecting the sharp increase in wages and other costs during the year. Overall, the Sector's Profit Before Tax decreased by 24% to Rs. 2.2 bn during the year, while Profit After Tax clocked in at Rs. 1.39 bn, compared to Rs. 1.91 bn the previous year. Key investments during the year included the commissioning the state-of-the-art Kiruwanaganga Tea Factory, constructed at an investment of Rs. 780 mn, with a manufacturing capacity of 14,000 kg of green leaf tea per day.

	Revenue (y-o-y) %	PBT (y-o-y) %
KVPL	7%	-22%
TTE	1%	-24%
Horana	7%	-28%

SECTOR FINANCIAL PERFORMANCE

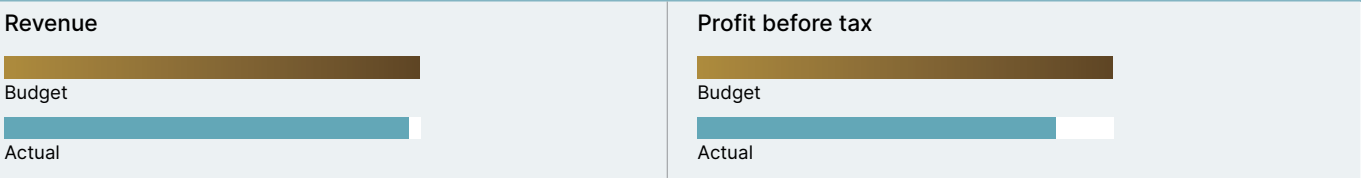


Plantations

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**19,970**	19,182	4	18,128
Earnings before interest and tax	**2,099**	2,702	-22	3,052
Net finance income/(cost)	**144**	210	-32	473
Profit before tax	**2,213**	2,906	-24	3,525
Profit after tax	**1,393**	1,909	-27	2,254
Assets	**29,153**	27,279	7	25,244
Liabilities	**12,867**	13,304	-3	12,354
Operating cash flow	**3,372**	4,176	-19	2,415

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
Employees	**15,528**	15,775	-2	15,360
Revenue per employee (Rs. mn)	**1.29**	1.22	6	1.18
Production volumes (MT)				
- Tea	**11,878**	12,043	-1	11,774
- Rubber	**3,201**	2,712	18	2,639
Average price of Tea (Rs/Kg)				
- TTE	**1,338**	1,342	-	1,230
- KVPL	**1,269**	1,278	-1	1,167
- HPL	**1,155**	1,161	-1	1,066
No. of processing facilities	**43**	50	-14	50
Total area under active production(ha)	**14,739**	17,025	-13	16,738

SUSTAINABILITY-RELATED FINANCIAL METRICS		2026	2025	%	2024
SASB METRICS*	Energy consumption *FB-AG-130a.1*				
	-% grid electricity	**9**	17	-8	29
	-% renewable	**85**	77	8	84
	Water withdrawal *FB-AG-140a.1* -% from high/extremely high stress**	**100**	100	-	100
	Total recordable incident rate *FB-AG-320a.1*	**0.56**	10	-	N/A
	Fatalities *FB-AG-320a.1*	**1**	Nil	100	Nil

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*SASB Agricultural Products Satandard
** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

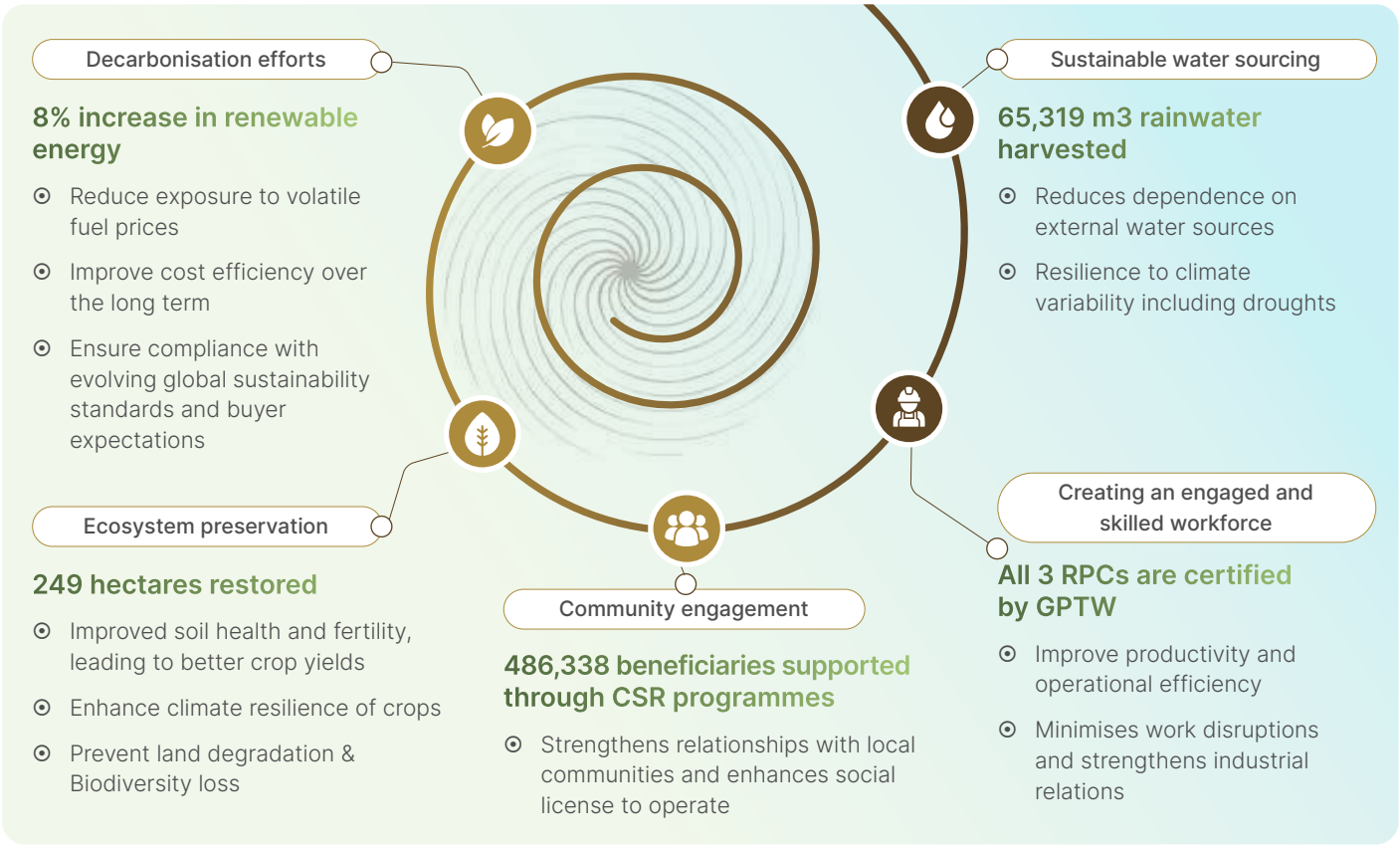
The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

Crop diversification: Crop diversification remains a key strategic priority as the Sector seeks to build a more resilient and balanced revenue profile, while reducing exposure to climate-related risks and optimising land use. In this context, KVPL has outlined plans to allocate approximately 20% of its land extent to coffee and cinnamon cultivation by 2028, reflecting a structured shift towards higher-value, climate-resilient crops. At TTE, diversification into cinnamon across Low Grown estates has yielded encouraging results, including the successful turnaround of a previously underperforming property, with the crop now contributing positively to overall performance and being rapidly scaled. Meanwhile, HPL continues to maintain approximately 250 hectares under oil palm cultivation. With the anticipated removal of the cultivation ban, subject to environmental safeguards, HPL remains well-positioned to recommence and expand oil palm cultivation, given its existing compliance with requirements on soil conservation, forestry cover and broader environmental standards.

Labour dynamics: The Sector continued to drive efforts towards transforming labour dynamics, which remain challenged by escalating wage costs, low labour productivity and persistent labour shortages, partly driven by migration out of the industry and the perceived lack of dignity associated with estate employment. In response, Hayleys Plantations has sought to move away from the traditional daily wage-based system through the introduction of an innovative revenue share model, aimed at creating social business enterprises within estates. Currently accounting for over 50% of the Sector's total revenue generation, the model offers greater flexibility in working hours and alignment to productivity enabling workers to enhance their earnings through a more entrepreneurial approach. The Sector maintains that equitable, productivity-linked remuneration models represent the way forward, supported by ongoing efforts in mechanisation to further improve efficiency and reduce dependency on manual labour.

Quality and sustainability: The Sector continues to strategically leverage sustainability as a means of strengthening competitive advantage, reducing exposure to climate change and building long-term resilience. During the year, this approach was formalised through the launch of the ESG roadmap, *Regenerate*, which integrates sustainability priorities with core business strategy while reinforcing a commitment to responsible business practices. Key initiatives include ecosystem preservation, the application of organic fertiliser, decarbonisation and investments in water stewardship. In parallel, social sustainability remains a priority, exemplified by the 'Home for Every Plantation Worker' programme.

ESG as a driver of business value



Plantations

PROSPECTS AND PLANS

The short-term outlook for the Sector remains uncertain, particularly in light of evolving geopolitical developments and their potential impact on freight rates, fertiliser prices, global demand and pricing dynamics. This is further compounded by structural challenges within Sri Lanka's tea industry, including escalating cost of production, persistent labour shortages and the intensifying implications of climate change. Notwithstanding these headwinds, the Sector remains optimistic that the strategic interventions undertaken in recent years to recalibrate its traditional operating model will yield results over time. The sector is also proactively engaging with global buyers to develop direct sales channels, reducing reliance on traditional auction mechanisms.

Ongoing measures to transform estate operations, supported by the Sector's industry-leading talent and proactive leadership teams, are expected to strengthen resilience and competitiveness, positioning all three RPCs as future-ready, sustainable and high-quality producers of tea.

	Short-term	Medium to Long-term
Portfolio optimisation	• Ongoing focus on crop diversification • Focus on efficiencies, yield improvements and automation	• Develop speciality teas catering to evolving customer requirements
Strategic ESG integration	• Increase reliance organic fertiliser • Widen reliance on renewable energy • Biodiversity preservation	• Drive decarbonisation efforts aligned to the SBTi
Inclusive business models	• Increase the coverage of remuneration share models in creating more equitable value • Drive increased female representation in leadership roles	
What we hope to achieve	ROE **>18%**	ROE**>18%** | **42%**Scope 1& 2 emission reduction Zero significant workplace injuries

Opportunities and levers

- Emergence of niche markets and sustainability-led differentiation
- Transformation of traditional labour models
- Expanding into complementary crops to build a more resilient and diversified revenue base

Risks to strategy

- Implications of ongoing global geopolitical tensions
- Escalating implications of climate change (SRRO link)
- Labour shortage and relatively low productivity



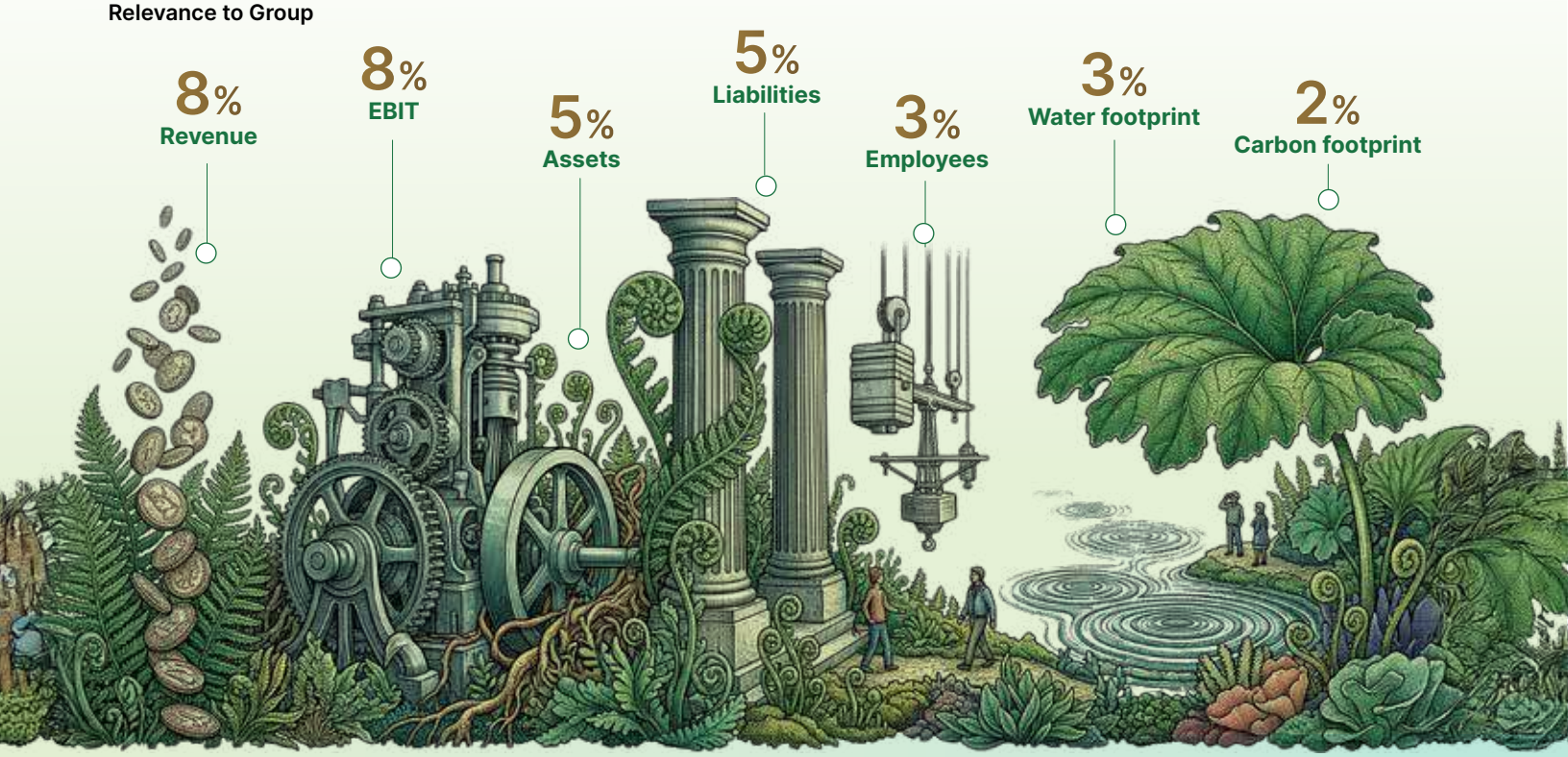
Insights from sector GMC member
Scan to view

Agriculture

Represented by Hayleys Agriculture Holdings Limited, the Sector is at the forefront of the country's agriculture industry, commanding leading market positions across its diverse business verticals. The Sector drives unparalleled economic value across its extensive ecosystem while playing a critical role in modernising Sri Lanka's agriculture industry and driving awareness and capacity building through its network of extension services.

Agriculture

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 44.28 bn (+18%)	Rs. 2.82 bn (+8%)	Rs. 1.95 bn (+26%)	Rs. 36.33 bn (+24%)	Rs. 22.95 bn (+30%)	1,163 (-5%)	14,288tCO_2e (+16%)

Year in review

Financial performance

The Sector demonstrated resilience during the year, supported by its diversified business portfolio and strong performance in agricultural equipment, Haychem Bangladesh, and export markets.

Strategic highlights

Increased penetration of Bangladeshi market

Ongoing focus on innovation and product development

Digitalisation and automation of processes



ESG performance

Reduction in the Scope 1 & 2 GHG emissions

Increased generation of renewable energy

Way forward

Expansion of concentrated coconut water vertical

Expansion of chemical formulation operations in Bangladesh

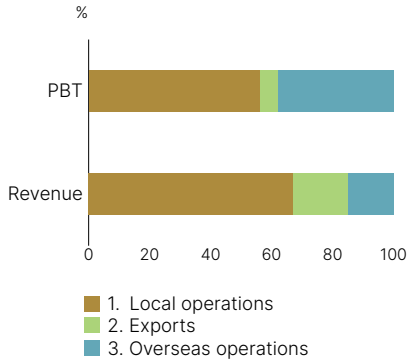
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. LOCAL OPERATIONS
Provides a range of agriculture input solutions, including agriculture machinery, crop protection solutions, seeds and planting materials, animal health products, fertiliser and landscaping & environmental management services.

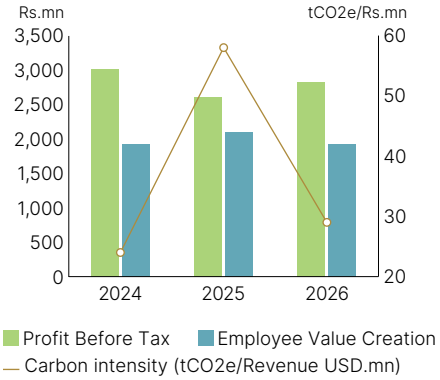
2. EXPORTS
Exporter of processed fruits and vegetables, coconut kernel-based products, tissue culture plants and F1 hybrid flower seeds.

3. OVERSEAS OPERATIONS
Regional operations in Bangladesh.

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Leadership position	Global relationships	Extension services	Regional presence
Largest Sri Lankan exporter of processed fruits and vegetables. Largest producer and exporter of tissue culture plants. Only Sri Lankan exporter of F1 hybrid flower seeds. Leader in Agri input solutions and equipment.	Long-standing relationships **with 66 globally renowned principals** including Kubota, Bayer, BASF, Elanco and Hipra among others.	**Agriculture Extension Services powered by over 137 skilled** agriculturalists who collaborate with stakeholders across the agriculture value chain in propagating knowledge and best practice.	Haychem Bangladesh offers an array of crop protection, fertiliser, bio-fertiliser, animal health and other solutions to the agriculture sector of Bangladesh.

OPERATING ENVIRONMENT
Sri Lanka's agricultural sector demonstrated measured resilience within a challenging operating environment, recording a modest growth of 1.4% during the period. This expansion was achieved despite adverse climatic disruptions arising from Cyclone Ditwah and a continued escalation in the cost of key agricultural inputs, which exerted pressure on cultivation cycles and farmer margins. Notwithstanding these constraints, the paddy sub-sector remained notably robust, with production increasing by 5.3% in 2025.

The impact of increasingly volatile climatic conditions continued to intensify during the year, adversely affecting the production crops such as seed potato and maize. In contrast, the coconut sub-sector recorded a notable recovery, with output expanding by 9%, marking a reversal of the persistent contraction observed over the preceding years. Meanwhile agricultural input prices increased in line with global trends, particularly driven by the surge in fertiliser costs following recent geopolitical disruptions. However, regulated pricing structures limited the ability to pass on these cost escalations, resulting in sustained pressure on margins across the sector.

1.4%
Growth in the Agriculture Sector

5.3%
Growth in Rice Production

1.9%
Growth in Fruit Cultivation

Agriculture

OPERATING ENVIRONMENT SUCCESS

PADDY PRODUCTION
8% increase

Production recorded growth across both the Yala and Maha seasons, underscoring the sector's resilience amid prevailing environmental and economic challenges.

H

CLIMATIC VAGARIES

Rainfall patterns and the frequency of extreme weather events have shifted significantly, contributing to heightened uncertainty within the agricultural landscape.

M

AGRICULTURE EXPORTS
>5.3% increase

Export growth driven by tea, coconut, spices, and minor agricultural products.

H

Key risks

Market Risks
Changes in government policy.

Volatility in global fertiliser prices.

Global geopolitical conflict.

Sustainability-related risks
Impacts of climate-related physical risks.

CRRO#1

Opportunities

Market opportunities:
Increasing prevalence towards agricultural mechanisation.

Sustainability-related opportunities
Climate smart-agriculture solutions.

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Regional expansion 1

The Sector sought increased penetration in Bangladesh

Resource allocation: Sales and marketing expenditure, Ongoing investments in expansion

Relevance to Group strategy:

Innovation 2

The Sector continued to widen its product and service proposition including in Agricultural Machinery, Crop Protection and Animal Health among others.

Resource allocation: Investment in R&D: **Rs. 45.53 mn**

Relevance to Group strategy:

Digitalisation 3

Leveraging digitalisation to streamline payments to suppliers/out-growers, drive energy efficiency and enrich decision-making.

Resource allocation: Investments in digitalisation: **Rs. 8 mn.**

Relevance to Group strategy:

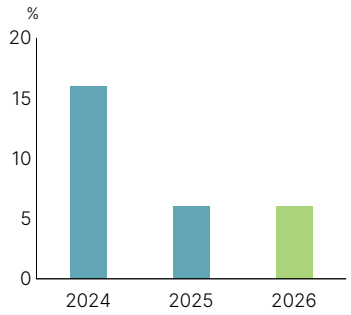
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Demonstrates the Sector's growth potential in Bangladesh and diversification of revenue sources.

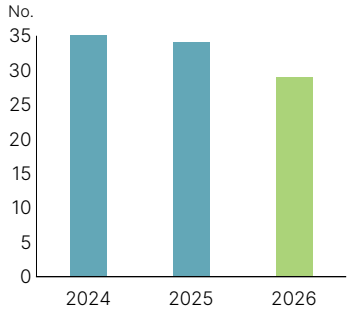
REVENUE GROWTH- HAYCHEM



About this KPI and why we use it:

- This measure shows succession of innovation performance, market responsiveness and future growth potential.

NEW PRODUCTS DEVELOPED



About this KPI and why we use it:

- Reflects the extent of operational efficiency and digital transformation within an organisation.

7

Planned process automations

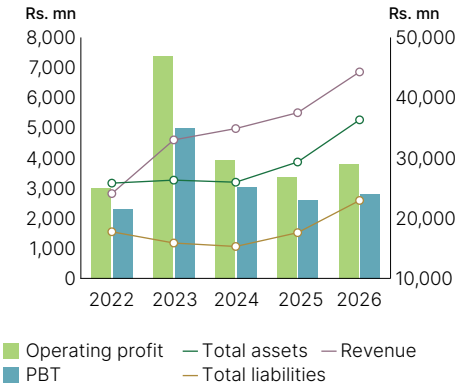
INTEGRATED PERFORMANCE REVIEW

Strength in diversity: The Sector demonstrated notable resilience during the year, underpinned by the diversification of its business portfolio, which enabled it to navigate both climatic disruptions and sustained margin pressures in key segments. Revenue grew by 18% to Rs. 44.28 bn during the year, supported by strong contributions from agricultural equipment, Haychem Bangladesh and export markets, where the Group effectively leveraged its global partnerships, established distribution networks and reputation for quality. Against this backdrop, the sector delivered a commendable improvement in profitability, with Profit Before Tax increasing by 8% to Rs. 2.82 bn, contributed by emphasis on cost management as well as strategic recalibration across key exposures.

The Crop Protection cluster navigated a challenging operating environment during the year, characterised by intensified price competition from lower-priced commodity alternatives and volume disruptions stemming from Cyclone Ditwah.

Y-o-y growth	Revenue	Profit
Local Operations	17%	-13%
Exports	12%	+172%
Overseas Operations	-0.4%	8%

SECTOR FINANCIAL PERFORMANCE

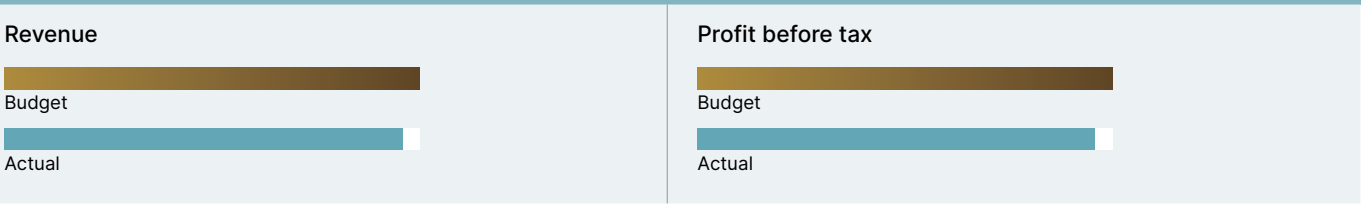


Agriculture

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**44,279**	37,510	18	34,879
Earnings before interest and tax	**3811**	3,373	13	3,937
Net finance income/(cost)	**(993)**	(772)	29	(916)
Profit before tax	**2,818**	2,602	8	3,020
Profit after tax	**1,950**	1,550	26	2,089
Assets	**36,328**	29,331	24	25,978
Liabilities	**22,950**	17,605	30	15,313
Operating cash flow	**(4,183)**	1,211	-445	2,210

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**1,163**	1,223	-5	1,247
Revenue per employee (Rs. mn)	**38.1**	30.7	24	27.9

	ENVIRONMENTAL METRICS	2026	2025	%	2024
SASB METRICS*	Scope 1 GHG emissions (tCO2e) *FB-AG-110a.1*	**2,979**	6,100	(51)	1,803
	Coverage of emission-limiting regulations (%) *FB-AG-110a.1*	**N/A**	N/A	N/A	N/A
	Renewable energy (%) *FB-AG-130a.1*	**7**	1	4	0
	Grid electricity (%) *FB-AG-130a.1*	**31**	36	(5)	28
	Self-generated energy (%) *FB-AG-130a.1*	**7**	1	400	0
	Water consumed from mid to high stress regions (%)** *FB-AG-140a.1*	**100**	100	-	100
	Hazardous waste (MT)	**104**	140	(25)	88
	Recordable incident rate (%) *FB-AG-320a.1*	**Nil**	Nil	-	Nil

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*SASB Agricultural Product Standard
** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

Notwithstanding these pressures, the cluster remained focused on ensuring uninterrupted product availability, thereby supporting continued paddy cultivation and the broader agricultural ecosystem during a period of heightened uncertainty. Meanwhile, the cluster continued to drive efforts towards strengthening its product portfolio with the introduction of *Basagran* by BASF, a broadleaf weedicide for paddy cultivation.

The Agri Equipment cluster delivered strong growth in profitability underpinned by robust market demand and the strength of its brand equity. Demand for Kubota machinery remained exceptionally strong, with close collaboration alongside suppliers to progressively align production with market requirements and sustain growth momentum. During the year, the segment further

broadened its product offering with the introduction of the E-Kubota 2WD Tractor, the Agrotech Pro 110 Harvester, and the Agritech Belt Tractor targeting the more affordable segment, thereby enhancing accessibility and reinforcing its position across a wider customer base.

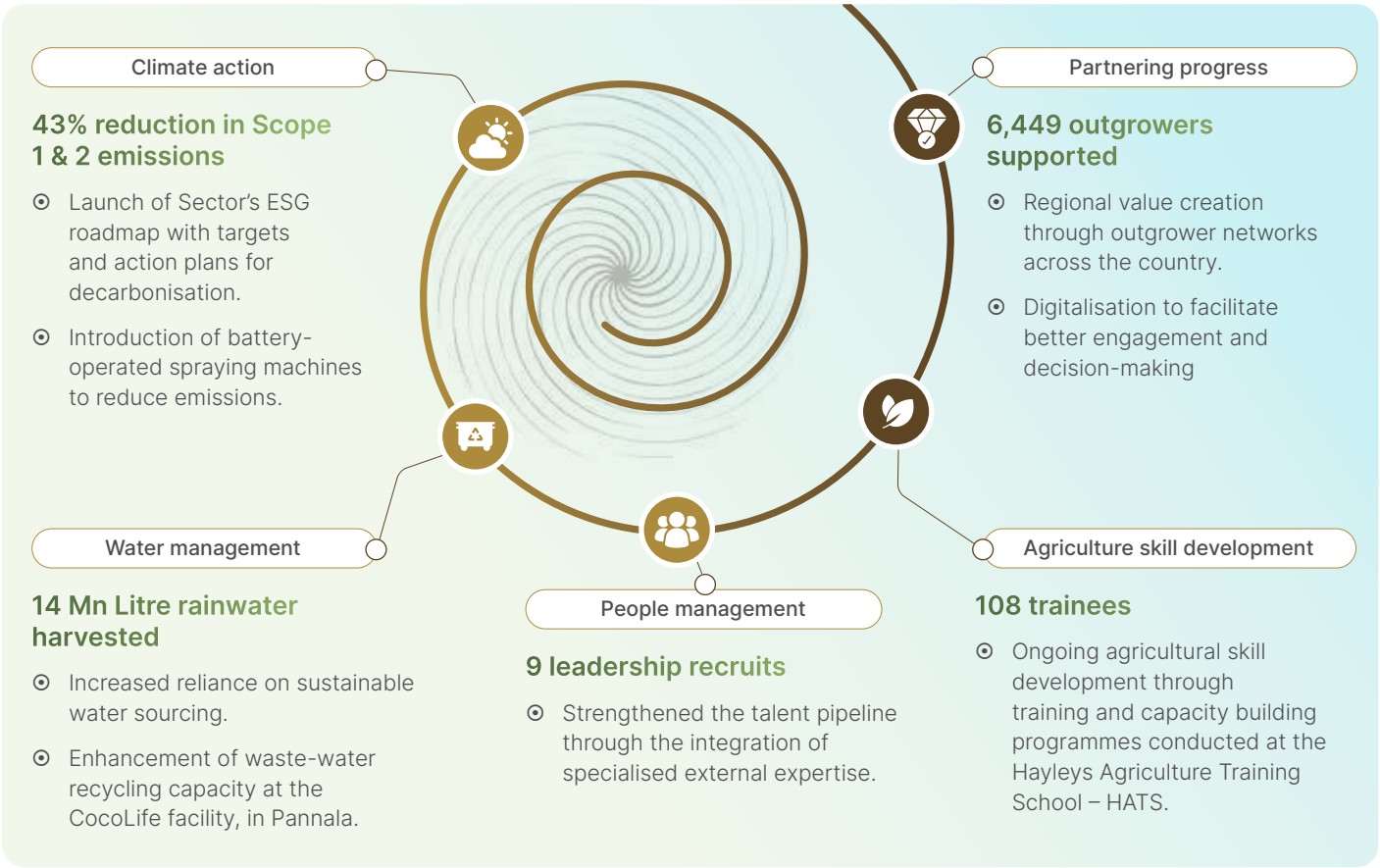
The Animal Health cluster recorded a decline in profitability during the year, reflecting temporary supply disruptions arising from changes within a key principal. The cluster continued to invest in strengthening its long-term potential, with the HayVet laboratory in Kuliyapitiya, the only private facility offering diagnostics and feed testing undergoing expansion and capability enhancements to meet advanced accreditation standards. Meanwhile the Fertiliser cluster recorded moderating profitability, reflecting sustained margin pressures despite revenue growth. The sharp increase in global fertiliser prices, coupled with regulated pricing and intensified competition from smaller market participants, limited the ability to pass on cost escalations, resulting in margin pressure.

The Exports cluster recorded a year of mixed performance, with strong growth in coconut milk exports partially offset by challenges across other categories. Processed fruits and vegetables faced intensified competition from regional players while the horticulture segment experienced subdued demand amid shifting preferences away from traditional varieties. During the year, the Sector expanded export operations, with concentrated coconut water commercial operations scheduled to commence in 2026/27, positioning the segment for future growth.

The Sector's operations in Bangladesh continued to deliver a strong performance during the year, remaining a significant contributor to overall profitability while operating within a complex and evolving macroeconomic landscape. Despite a period of political transition and economic uncertainty the Company sustained its market position through strategic emphasis on expanding its service portfolio and progressing towards replicating the Sri Lankan operating model in Bangladesh.

Accelerating digitalisation: During the year, the Sector advanced its digitalisation agenda through the implementation of the OMNIX Digital System enhancing farmer engagement, operational efficiency and traceability across the agricultural value chain. The platform supports over 1,209 farmers across an extensive network of collection centres and projects, enabling a shift towards data-driven decision-making

ESG as a driver of business value



Agriculture

PROSPECTS AND PLANS

In the near term, the operating environment is expected to remain challenging, with ongoing geopolitical tensions in the Middle East likely to disrupt supply chains, particularly for key agricultural inputs routed through critical trade corridors. This is anticipated to result in extended lead times, elevated input and distribution costs, and continued margin pressures within a regulated pricing environment, further compounded by affordability constraints and intensified regional competition in export markets.

Over the longer term, however, the Sector remains well positioned to navigate these dynamics, supported by its diversified portfolio spanning value addition and exports. Continued investments in digitalisation, precision agriculture and mechanisation, alongside a focus on operational resilience and supply security, are expected to strengthen the sector's ability to sustain performance, positioning it to deliver stable and sustainable returns despite cyclical and climate-related disruptions.

	Short-term	Medium to Long-term
Portfolio optimisation	• Expansion of concentrated coconut water vertical. • Expansion of chemical formulation operations in Bangladesh	• Strategic emphasis on regional expansion. • Leverage digitalisation to strengthen decision making and competitive position.
Customer Centricity	• Continued focus on high-efficacy, superior quality products.	• Continued emphasis on widening product and service portfolio.
Inclusive business models	• Continued investments in farmer extension services. • Leverage digitalisation to strengthen engagement and monitoring across.	• Widen network of outgrowers across diverse products
What we hope to achieve	**14%** Revenue growth ROCE**>18%**	**14%** Revenue growth ROCE**>18%**

Opportunities and levers

- Mechanisation of industry, given increasing labour shortages.
- Rising demand for climate- smart and sustainable agricultural solutions.
- Drive increased penetration in Bangladesh through widening product offering.

Risks to strategy

- Escalating implications of climate change and impacts on quality, yields and crop.
- Increased competition from sub-standard agricultural input products.
- Escalating cost concerns amidst prevalent global conditions.



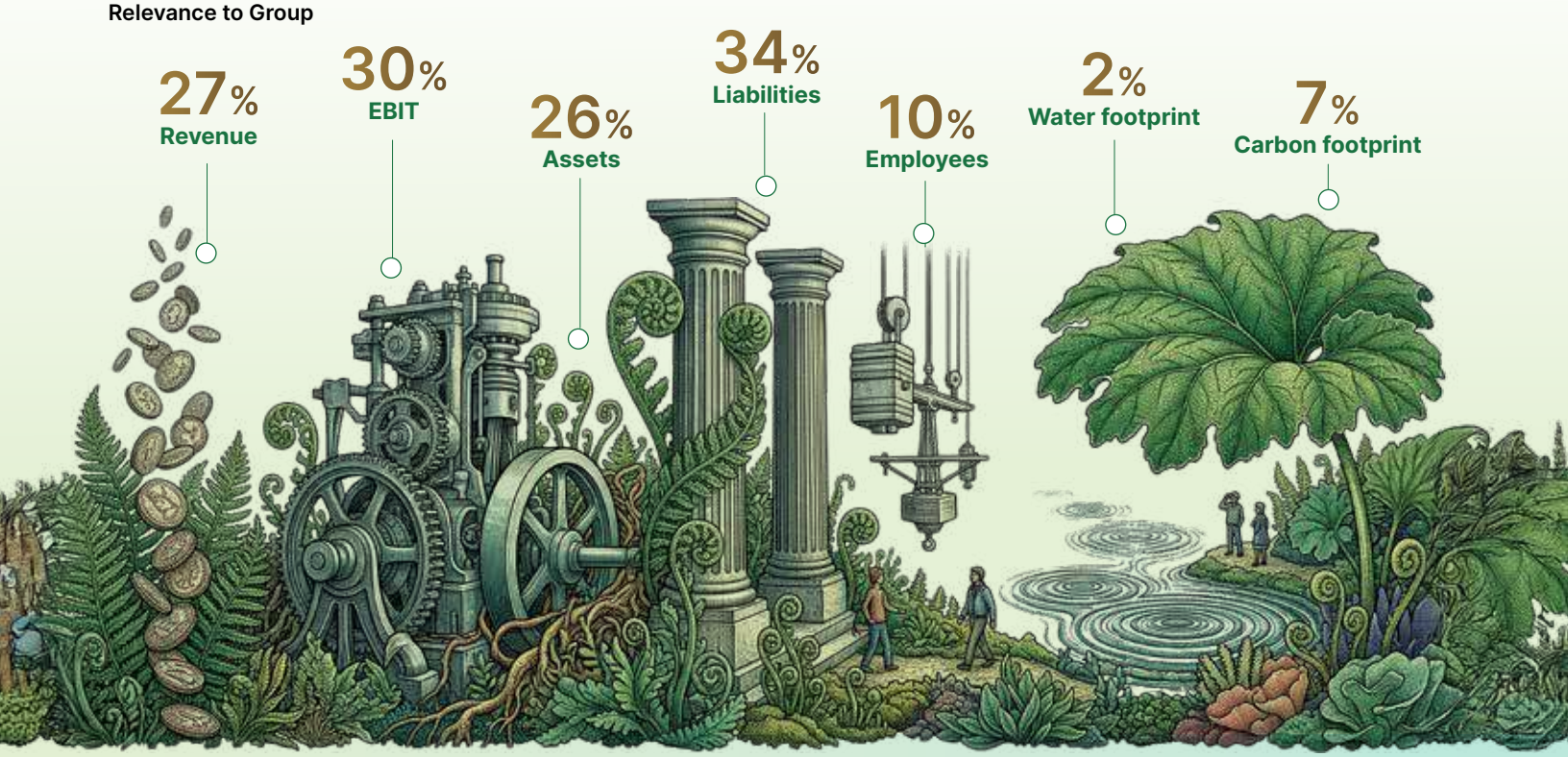
Insights from sector GMC member
Scan to view

Consumer & Retail

Singer is Sri Lanka's leading retailer of consumer durable products, enriching and elevating lifestyles across the country, through providing access to world-class products via a network of over 400 outlets. The Sector also includes the Hayleys Consumer Division, which operates as a distributor for Proctor & Gamble products in Sri Lanka as well as Singer Finance (Lanka) PLC, a mid-sized licensed finance company offering an array of lending, deposit and transactional solutions to individuals and SMEs

Consumer & Retail

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 156.74 bn (+44%)	Rs. 11.46 bn (+76%)	Rs. 7.67 bn (+75%)	Rs. 183.55 bn (+47%)	Rs. 163 bn (+49%)	3,920 (+14%)	27,091 tCO_2e (+41%)

Year in review

Financial performance

The Sector delivered a year of exceptional performance driven by timely strategic interventions, successful product introductions and sustained investment in brand visibility and market activation

Strategic highlights

Emphasis on customer centricity through branch renovation and customer service while accelerating digital transformation



Island-wide e-waste collection programmes

Skill development and employment generation

ESG performance

Ongoing product and brand diversification catering to different price points

Emphasis on customer service and after-sales care

Way forward

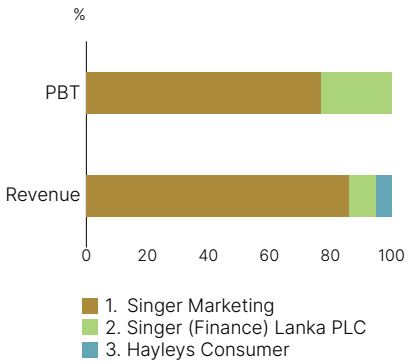
The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. SINGER MARKETING
Represents 423 outlets across the country and an island-wide dealer distributor network and 4 manufacturing facilities

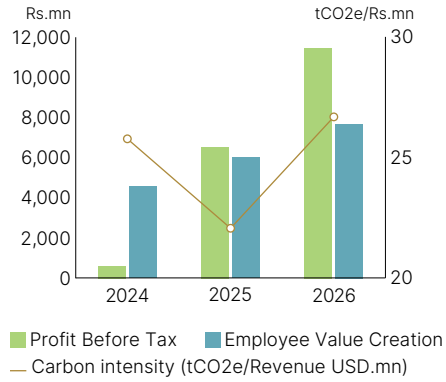
2. SINGER (FINANCE) LANKA PLC
Licensed finance company engaging in leasing and loans

3. HAYLEYS CONSUMER
Exclusive distributor for Proctor & Gamble products in Sri Lanka and Maldives

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Market reach	Brand strength	Innovation	Sustainability focus
Singer operates an extensive network of **427** outlets across **25** districts and **15** service centres. Meanwhile, Singer Finance operates a network of 63 branches	One of Sri Lanka's strongest brands, having won the People's Brand of the Year for **20** consecutive years at the SLIM-Kantar People's Awards	A portfolio of over **600** electronic items and **1,200** home appliances which includes representation of over **60** international consumer brands such as Samsung, Dell, Huawei, Honor, Philips and Panasonic	Hayleys Consumer is the distributor of Proctor & Gamble products in Sri Lanka including personal care brands such as Head & Shoulders, Gillette, Whisper and Olay as well as Group products such as Mabroc Teas and Hayleys Agriculture Products

OPERATING ENVIRONMENT

The operating environment for the retail sector improved significantly during the year under review, supported by improving consumer sentiment, favourable interest and exchange rate conditions and stronger overall economic stability. Improved liquidity and cash circulation within the market contributed positively towards consumer spending, particularly within the consumer durables segment, resulting in stronger demand across key product categories. Against this backdrop, all sectors represented by the Group recorded strong growth, with favourable business conditions supporting the continuation of the positive momentum experienced during the previous year. Following the reopening of the vehicle market after nearly four years, demand for vehicle leasing facilities improved significantly, supporting a strong performance and growth momentum for Singer Finance (Lanka) PLC.

6%
Increase in private consumption expenditure

16%
Increase in spending on furnishings and household expenditure

Consumer & Retail

OPERATING ENVIRONMENT SUCCESS

PER CAPITA GDP
10% increase

Sri Lanka's per capita GDP increased to USD 5,003 in 2025 signaling stronger disposable incomes and demand for consumer durables

H

CONSUMPTION
Increase in private consumption expenditure

16% increase in spending on furnishings, household equipment and routine household maintenance

H

DEMOGRAPHIC CHANGES

Sri Lanka's increasing urbanisation, growing middle class and higher education levels are fuelling demand for more affluent and aspirational lifestyles

H

Key risks

Market Risks
Geopolitical trade dynamics and escalation of conflict

Economic slowdown and consumer affordability

Expansion of the grey market

Sustainability-related risks
Implications of climate change on farmer income

CRRO#1

Opportunities

Market opportunities:
Demographic changes including increasing urbanisation

Operational opportunities:
Digital transformation

Sustainability-related opportunities
Demand for energy-efficient products

CRRO#4

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Customer centricity 1

The renovation of over 100 branches, together with the continued focus on customer service through training and development initiatives, contributed towards enhancing the overall customer experience.

Resource allocation: Customer-service related training

Relevance to Group strategy:

Happy employees 2

Strategic emphasis on people development, engagement and succession planning.

Resource allocation: Investment in training and development: Rs. 71 mn

Relevance to Group strategy:

Digital transformation 3

Acceleration of digital transformation initiatives through investments in advanced data analytics, process automation, digital payment integration and enhanced digital customer engagement platforms

Resource allocation: Investment in automation and digitalisation: Approx. Rs. 10 mn

Relevance to Group strategy:

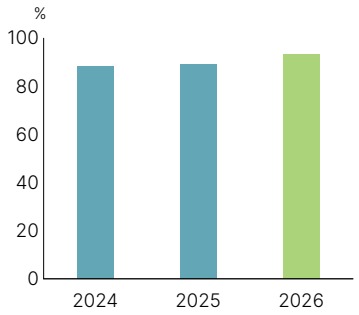
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Effective measure of customer loyalty and advocacy and growth potential

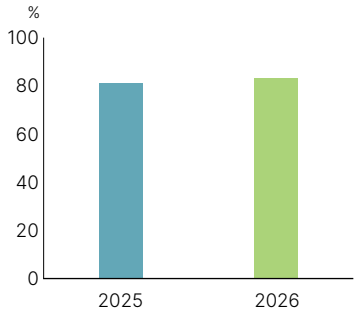
NET PROMOTER SCORE



About this KPI and why we use it:

- Provides insight into employee satisfaction, stability and long-term sustainability.

EMPLOYEE RETENTION



About this KPI and why we use it:

- Demonstrates the level of integration of digitalisation

12+

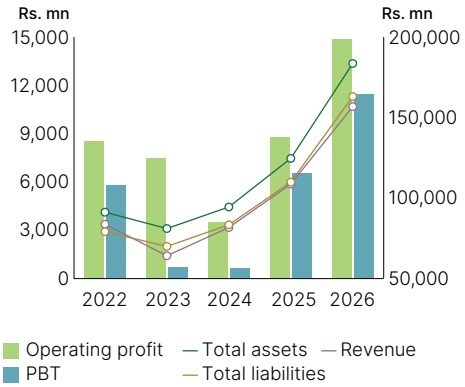
No of processes automated

INTEGRATED PERFORMANCE REVIEW

Year of record performance: The sector recorded unprecedented growth in both revenue and profitability during the year under review, with revenue increasing by 44% to Rs. 156.7 bn and profitability increasing by 76% to Rs. 11.5 bn, emerging as the largest contributor to the Hayleys Group's profitability. Performance was supported by timely strategic interventions, the successful introduction of new products to the market and continued investment in advertising and brand visibility initiatives. Aggressive cost optimisation and sourcing strategies, including improved procurement terms enabled the Group to offer products at competitive price points, supporting market share gains across key product categories whilst maintaining leadership positions in several segments. The Group's strategy of establishing strong market leadership across its core business segments continued to yield positive results during the year.

Y-o-y growth	Revenue	Profit
Singer marketing	44%	82%
Singer (Finance) Lanka PLC	59%	81%
Hayleys Consumer	30%	-94%

SECTOR FINANCIAL PERFORMANCE

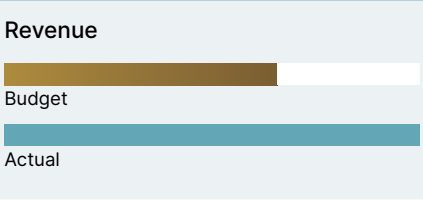


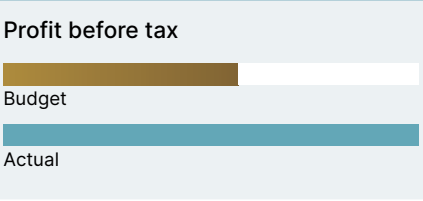
Consumer & Retail

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**156,735**	108,481	44	81,497
Earnings before interest and tax	**14,834**	8,770	69	3,487
Net finance income/(cost)	**(2,374)**	(1,641)	45	(2, 502)
Profit before tax	**11,459**	6,528	76	611
Profit after tax	**7,669**	4,386	75	175
Assets	**183,554**	124,474	47	94,285
Liabilities	**163,002**	109,742	49	83,169
Operating cash flow	**(41,383)**	(14,290)	190	(6,477)

PERFORMANCE AGAINST TARGETS





OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**3,920**	3,444	14	3,316
Revenue per employee (Rs. mn)	**40**	31	27	25
Singer branches	**423**	405	5	407
Revenue per branch (Rs. mn)	**371**	143	156	116

	SUSTAINABILITY-RELATED FINANCIAL METRICS	2026	2025	%	2024
SASB METRICS*	Energy consumption -% grid electricity *CG-MR-130a.1*	**93**	100	-7	100
	Product sourcing and packaging -Revenue from products that are third-party certified (MEP labelled refrigerators)- Rs. bn *CG-MR-410a.1*	**3.3**	3.3	-	2.8
	Data security- No. of data breaches *CG-MR-230a.2*	**Nil**	Nil	-	Nil
	Labour practices *CG-MR-310a.1* - Average hourly wage-Non Exec. (Rs.) - % of in-store employees earning minimum wage	 **340** **100**	 311 100	 9 -	 229 100
	Diversity and inclusion -% of female representation in *CG-MR-330a.1* (1) Management (2) All other employees	 **16** **25**	 16 24	 - -1	 14 21
	Total amount of monetary losses from labour law violations *CG-MR-310a.3*	**Nil**	Nil	Nil	Nil

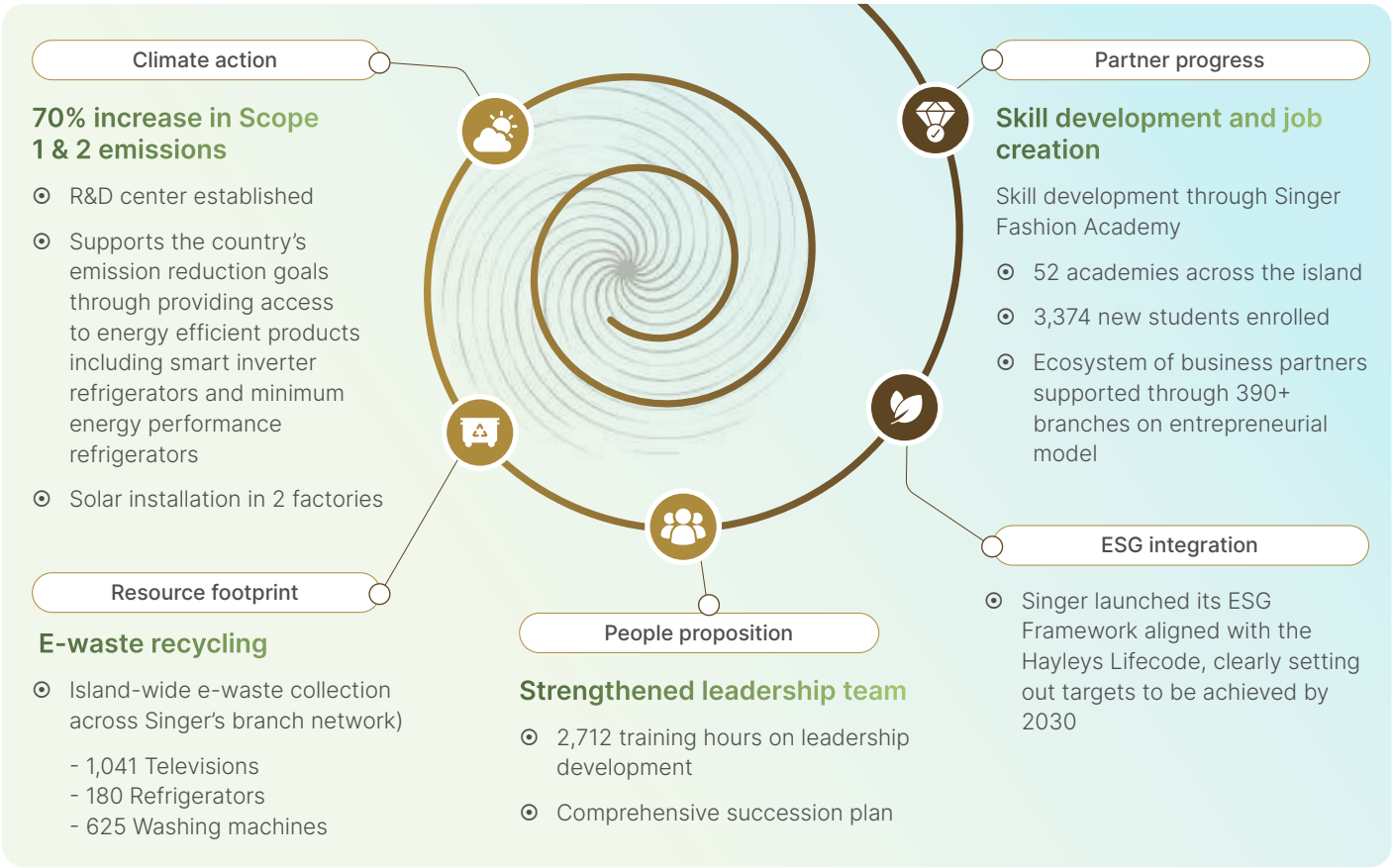
Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*SASB Multiline and speicalty Retailers and Distributors Standard
** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

Customer centricity: The Group continued to strengthen its focus on customer centricity through the renovation and upgrade of over 100 retail outlets.This included the expansion of selected branches in line with the scale and growth potential of key towns, the introduction of larger-format "Mega" outlets in locations such as Matara and the continued rollout of the "Singer Lite" concept across peripheral and rural areas through smaller and customer-friendly retail outlets. This was complemented by strengthened aftersales service operations and the ongoing monitoring of customer-related KPIs to support continuous improvement. Reflecting the continued strength of the Singer brand, the Company was recognised as the "People's Brand of the Year" for the 20th consecutive year at the SLIM Kantar People's Awards 2026, whilst also securing awards for "Youth Brand of the Year" and "People's Durables Brand of the Year".

Product expansion: Singer continued to expand and diversify its product portfolio during the year. New additions included HP's entire range of laptops and printing solutions, CCTV solutions by HikVision and agricultural machinery solutions whilst expansion into light mobility and electric vehicle categories was supported through the introduction of Piaggio vehicles. In a milestone achievement, Singer was also appointed as the authorised retailer for Starlink in Sri Lanka, thereby strengthening its position in the technology and connectivity space. In addition, the Group strengthened its premium and lifestyle product portfolio through brands such as Bosch and De'Longhi, alongside the continued expansion of product variants. Meanwhile through its local manufacturing arm , Singer launched an innovative range of top loading washing machines.

Digital transformation: Digital transformation remained a key area of focus during the year. The Group established the Singer Advanced Analytics Centre of Excellence, becoming the first entity within the Group to implement a dedicated analytics function supported by a team of qualified data scientists and analysts. The implementation of an integrated online payment gateway enabled enhanced customer convenience while facilitating end-to-end transaction validation. Meanwhile predictive monitoring and trend analysis tools enhanced operational visibility and responsiveness across the network. In parallel, the Group continued to strengthen its digital customer engagement capabilities.

ESG as a driver of business value



Consumer & Retail

Performance of Singer Finance: The Company delivered an exceptional performance during the year, with Profit Before Tax increasing by 81% to Rs. 1.8 Bn. Performance was supported by strong growth across key business segments and an expanding geographical footprint. Lending activities increased significantly during the year, supported by the expansion of the leasing and gold loan portfolio. Portfolio quality was maintained at a healthy level throughout the year.

Hayleys Consumer: Hayleys Consumer Products Limited recorded a commendable increase in revenue during the year, with revenue growing 30% to Rs.1.8 bn. Performance across the portfolio remained mixed, with strong growth recorded in selected categories, particularly within the homecare segment, whilst certain personal care categories experienced softer market conditions and supply-related constraints during the year. Despite the strong revenue growth, profitability moderated during the period under review.

PROSPECTS AND PLANS

The outlook for the industry remains positive, supported by stabilising macroeconomic fundamentals and improving disposable incomes. While short-term uncertainty may arise from evolving geopolitical and global trade dynamics, particularly in sectors such as apparel and textiles which could indirectly impact consumer demand, the Group remains confident in the sector's long-term growth prospects. The strategic initiatives implemented across the business, together with the Group's strong market positioning, diversified product portfolio and customer reach, are expected to support continued growth going forward. Trends expected to shape the Sector's risk profile over the short, medium and long term are presented below.

	Short-term	Medium to Long-term
Portfolio optimisation	• Ongoing product and brand diversification catering to different price points	
Customer Centricity	• Diversification of customer segments • Emphasis on customer service and after-sales care	
Digital transformation	• Enhance decision-making and access to real time information through AI-driven capabilities • Strengthen employees' digital literacy	• Leverage digitalisation and automation for customer lifecycle journey tracking
What we hope to achieve	**15%** Revenue growth ROCE**>17%**	• **15%** Revenue growth I ROCE**>17%** • **20%** reduction in Scope 1 and 2 GHG emissions

Opportunities and levers

- Customer sophistication & demographic changes
- Digitalisation of operations
- Omni-channel preference

Risks to strategy

- Escalation of state-based armed conflict
- Escalating global prices of memory chips
- Potential moderation of economic growth



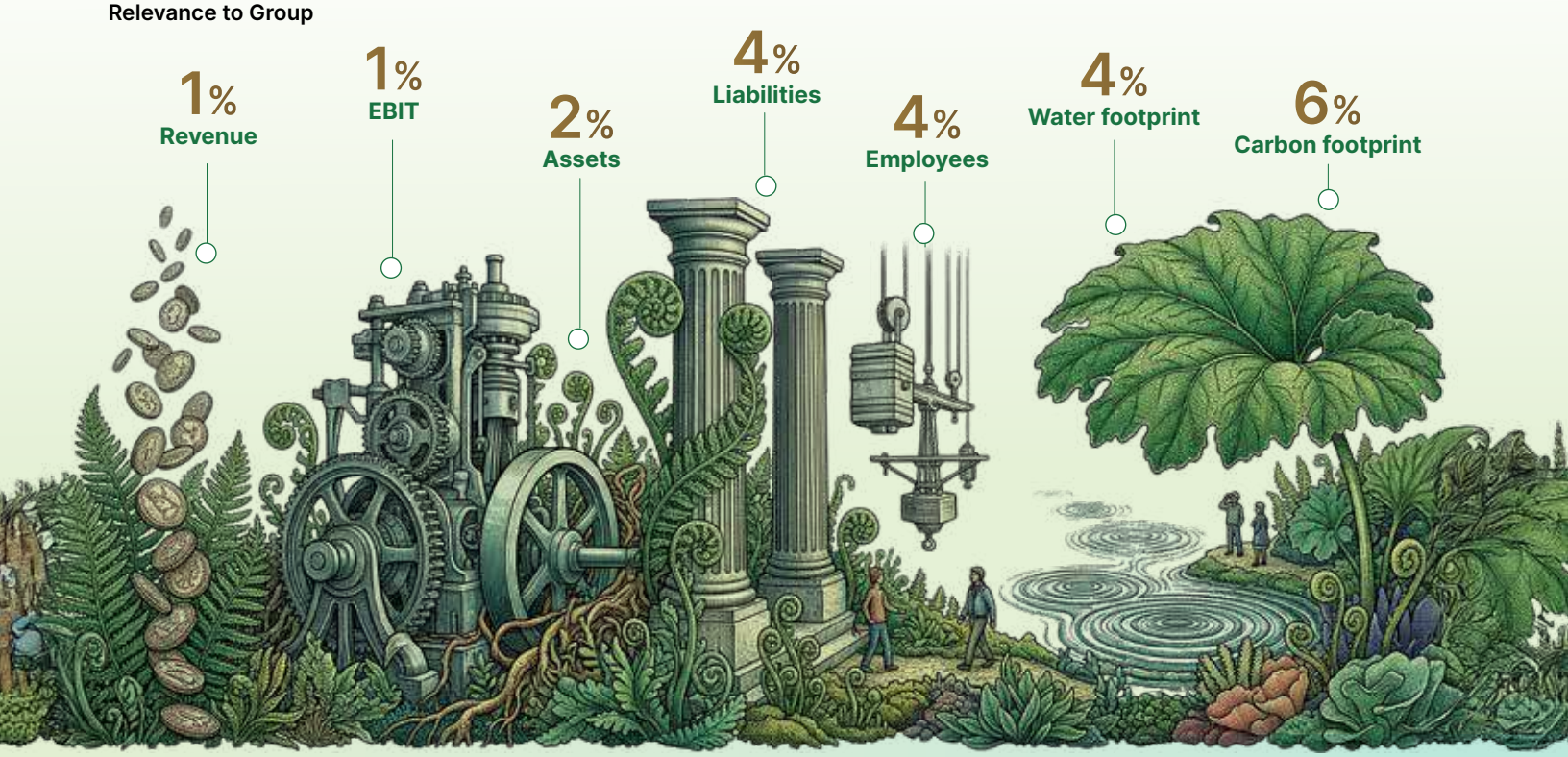
Insights from sector GMC member
Scan to view

Leisure

The Group's Leisure Sector is a leading player in the country's hospitality industry, with a network of hotels, resorts, wellness retreats and collection of managed boutique properties in Sri Lanka and Maldives. The Sector owns and operates the 229-room five-star city hotel, The Kingsbury as well as Amaya Beach, Amaya Hills and Amaya Lake with a collective four-star room capacity of 356 in addition to 5 managed properties in Sri Lanka through the Amaya Resorts chain.

Leisure

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 8.68 bn (+8%)	Rs. 412 mn (-50%)	Rs. 123.8 mn (-83%)	Rs. 16.61 bn (-16%)	Rs. 19.15 bn (-%)	1,560	14,728 tCO_2e (+27%)

Year in review

Financial performance

The Leisure Sector delivered a mixed performance during the year, benefiting from improved occupancy levels and the continued recovery in tourist arrivals. While strong performances at key properties supported profitability, region-specific challenges at certain locations weighed on overall earnings.

ESG performance

Coastal preservation and resource optimisation

Ongoing skill and community development in the areas we operate

Strategic highlights

Product and service enhancement together with a focus on service excellence and talent management

Way forward

Continued focus on achieving strategic differentiation through focus service propositions

Enhance corporate proposition of The Kingsbury

The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

Highly-rated property portfolio	Best-in-class F&B offerings	Distribution strategy
The Sector's properties are among the most highly rated in their respective areas of operation Tripadvisor ratings Amaya Hills: 4.3/5 Amaya Lake: 4.5/5 Amaya Beach: 4.5/5 The Kingsbury: 4.6/5 Amaya Kuda Rah: 4.7/5	Reputation for best-in-class F&B offerings through highly rated restaurants at The Kingsbury Amongst the most popular and top-rated banquet operators in Colombo	The Sector's **multi-channel distribution strategy** includes destination management companies (DMC), online travel agents, direct bookings and online reservations among others

OPERATING ENVIRONMENT

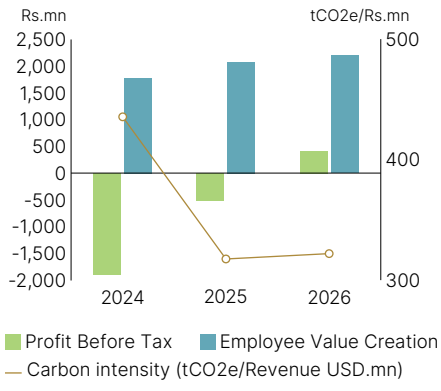
Tourist arrivals to Sri Lanka increased by 15% to reach an unprecedented 2.36 million in 2025, marking a strong recovery for the leisure sector following several years of sustained challenges. India remained the largest source market, while emerging markets such as Russia, Bangladesh and Poland gained prominence, underscoring a gradual diversification of the country's tourism base. Notably, while markets including India, Russia, Bangladesh, Poland, Spain and Israel have surpassed their 2018 levels, several traditional Western markets continue to lag, signalling a structural shift in Sri Lanka's tourist composition towards regional and non-traditional segments. This transition has also influenced visitor behaviour, with European markets continuing to exhibit longer average stays, while regional markets are characterised by shorter visit durations. Consequently, the overall average length of stay has declined to 8.29 nights, reflecting the growing share of shorter-haul, cost-conscious travellers within the mix.

Meanwhile, on the supply side competitive pressures continued to intensify with the total five-star room capacity increasing by 23% during the year. This is particularly pronounced in Colombo which saw several new players entering the industry.

4%
Increase in international tourist arrivals

15%
Increase in tourist arrivals

INTEGRATED PERFORMANCE





Leisure

OPERATING ENVIRONMENT SUCCESS

TOURIST ARRIVALS
2.36% million

The country's leisure sector recorded a strong rebound, marking a turnaround following several years of persistent challenges.

H

AVERAGE LENGTH OF STAY
8.29 Days

The average length of stay declined during the year, reflecting a shift in visitor mix towards shorter-haul and regional travellers.

M

INCREASED COMPETITION

The entry of several new operators, particularly in Colombo have led to a significant increase in room nights and a sharp drop in the ARR following the removal of the minimum room rate regulation

H

Key risks

Market Risks
Impact of global geopolitical tensions on travel

Increased room inventory among city operators

Sustainability-related risks
Physical risks of climate change including biodiversity loss

CRRO#1 SRRO#1

Opportunities

Market opportunities:
Continued diversification of source markets

Product differentiation through offerings across wellness tourism, eco-tourism and experiential travel

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Product and service enhancement 1

Elevation of F&B offerings, personalised services, wellness and recreational amenities that collectively enrich the overall guest journey

Resource allocation: Range of diverse restaurants and experiences across our properties

Relevance to Group strategy:

Service excellence 2

Ongoing training interventions and a service-oriented culture have enabled the Sector to consistently record above average ratings and occupancy levels in comparison to its competition.

Resource allocation: Investment in service-oriented training

Relevance to Group strategy:

Talent management 3

The Sector leveraged the parent entity's employer brand while continuing to enhance its employee value proposition to drive increased retention

Resource allocation: Investment in training and development: **Rs. 5.69 mn**

Relevance to Group strategy:

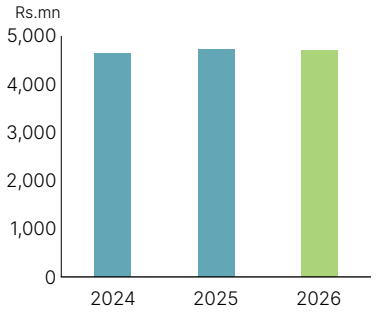
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Demonstrates the effectiveness of the Sector's F&B proposition and diversification efforts

F&B REVENUE



About this KPI and why we use it:

- Demonstrates the success of the Sector's supplier expansion and diversification strategy

AWARDS WON DURING 2025/26

The Kingsbury - Leading F&B Hotel

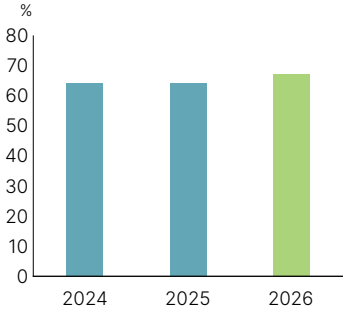
Amaya Lake- Gold Award for Leading Family Resort

Amaya Resorts & Spas Secures- Silver, Leading Resort Brand in South Asia.

About this KPI and why we use it:

- Indicates value proposition to employee, workplace stability and employee satisfaction levels

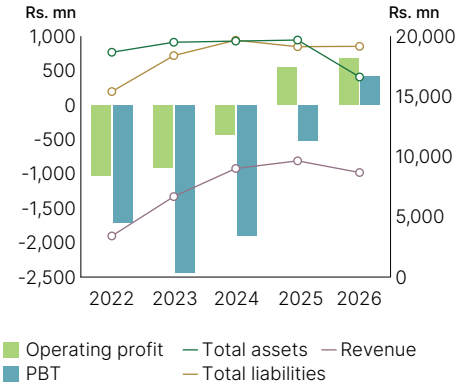
EMPLOYEE RETENTION



INTEGRATED PERFORMANCE REVIEW

Year of mixed performance: The Leisure Sector recorded a year of mixed performance, with revenue increasing by 8% to Rs. 8.7 bn, supported by broad-based growth across all properties which benefitted from improved occupancy levels amid the recovery in tourist arrivals. Profitability was underpinned by the strong performance of The Kingsbury Colombo and Amaya Lake which continued to strengthen their competitive positions while other properties faced region-specific challenges that weighed on overall profitability. The Sector's EBIT accordingly amounted to Rs. 669.23 mn compared to Rs. 1.18 bn the previous year. In May 2026, Hayleys PLC entered into an Asset Purchase Agreement to transfer the head lease and operating assets of Luxury Resort (Pvt) Ltd, in line with the Group's strategy of sharpening its portfolio focus and concentrating its leisure investments within Sri Lanka. Accordingly, the respective assets and liabilities directly associated Luxury Resort (Pvt) Ltd have been classified as held-for-sale, resulting in the subsidiary being presented as a discontinued operation.

SECTOR FINANCIAL PERFORMANCE

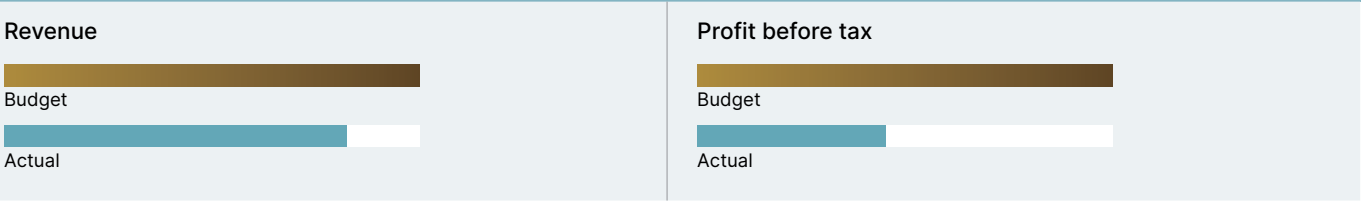


Leisure

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**8,683**	8,008	8	7,538
Earnings before interest and tax	**669**	1,175	-43	751
Net finance income/(cost)	**(258)**	(359)	-28	595
Profit before tax	**412**	816	-50	157
Profit after tax	**124**	710	-83	174
Assets	**16,610**	19,676	-16	19,587
Liabilities	**19,152**	19,124	0.15	19,660
Operating cash flow	**1,765**	954	85	(288)

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**1560**	1,566	-	1,660
Revenue per employee (Rs. mn)	**6.6**	6.2	8	5.4
Average occupancy - Amaya Resorts (%) - Kingsbury (%)	 **66** **75**	 65 67	 8	 63 67
No. of available room nights	**217,905**	98,038	122	117,973

ENVIRONMENTAL METRICS		2026	2025	%	2024
SASB METRICS*	Energy *SV-HL-130a.1* - % grid electricity - % renewable	 **48** **-**	 48 -	 - -	 38 -
	Water consumption *SV-HL-140a.1* -% consumed from medium-high stress areas**	**100**	100	-	100
	Number of facilities located near areas of protected conservation *SV-HL-160a.1*	**2**	2	-	2
	Voluntary turnover rate for hotel employees (%) *SV-HL-310a.1*	**33**	36	-3	36
	Involuntary turnover rate for hotel employees (%) *SV-HL-310a.1*	**0**	0	-	0

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues

*SASB Hotels and Lodging Standard

** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

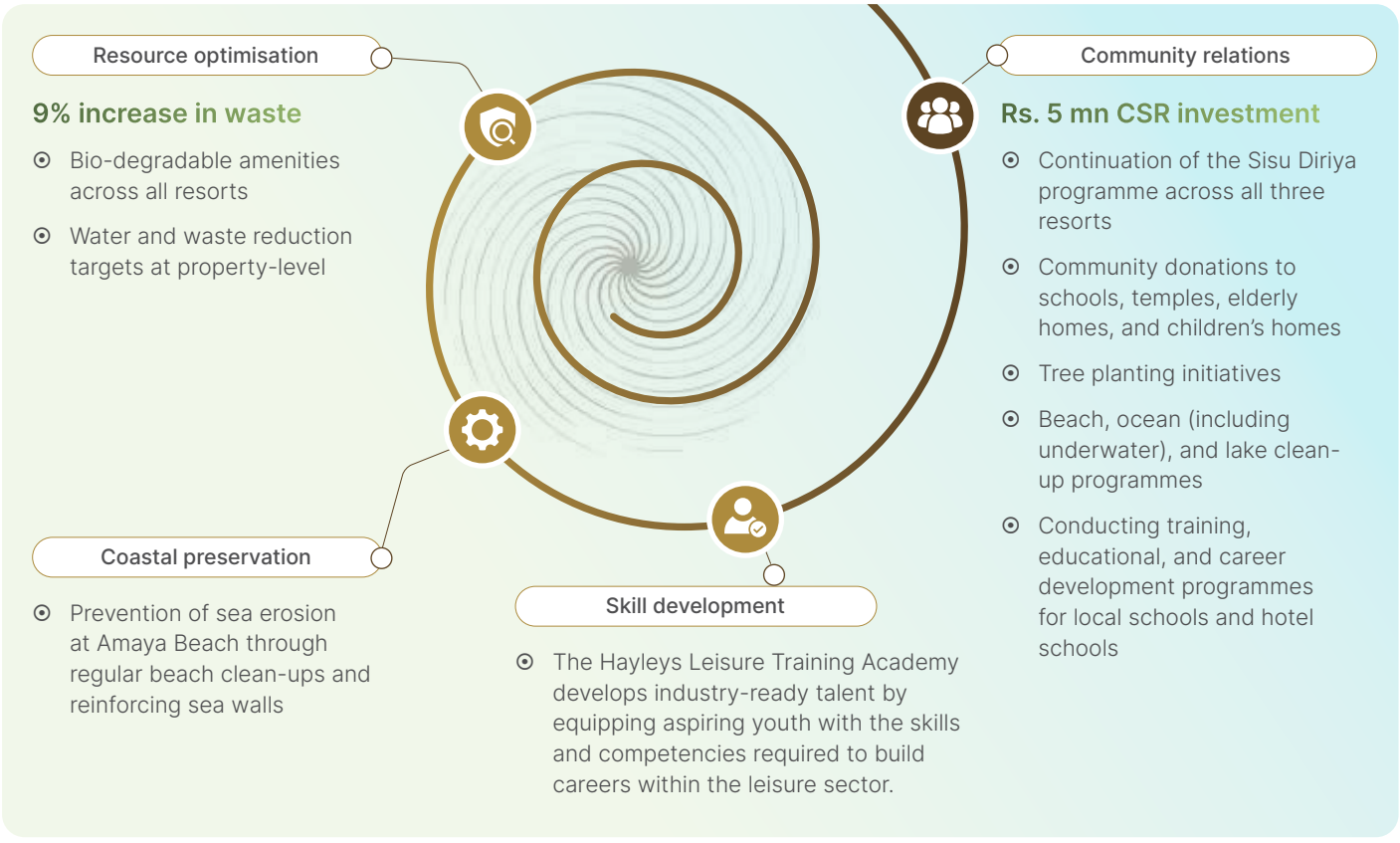
The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

Property-level performance: Performance across individual properties reflected divergent trends during the year. The Kingsbury Colombo delivered a resilient performance despite heightened pricing pressures following the entry of new capacity into the market, sustaining strong occupancy levels, robust RevPAR and an outstanding contribution from F&B, thereby maintaining its position among the leading performers in Colombo. Amaya Lake continued its positive momentum, benefitting from its strong destination appeal and consistently above-average occupancy levels. In contrast, Amaya Beach experienced a downturn, impacted by reduced arrivals from key CIS markets, which had been a key target market for the property. Amaya Kandy also recorded a moderation in performance, reflecting evolving customer preferences and a gradual shift away from traditional city-based itineraries towards more experiential destinations.

People proposition: The Sector recorded a strong year in terms of people performance, with improved staff retention driven by the Sector's strong employee value proposition including the continued focus on employee engagement, structured learning and development initiatives, and its strong positioning as an employer of choice under the Hayleys brand. The ability to offer stable career pathways and a supportive work environment played a key role in retaining talent during the year. These efforts were further supported by external dynamics, with reduced migration to overseas markets such as the Middle East and the Maldives contributing to greater workforce stability across the sector.

Addressing the implications of climate change and biodiversity loss: The Sector continues to strengthen its environmental stewardship through a structured ESG Roadmap, which outlines clear priorities across emissions management, biodiversity preservation and the sustainable use of natural resources. In recognition of the increasing impacts of climate change and ecosystem degradation, targeted initiatives have been implemented across properties to mitigate environmental risks and preserve ecosystem services. These include measures to manage coastal vulnerability, protect natural habitats and reduce environmental footprints. For instance, at Amaya Beach, proactive steps have been taken to address coastal erosion through regular beach clean-ups and the reinforcement of sea walls.

ESG as a driver of business value



Leisure

PROSPECTS AND PLANS

Looking ahead, the sector remains positive despite the short-term impact of geopolitical tensions, which led to elevated cancellations in March 2026. While this affected momentum towards the end of the financial year, these pressures are expected to ease progressively as global travel sentiment stabilises. Encouragingly, the medium to long-term outlook remains strong, underpinned by Sri Lanka's growing appeal as a leisure destination and a positive demand trajectory, with the country targeting a record 2.6 - 3.0 million international tourist national efforts to drive increased arrivals during summer by adopting targeted arrivals in 2026. Meanwhile, there is further opportunity to strategically expand and tactical national level campaigns which can optimise year-round destination.

	Short-term	Medium to Long-term
Portfolio optimisation	• Continued focus on achieving strategic differentiation through focus service propositions • Strengthen social media presence to drive increased conversion rates	• Target non-traditional emerging markets
Customer Centricity	• Curating unique experiences at each property	• Enhance corporate proposition of The Kingsbury
Strategic ESG Integration	• Pursue opportunities in renewable energy sources • Drive initiatives towards achievement of the ESG targets set on in the Sector ESG roadmap	• Pursue long-term climate adaptation and mitigation mechanisms
What we hope to achieve	ROCE **>8%**	• ROCE **>15%** • Gearing **>55%**

Opportunities and levers

- Strong upside potential in the country's tourism sector
- Changing customer expectations and preference for authentic experiences

Risks to strategy

- Escalation of state-based armed conflict and potential implications on travel
- Competitive intensity, particularly among 5-star city hotel operators
- Physical risks of climate change



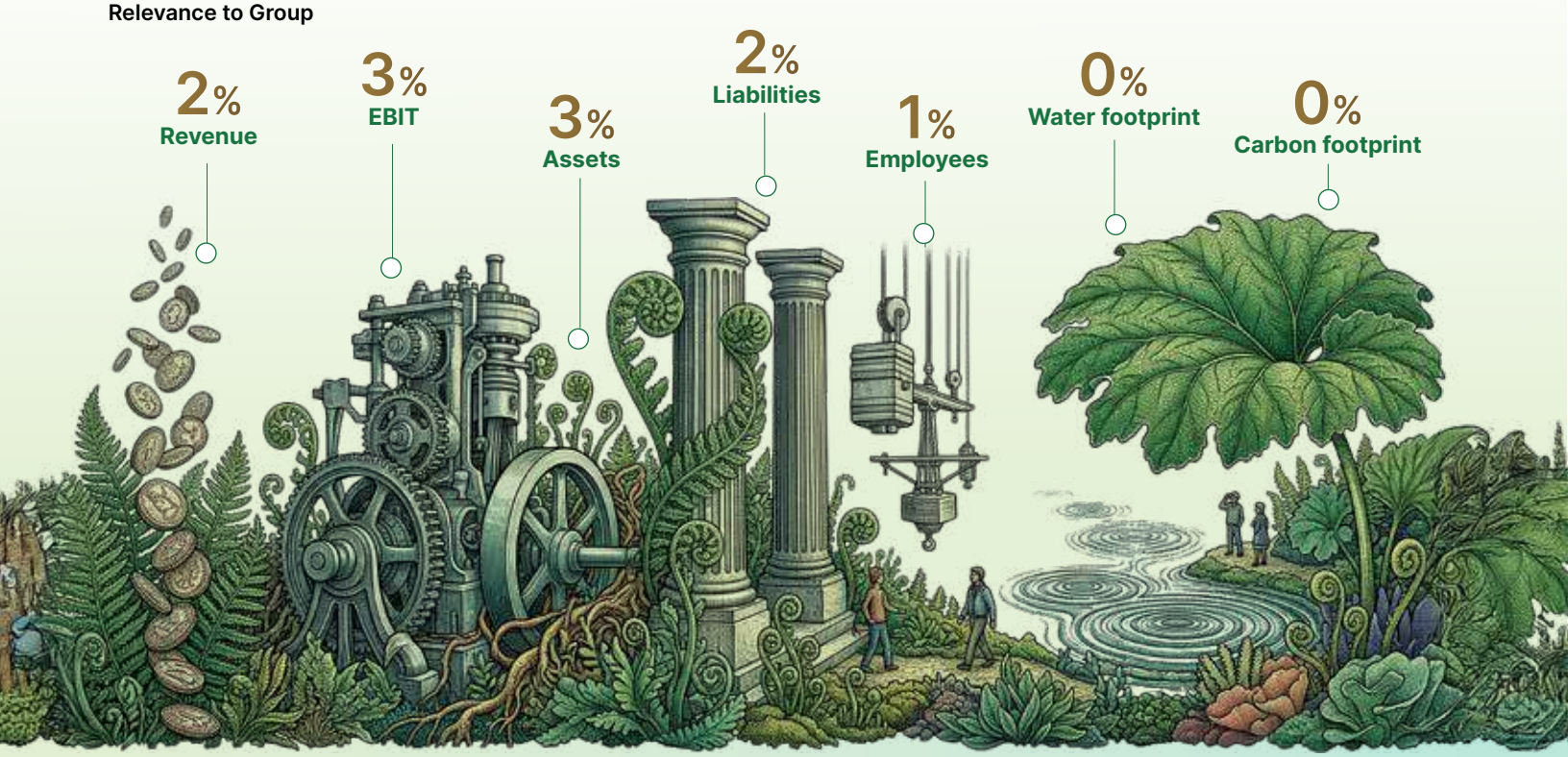
Insights from sector GMC member
Scan to view

Industry Inputs, Power & Energy

The Sector is represented by Hayleys Aventura, which supplies a range of world-class industrial raw materials and engineering solutions to the industrial sector, and offers advanced health care technology and solutions to the country's healthcare sector. Through the Power & Energy cluster, Aventura contributes to the country's low- carbon transition through an installed capacity of 54MW of hydro, solar and wind power.

Industry Inputs, Power & Energy

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 10.51 bn (-5%)	Rs. 1.22 bn (-43%)	(Rs. 848 mn) (-51%)	Rs. 19.74 bn (+16%)	Rs. 8.31 bn (+43%)	433 (+16%)	1,956 tCO_2e (+57%)

Year in review

Financial performance

The Sector faced challenging operating conditions during the year, resulting in a decline in Revenue and profitability, driven by weaker operating performance and the normalisation of the exceptional contribution from interest income recognised in the previous year.

ESG performance

One of Sri Lanka's largest renewable energy generators

Renewable energy generation sufficient to avoid 9% of the Group's Scope 1 and 2 carbon footprint9% of the Group's carbon footprint offset



Strategic highlights

Pursuing growth in regional markets and development of new products

Way forward

Expand regional presence across verticals

Strengthen position in the analytical market

The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

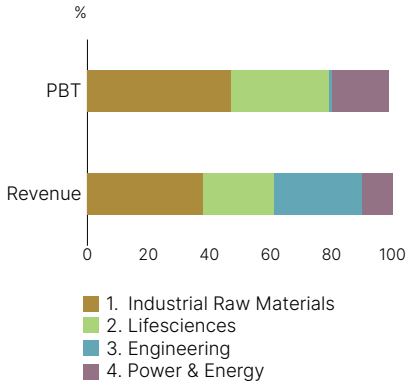
1. INDUSTRIAL RAW MATERIALS
Supplier of a range of input materials to manufacturing industries

2. LIFESCIENCES
Supplier of medical and analytical equipment

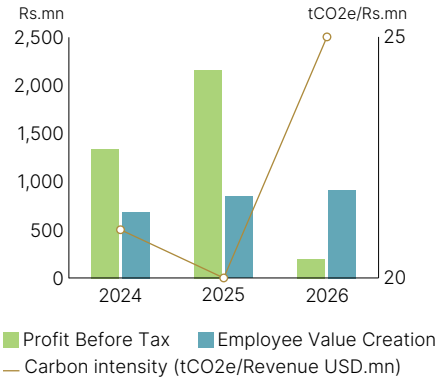
3. ENGINEERING
Supplier of engineering solutions to industries

4. POWER & ENERGY
Renewable energy generation through hydro, wind and solar sources

SECTOR COMPOSITION



INTEGRATED PERFORMANCE



Wide-ranging portfolio	Market presence	Principal relationships	Renewable energy
Array of solutions in **industrial raw materials, medical and analytical equipment and engineering solutions** including generators, lifts and car parking and measuring, material handling equipment and energy savings solutions	Key player in industries in polymer, F&B cosmetics, detergents and healthcare among others. Presence in regional markets including Maldives, Bangladesh, and Seychelles	Long-standing partnerships **with 185 principals**, including **329** globally reputed suppliers	**3** Wind power plants **3** Hydro power plants **2** Solar power plant

OPERATING ENVIRONMENT

The operating environment remained challenging during the year despite the industrial sector recording growth of 7.8%, driven primarily by manufacturing, construction, mining and quarrying activities. Market conditions, however, remained uneven across sectors. Domestic-oriented industries demonstrated relatively stable demand conditions, particularly across essential and consumer-driven segments, which provided a degree of resilience to the broader industrial landscape. Local demand for selected industrial products and raw materials remained steady, although overall market expansion continued at a measured pace amid prevailing macro-economic conditions.

In contrast, export-oriented industries continued to face significant headwinds arising from subdued global demand, geopolitical uncertainties and broader external market volatility. Sectors such as textiles and tyre-related manufacturing were particularly impacted during the year, reflecting weaker international market conditions. Meanwhile, the life sciences sector continued to operate within a constrained investment environment, with slower capital expenditure utilisation levels affecting overall market activity.

7.8%
Growth in industrial sector

5.2%
Growth in industrial exports

Industry Inputs, Power & Energy

OPERATING ENVIRONMENT SUCCESS

INDUSTRIAL SECTOR GROWTH

Robust growth in manufacturing activities including F&B, beverages and tobacco products contributed to the growth

M

INDUSTRIAL EXPORTS

Growth in industrial exports slowed from the 7% recorded in 2024 to 5.2% during the year reflecting the slowdown in demand from global apparel brands

M

POWER & ENERGY

60% reliance on NCRE and hydro

Demand for renewable energy in Sri Lanka is expected to be strong given the government's target of achieving 70% reliance on renewable electricity by 2030

H

Key risks

Market Risks

Geopolitical conflict and potential implications on export sector

Increased competition from China-particularly in the Industrial Raw Materials segment

Subdued performance of the country's textiles and garments sector

Opportunities

Market opportunities:

Growth opportunities regional markets such as Maldives

Sustainability-related opportunities

Demand for sustainable materials in line with the low carbon transition

Sri Lanka's renewable energy transition

CRRO#4

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Regional expansion 1

The Sector pursued aggressive growth in Maldives and other regional markets, in the Industrial Raw Materials and Power & Engineering segments

Resource allocation: Investment in new business development

Relevance to Group strategy:

Expansion of product and service portfolio 2

Widened product/service portfolio in the Industrial Raw Materials, Lifesciences and Power & Engineering segments

Resource allocation: Strength of principal relationships, Investment in R&D **Rs. 25 mn**

Relevance to Group strategy:

Sustainable product portfolio 3

The Sector continued to leverage its portfolio of sustainability-linked products to effectively cater to customers' growing consciousness of environmental considerations

Resource allocation: No. of products featuring sustainable propositions: **15**

Relevance to Group strategy:

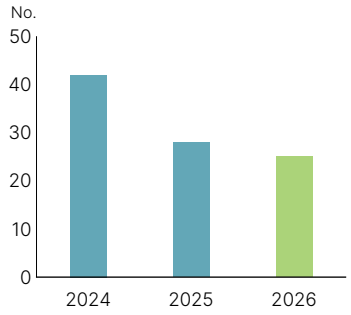
H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Demonstrates the effectiveness of the Sector's geographical diversification strategy and market penetration in regional markets

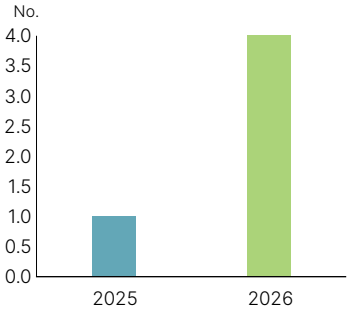
OVERSEAS CUSTOMER ACQUIRED



About this KPI and why we use it:

- This KPI showcases the Sector's innovation capabilities and product development pipeline

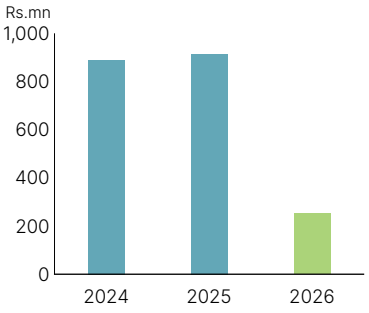
NEW PRODUCTS DEVELOPED



About this KPI and why we use it:

- Employee retention shows the Sector's employee satisfaction levels and strength of the employer brand

REVENUE GENERATED FROM SUSTAINABLE PRODUCTS



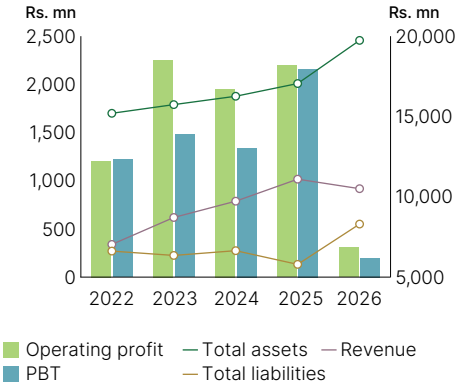
INTEGRATED PERFORMANCE REVIEW

Moderation in performance: The Sector's performance during the year was impacted by challenging operating conditions across all business lines, reflecting subdued market activity and pressures within both domestic and export-oriented segments. As a result, revenue declined by 5% to Rs. 10.5 Bn, while Profit Before Tax decreased by 43% compared to the previous year. The decline in profitability reflected weaker core operating performance during the year, together with the normalisation of the comparatively high profit contribution recognised in the previous year from interest on arrears relating to renewable energy receivables.

Industrial Raw Materials: The cluster experienced a challenging year with Profit Before Tax declining by 6% due to weaker demand conditions across export-oriented sectors such as textiles. Despite

Y-o-y growth	Revenue	Profit
Industrial raw materials	+20%	-6%
Lifesciences	-25%	-16%
Engineering	+14%	-91%
Power & energy	-31%	-72%

SECTOR FINANCIAL PERFORMANCE

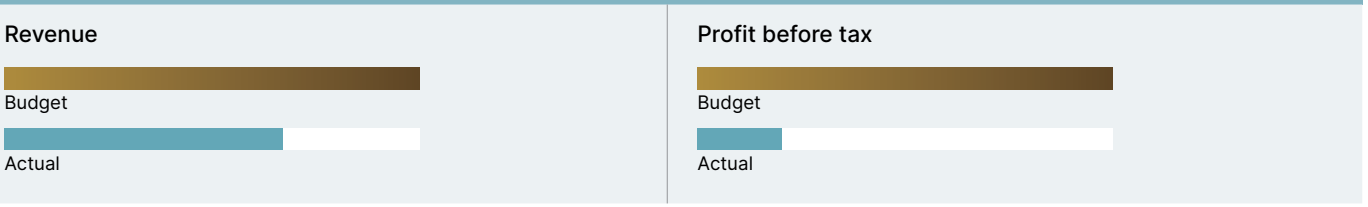


Industry Inputs, Power & Energy

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**10,510**	11,102	-5	9,732
Earnings before interest and tax	**1,332**	2,198	-39	1,953
Net finance income/(cost)	**(133)**	(175)	-24	(655)
Profit before tax	**1,222**	2,160	-43	1,339
Profit after tax	**848**	1,714	-51	1,050
Assets	**19,739**	17,053	16	16,262
Liabilities	**8,309**	5,800	43	6,652
Operating cash flow	**587**	64,296	817	1,375

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**433**	374	16	311
Revenue per employee (Rs. mn)	**24**	30	-18	31

	SUSTAINABILITY-RELATED FINANCIAL METRICS	2026	2025	%	2024
SASB METRICS*	Energy consumption (GJ) *RT-CH-130a.1*	**2,297**	1,998	15	6,487
	% grid electricity *RT-CH-130a.1*	**86**	96	-10	49
	Renewable Energy Generation (GJ) *RT-CH-130a.1*	**451,530**	456,930	-1	549,905
	Total recordable incident rate (TRIR) *RT-CH-320a.1*	**-**	-		-
	Fatality rate *RT-CH-320a.1*	**Nil**	Nil		Nil

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*Chemicals SASB Standard
** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

the softer operating environment, the cluster continued to pursue strategic growth initiatives aimed at strengthening its long-term market position and diversifying its revenue streams. During the year, the cluster further expanded its product portfolio through the commencement of commercial production of Aquapersions products, catering to both local and regional glove manufacturing customers. The new operation, established at an investment of approximately Rs. 540 mn, manufactures variants used in glove production to leading glove manufacturers. The construction chemicals segment also expanded its value-added product portfolio, particularly through specialised chemical solutions for cement manufacturing applications. In parallel, the Group strengthened its presence in regional markets such as Maldives.

Lifesciences: The cluster experienced a challenging year with Revenue and Profit Before Tax declining by a respective 25% and 16% during the year amidst subdued market conditions and slower government procurement activity. Despite these challenges, the division continued to strengthen its long-term growth platform through portfolio diversification, including the introduction of new medical technologies such as CT machines. During the year, the business was also restructured into two dedicated units comprising medical solutions and analytical solutions, enabling greater market focus and supporting growth opportunities within the laboratory and diagnostics segment.

Engineering: The Engineering division recorded a subdued performance during the year amid challenging market conditions and intensified price competition across key segments. Despite these challenges, the division continued to strengthen its position through portfolio enhancement and regional expansion initiatives. During the year, the division diversified into transformers through a new partnership with Turkish supplier STD, while also expanding market penetration efforts across the Maldives, Bangladesh and Seychelles. The division further reinforced its position as a market leader in high-capacity generators and continued to enhance its weighing solutions portfolio under the Avery brand through integrated automation and IT-enabled capabilities, including remote inventory monitoring and data-driven operational solutions.

Power & Energy: The cluster experienced a challenging year, with performance impacted by generator breakdowns and repair-related disruptions across several wind power plants, together with relatively low tariff structures and delays in receivables. Profitability was further affected by ongoing power curtailments arising from excess daytime energy generation and comparatively lower industrial demand for electricity, limiting the sector's ability to fully capitalise on generation capacity. Despite these challenges, the sector successfully commissioned the 4MW Matara Solar 2 project during the year, further strengthening its renewable energy portfolio.

ESG as a driver of business value



Accelerating climate action

The Sector is one of Sri Lanka's largest renewable energy operators,

- 125.43 GWh of solar, wind and hydro energy
- 9% Group's carbon footprint offset

Community engagement

Rs. 2.63 mn investment in CSR through,

- Breast cancer screening medical camp for staff and the spouses of non-executive staff members
- Donation of paint and related equipment to the paediatric ward of Ragama Hospital
- Donation of stationery items to Nelumwewa Maha Vidyalaya, a rural school in Polonnaruwa

Sustainable products

- Industrial solutions that shape a better future including
- Ecotone: Accelerate rate of degradation to 18-24 months and supports recyclability
- Recovered carbon black: Contributes towards a circular economy by reusing carbon black from the tyre industry

Elevating healthcare

- Installation of a new medical waste incinerator system at Ampara Hospital
- -Installation of a state-of-the-art 4k ultra HD imaging video endoscopy system at Melsta Hospital

Industry Inputs, Power & Energy

PROSPECTS AND PLANS

The medium-to-long term prospects for the Industry Inputs cluster remain promising, supported by continued opportunities for regional expansion and portfolio diversification. The Sector remains optimistic on the growth potential across regional markets and intends to further strengthen its presence in territories such as India, Indonesia and other South-East Asian markets through strategic market penetration initiatives and partnerships. Meanwhile, the Power & Energy cluster remains well-positioned to capitalise on the Government's target of achieving 70% renewable energy generation by 2030, which is expected to create significant long-term growth opportunities for the renewable energy sector. The cluster will continue to evaluate opportunities for expansion within the renewable energy space while strengthening operational efficiency and reliability across its existing portfolio.

	Short-term	Medium to Long-term
Portfolio optimisation	• Expand regional presence across verticals • Strengthen position in the analytical market	• •Strengthen presence in construction industry • Expansion into new market segments
Customer Centricity	• Broaden product portfolio in Lifesciences segment	• Promote laboratory automation across the pharmaceutical, spice and testing industries
Strategic ESG Integration	• Increasing contributions from sustainable raw materials • Pursue opportunities in renewable energy generation	
What we hope to achieve	**42X%** Revenue growth ROCE **>12%**	**61%** Revenue growth I ROCE>**10%** **30%** reduction in Scope 1 & 2 GHG emissions Average training hours of **40** p/a per employee

Opportunities and levers

- Opportunities for regional expansion
- Gradual recovery of the domestic industrial sector
- Sustainability as a competitive edge

Risks to strategy

- Escalation of state-based armed conflict and impact on export-oriented businesses
- Supply chain disruptions
- Competition from China and other regional manufacturers



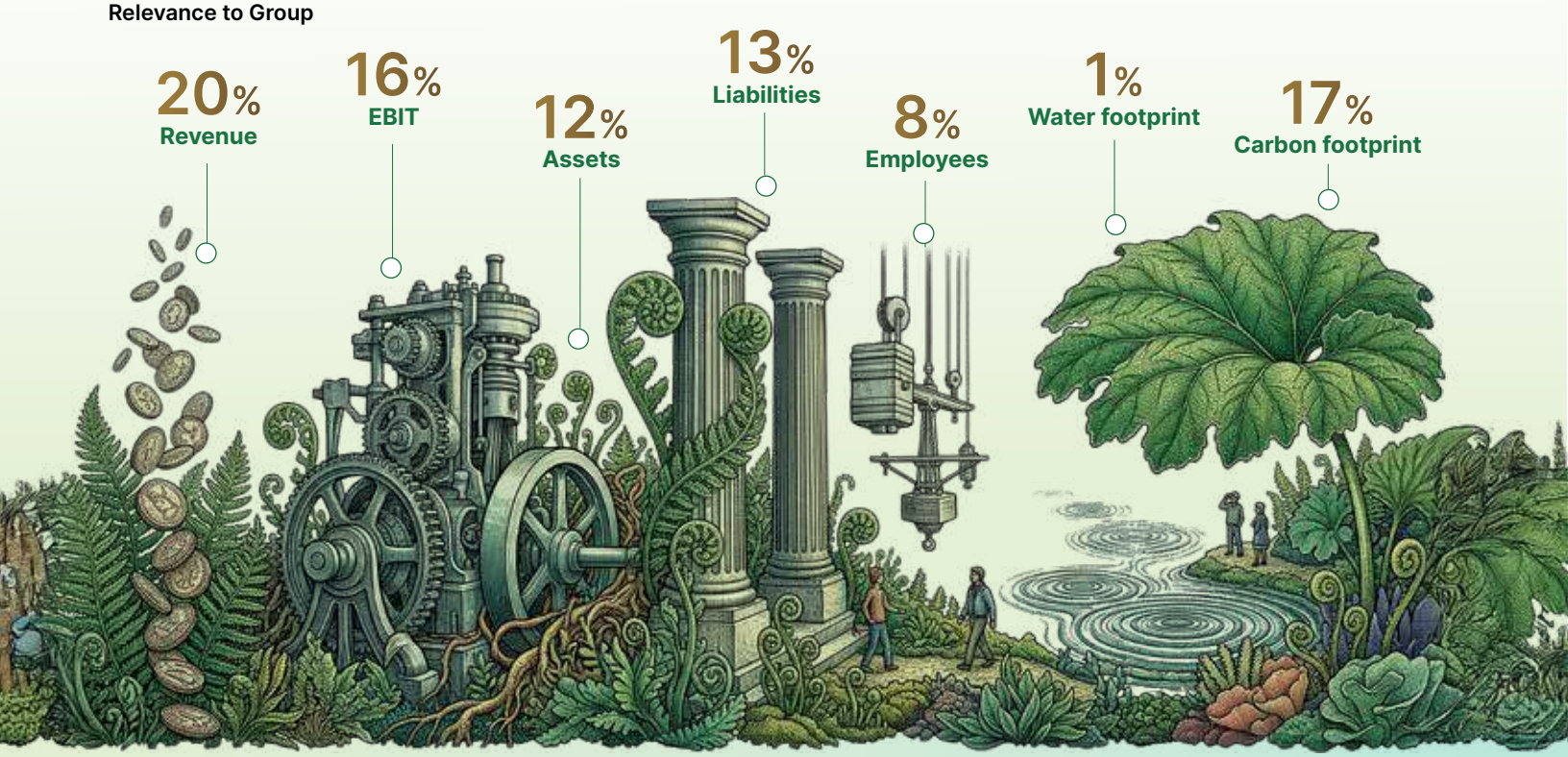
Insights from sector GMC member
Scan to view

Transportation and Logistics

Hayleys Advantis Group is a regional leader in the transportation and logistics industry, offering end-to-end solutions covering land, air and sea. Its expertise spans freight management, integrated logistics, marine and energy, projects and engineering, and travel & aviation, catering to a broad range of industries.

Transportation and Logistics

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 117.50 bn (+10%)	Rs. 6 bn (-8%)	Rs. 3.06 bn (-18%)	Rs. 87.73 bn (6%)	Rs. 64.80 bn (+8%)	3,000 (+4%)	141,117 tCO_2e (-25%)

Year in review

Financial performance

Performance during the year reflected the Sector's diversified earnings profile, with growth driven by strong contributions from the Freight Management, Integrated Logistics and Aviation clusters, although profitability was moderated by challenges within the Marine and Energy and Projects and Engineering divisions.

ESG performance

4% reduction in Scope 1 & 2 GHG emission intensity

Certified as Great Place to Work

Strategic highlights

Strengthening presence and capturing growth opportunities in India and Indonesia

Digital transformation and process automation

Way forward

Continued focus on regional expansion including India, Indonesia and other markets

Organic and inorganic growth strategies



The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. FREIGHT MANAGEMENT
One of the largest freight forwarding and shipping agency houses in Sri Lanka and the Maldives

2. INTEGRATED LOGISTICS
Offers integrated logistics services covering storage, distribution, and freight solutions across diverse industry verticals

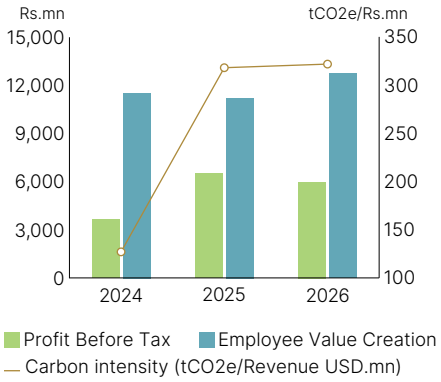
3. PROJECTS & ENGINEERING
A leader in project logistics and engineering solutions, with expertise in heavy cargo, construction and interiors

4. MARINE & ENERGY
A leading marine and energy services provider, delivering a comprehensive range of solutions across the region

5. INTERNATIONAL OPERATIONS
Represents the Sector's overseas operations across South and Southeast Asia, extending Sri Lankan logistics expertise to the region

6. TRAVEL & AVIATION
A leading travel and aviation service provider representing prominent airlines in Sri Lanka and the Maldives

INTEGRATED PERFORMANCE

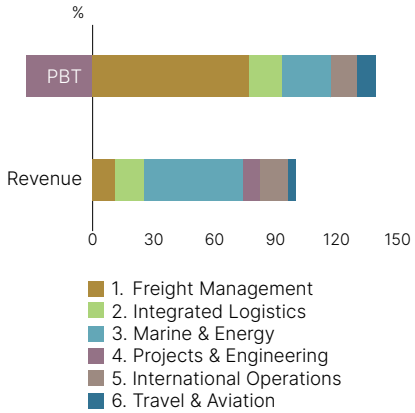


Leadership position	Global relationships	Extension services	Regional presence
Largest operator of floating assets in Sri Lanka, with a fleet of owned and chartered 22 assets Largest shipping and airline agency house in Sri Lanka and the Maldives Warehouse footprint of over 3.7 mn sq.ft across 6 markets	Multi-purpose project logistics capabilities B2B distribution footprint of 8 mn KM annually	Strengthening market presence in transportation and logistics in **South Asia and Southeast Asia**	Partnerships with numerous **global principals** including the world's leading shipping and freight forwarding companies and the **world's largest air express** company. Collaborations with numerous Multinational companies across the region

OPERATING ENVIRONMENT
Global shipping activity demonstrated a measured recovery during the year, with trade volumes expanding by 4.1%, reflecting an improvement over the subdued conditions observed in the previous period and early part of the reviewed period. Notwithstanding this uptick, freight rates remained volatile, influenced by elevated tariff structures and escalating geopolitical tensions. However, conditions began to recalibrate towards the latter part of the financial year in line with the escalation of geopolitical conflict, as renewed supply chain disruptions constrained vessel availability across key routes. This dislocation, coupled with a resurgence in demand, exerted upward pressure on freight rates, with capacity bottlenecks creating demand for available operators and supporting a gradual recovery in pricing.

Meanwhile, Sri Lanka's port activities also recorded commendable growth, with throughput increasing by 6.4% to a record high 8.29 million TEUs in 2025, underscoring its resilience and growing relevance within regional maritime trade. This performance reflects a recovery in transshipment volumes and the port's continued ability to capitalise on its strategic location and capacity enhancements stemming from the commencement of operations at the Colombo West International Terminal, which marks a strategic expansion in the port's infrastructure.

SECTOR COMPOSITION



Transportation and Logistics

OPERATING ENVIRONMENT SUCCESS

GLOBAL TRADE ACTIVITY

+4.1% growth

Recovery driven East Asia and African markets which demonstrated strong expansion

M

FREIGHT RATES

23% average increase

Global supply chain disruptions amidst the current geopolitical tensions led to a sharp increase in freight rates towards the latter part of the year

H

REGIONAL DYNAMICS

India: Demonstrated strong growth potential supported by enhanced connectivity and expansion

Maldives: Activity affected by political and macro-economic challenges

Indonesia: Strong port activity supported by increased efficiency and strategic alignment with global shifts in trade routes

H

Key risks

Market Risks
Geopolitical trade dynamics and escalation of conflict

Volatility in global freight rates

Operational risks

Sustainability-related risks
Transition risks stemming from the IMO's decarbonisation aspirations

CRRO#3

Opportunities

Market opportunities:
Sri Lanka's locational advantage and strategic positioning

Operational opportunities:
Digital transformation with technologies such as IOT, AI and big data acting as critical enablers

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Regional expansion 1

While the Sector continued to advance its regional expansion strategy, greater strategic emphasis was placed on strengthening presence and capturing growth opportunities in India and Indonesia.

Resource allocation: Sales and marketing expenses in regional locations: Rs. 216 mn

Relevance to Group strategy:

Digital transformation 2

The Sector continued to advance its digital transformation agenda through the phased rollout of SAP Rise, complemented by broader investments in AI, workflow optimisation, and integrated technology initiatives across clusters.

Resource allocation: Investments in digitalisation: **Rs. 145 mn**

Relevance to Group strategy:

Employee value proposition 3

The Sector continued to attract the industry's top talent through a unique value proposition centering on engagement, an inclusive and conducive culture, and performance orientation

Resource allocation: Investments in employee engagement: **Rs. 24 mn**

Relevance to Group strategy:

H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- Demonstrates the effectiveness of the Sector's geographical diversification strategy and market penetration in regional markets

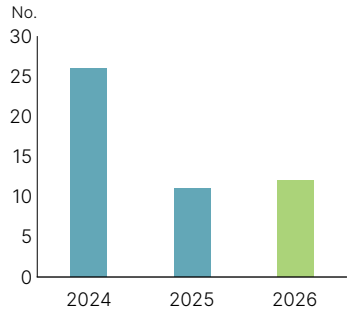
45%

Revenue growth from overseas markets

About this KPI and why we use it:

- This KPI showcases the progress in the Sector's digital transformation as well as scalability and operational efficiency

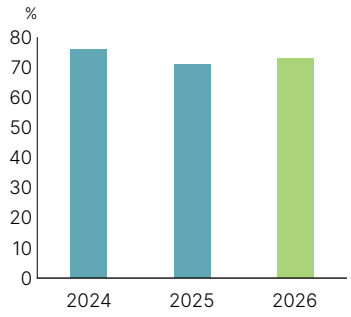
NO. OF PROCESSES AUTOMATED/ DIGITALISED



About this KPI and why we use it:

- Employee retention shows the Sector's employee satisfaction levels and strength of the employer brand

EMPLOYEE RETENTION



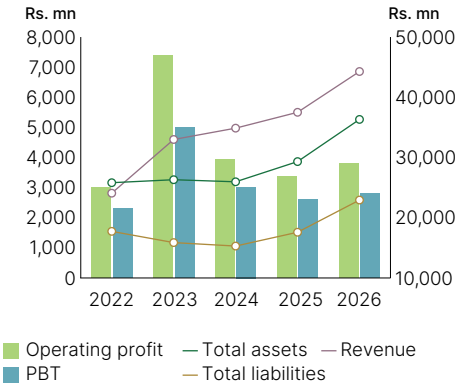
INTEGRATED PERFORMANCE REVIEW

Year of mixed fortunes: The Sector experienced a year of mixed performance, demonstrating a degree of resilience underpinned by its diversified earnings profile and geographical reach. Revenue increased by 10% to Rs. 117.5 bn, supported by strong growth in the Freight Management, Integrated Logistics and Aviation clusters, reflecting strategic foresight and an ability to capitalise on emerging opportunities. However, overall profitability was impacted by challenges within the Marine and Energy and Projects and Engineering divisions, resulting in a decline in Profit Before Tax by 8% to Rs. 6 bn for the year.

The Freight Management cluster delivered a 3% increase in Profit Before Tax to Rs. 4.52 bn, reflecting strong execution against strategic priorities, firm freight rates towards the latter part of the year

Y-o-y growth	Revenue	Profit
Freight Management	2%	13%
Integrated Logistics	10%	-8%
Marine & Energy	3%	-22%
Projects & Engineering	-26%	-358%
International Operations	42%	-25%
Travel & Aviation	-34%	-2%

SECTOR FINANCIAL PERFORMANCE

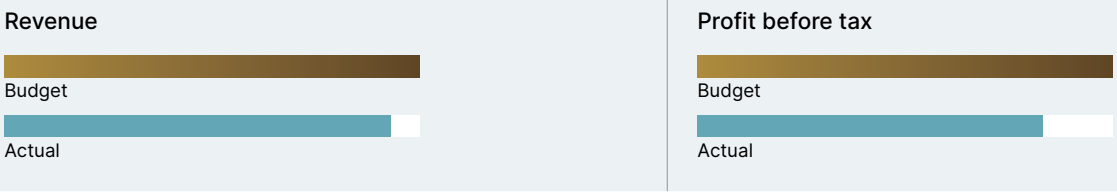


Transportation and Logistics

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**117,505**	106,844	10	91,353
Earnings before interest and tax	**7,855**	8,597	-9	6,806
Net finance income/(cost)	**(1,874)**	(2,066)	-9	(3,113)
Profit before tax	**6,002**	6,515	-8	3,671
Profit after tax	**3,063**	3,718	-18	1,351
Assets	**87,726**	82,416	6	74,415
Liabilities	**64,800**	59,785	8	54,852
Operating cash flow	**4,962**	7,947	-38	(5,124)

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**3,000**	2,893	4	2,899
Revenue per employee (Rs. mn)	**39**	37	6	32
Cargo handled (MT)	**4,000**	4,314	7	3,182

SUSTAINABILITY-RELATED FINANCIAL METRICS		2026	2025	%	2024
SASB METRICS*	Gross global Scope 1 emissions (tCO2e) *TR-MT-110a.1, TR-RO-110a.1*	**28,935**	27,701	4	34,589
	Fuel consumption -Road transportation (%) *TR-RO-110b.1*	**16**	20	-4	13
	GHG footprint across transport modes (tCO2e) *TR-MT-110a.1 , TR-TR-MT-110a.3, TR-RO-110b.2*	**56,123**	27,058	107	33,204
	Total recordable incident rate (%) Fatalities *TR-RO-320a.1*	**2.7** **0**	1.1 1	145 -	0.7 1
	No. of road accidents *TR-RO-540a.1*	**13**	16	-19	15

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*SASB Marine and Road Transportation Standard ** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

and the effective positioning of Colombo as a key regional hub to capture emerging trade opportunities. Meanwhile, the Integrated Logistics cluster recorded a year of moderate growth, underpinned by the performance of the Retail and FMCG segments, alongside continued portfolio expansion through new customer acquisitions and deeper penetration among existing customers.

The Travel & Aviation cluster delivered a strong performance during the year, supported by increased flight movements and higher frequencies, reflecting improved airline activity and route expansion. The anticipated entry of new international operators and growing interest from regional markets are expected to further strengthen traffic volumes and support continued momentum in the coming year.

The Marine & Energy cluster encountered operational challenges during the year due to unforeseen vessel breakdowns and weather-related disruptions, which constrained normal operations and impacted overall performance. Despite these setbacks, the bunkering segment delivered a strong performance, capitalising on prevailing market conditions to close the year on a positive note.

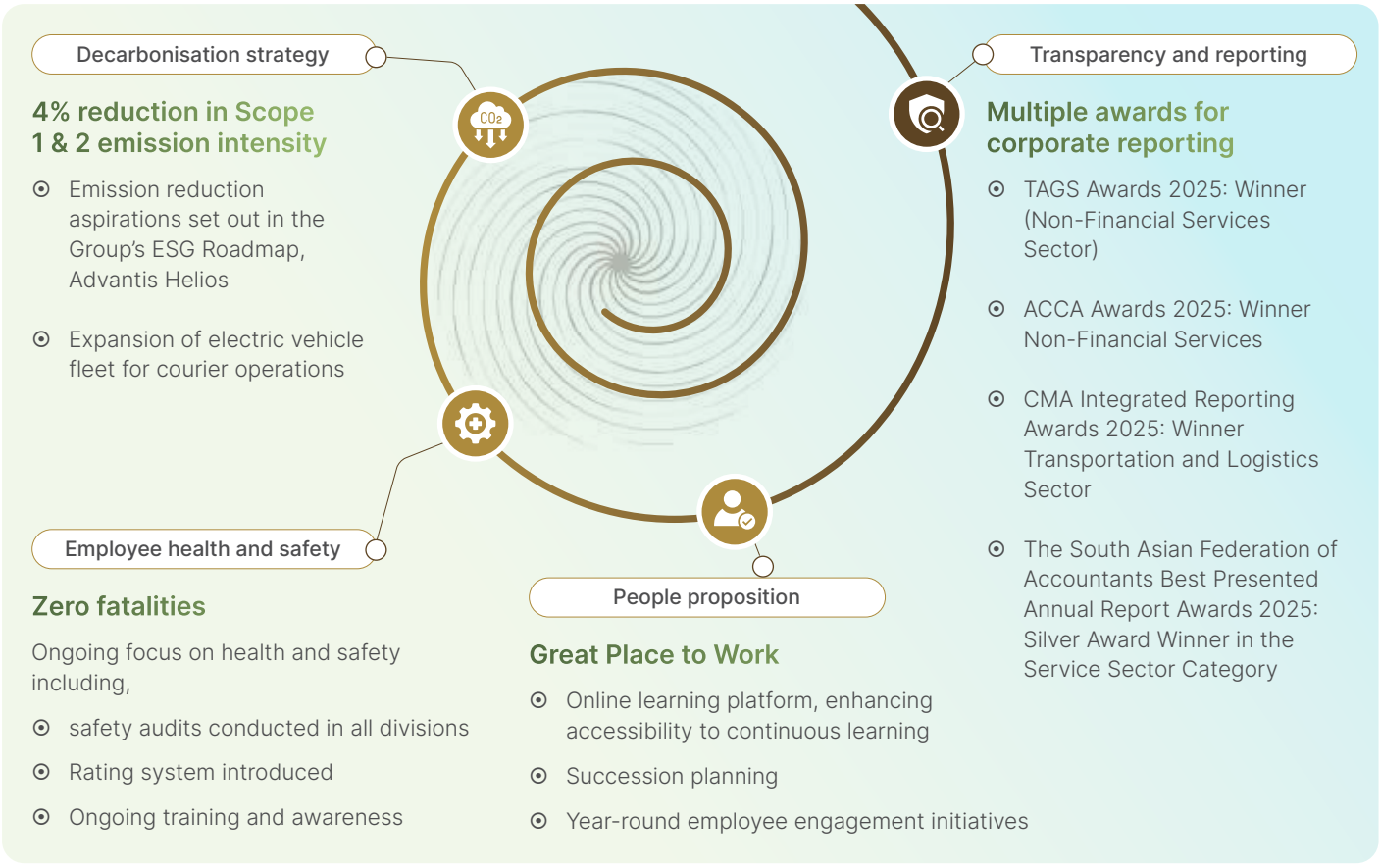
The Projects and Engineering cluster continued to face challenges reflecting legacy issues originating in prior periods, including cost overruns and manpower constraints. Ongoing negotiations on certain contracts, coupled with necessary provisions and recognised losses, resulted in a substantial impact on the cluster's performance, consequently weighing on the overall Sector results. In response, the Group has initiated a comprehensive restructuring and rationalisation of the division, including changes to its organisational structure and leadership, aimed at stabilising operations and restoring long-term viability.

Regional strategy: The Sector continued to advance its regional strategy leveraging its geo-product structure, with the objective of replicating its successful Sri Lankan operating model across selected markets. India and Indonesia remain key focus areas, with India delivering strong profitability and sustained expansion, while Indonesia presents a robust growth pipeline supported by ongoing investments in client acquisition. Momentum was also evident in Bangladesh, where the Sector secured several large-scale contracts, reinforcing its market position, while Myanmar is showing early promise with efforts underway to expand both the client base and service portfolio.

Meanwhile operations in the Maldives and Thailand were challenging during the year, and measures are being adopted to refine the operating model and pursue emerging opportunities. Over the longer term, the Sector aims to establish Singapore as a central regional hub to support and scale its international operations.

Strategic focus on digitalisation: The Group continued to advance its enterprise-wide digital transformation through the phased implementation of SAP Rise. This transition is complemented by a growing focus on AI-driven solutions, supported by strengthened in-house development capabilities. Concurrently, the Group is enhancing business visibility and process efficiency through structured workflow planning and ERP-led integration to enable more seamless information flow and operational alignment across the organisation.

ESG as a driver of business value



Transportation and Logistics

PROSPECTS AND PLANS

Looking ahead, the Transportation and Logistics Sector will operate within an increasingly complex global environment, shaped in part by ongoing geopolitical tensions in the Middle East, which continue to disrupt established trade routes and elevate volatility across shipping and logistics networks. While these conditions may present near-term challenges, their impact is expected to be largely transitory and could even give rise to selective short-term opportunities such as escalating freight rates. Against this backdrop, the Sector will continue to prioritise the geographic diversification of its revenue streams through regional expansion, while actively pursuing both organic and inorganic growth initiatives to strengthen its market position and long-term resilience. As part of ongoing portfolio optimisation, a component of the Sector, including aspects of the Projects and Engineering operations, will be restructured to form a separate sector within the Hayleys Group, to improve organisational efficiency and clarity of focus. The Sector's risk and opportunity landscape and its interventions to effectively mitigate and leverage these developments are mapped below:

	Short-term	Medium to Long-term
Portfolio optimisation	• Continued focus on regional expansion including India, Indonesia and other markets • Organic and inorganic growth strategies	• Business diversification through leveraging diverse verticals
Customer Centricity	• Initiatives to increase top-of-mind brand awareness • Tailored marketing plans to drive regional aspirations	
Nurturing inspired teams	• Execution of DEI initiatives across the Group • Leverage digitalisation to drive improved learning outcomes	
What we hope to achieve	**9%** Revenue growth ROCE**>17%**	**9%** Revenue growth ROCE**>20%** **45%** reduction in Scope 1 and 2 GHG emissions

Opportunities and levers

- Regional dynamics and economic growth opportunities
- Gradual recovery of Sri Lanka's construction sector
- Digital transformation

Risks to strategy

- Escalation of state-based armed conflict
- Exchange rate volatility
- Industry decarbonisation regulations (CRRO3)



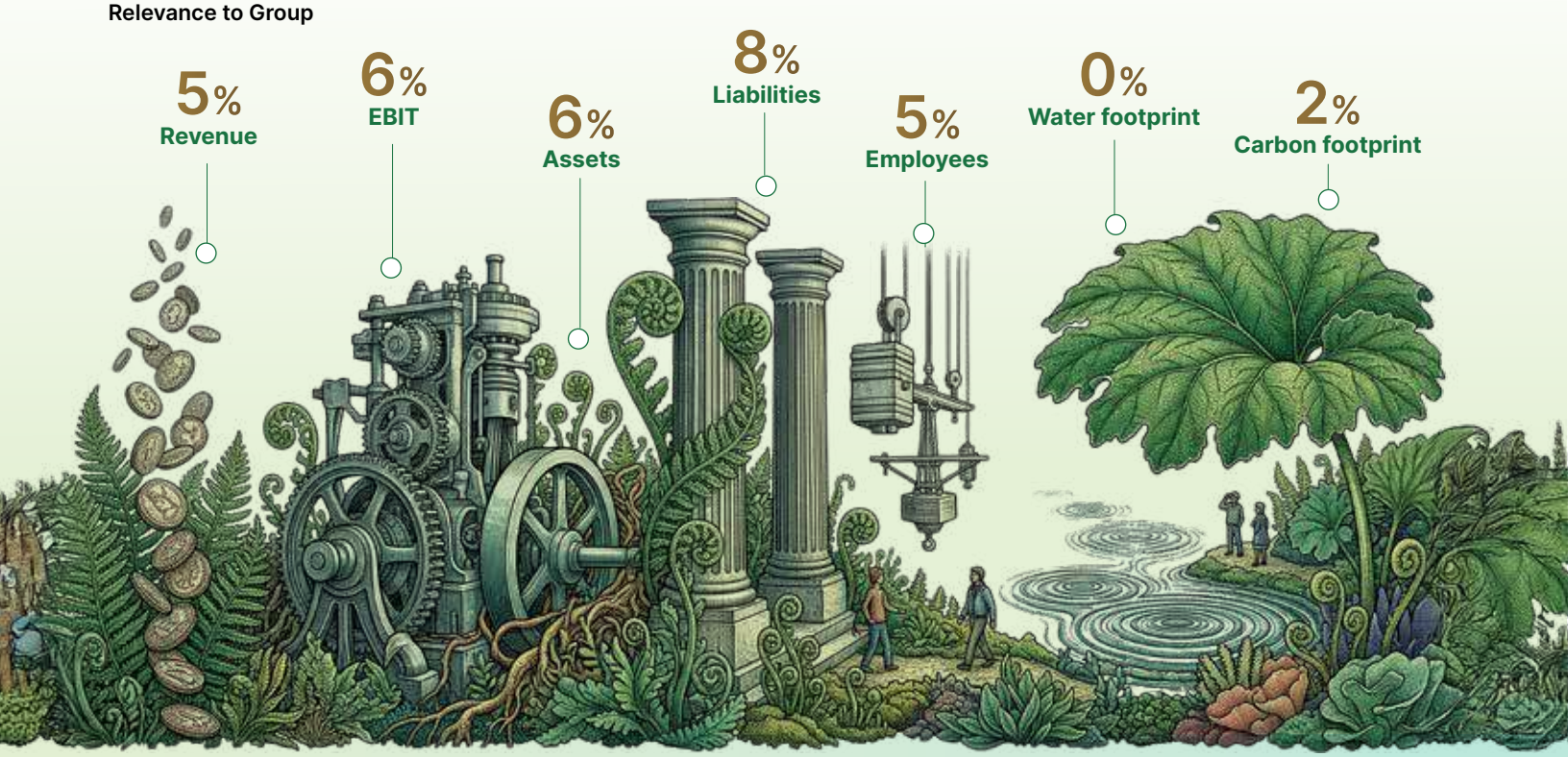
Insights from sector GMC member
Scan to view

Energy, Mobility & Projects

Hayleys Fentons is Sri Lanka's leading solar Engineering, Procurement, and Construction (EPC) company and integrated engineering services provider, offering a range of MEP, ICT, Security and communication, and Facility Management (among other) services. The Sector also offers a range of passenger and mobility solutions through Hayleys Mobility.

Energy, Mobility & Projects

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 28.31 bn (+6%)	Rs. 2.33 bn (-30%)	Rs. 1.67 bn (-30%)	Rs. 45.66 bn (+67%)	Rs. 37.63 bn (+84%)	2,083 (+11%)	34,959 tCO_2e (+63%)

Year in review

Financial performance

The Sector demonstrated resilience do pressure in the renewable energy cluster, supported by strategic diversification initiatives and steady business momentum

Strategic highlights

Strategic diversification through project and service expansion as well as geographical diversification and operational excellence



ESG performance

Forefront of Sri Lanka's energy transition through investments in renewable energy generation

Way forward

Increased penetration through new business lines and regional and international expansion

The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

1. ENERGY
Sri Lanka's largest solar EPC services provider and renewable energy investments

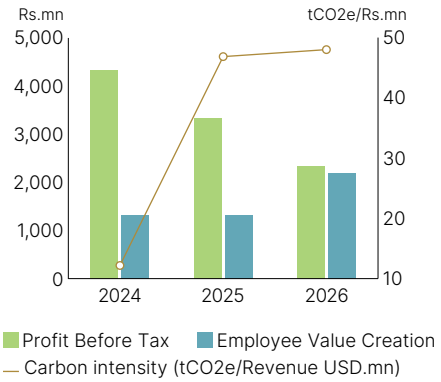
2. PROJECTS
Integrated engineering services provider and systems-integrated solutions

3. EQUIPMENT TRADING
Supplier of cutting-edge construction equipment, including electrical, instrumentation, and HVAC products, Solar PV panels & Batteries, Roofing Solutions

4. EQUIPMENT RENTING
Provides industrial equipment on rent-basis to a larger spectrum of customers.

5. MOBILITY
Passenger and commercial mobility solutions

INTEGRATED PERFORMANCE

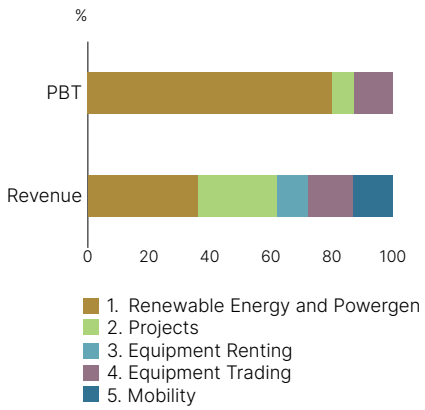


Market leader in solar EPC and renewable energy generation	Operational excellence	Mobility	Quality focus
Sri Lanka's leading solar EPC company, having installed over **500 MWp** of rooftop solar power systems since 2011 Pipeline of 110MW of wind power and 300 MW of ground mount solar	Receipt of over **96** awards during the year for excellence across multiple aspects of operations	Offers a multi-brand range of electric and hybrid vehicles in the passenger and commercial vehicle segments	Compliance to a range of domestic and international environmental, quality and health and safety certifications. The first and only ISO-certified Facility Management Service provider in the country and network operation centre is also ISO certified.

OPERATING ENVIRONMENT

Sri Lanka's construction sector expanded by 9.2% during the year, reflecting the stabilisation of macro-economic conditions and favourable interest rates which led to the revival of previously stalled large-scale projects and the gradual recovery of investment activity. Meanwhile, Sri Lanka's solar energy sector experienced a more constrained operating environment during the year, as regulatory authorities moderated the pace of rooftop solar expansion through reduced approvals and tighter capacity restrictions for new installations. Feed-in tariffs were also lowered, impacting the financial attractiveness of small-scale solar investments. While solar generation capacity continued to expand, the resulting increase in daytime renewable energy supply created grid integration challenges, leading to periodic power curtailment measures to maintain system stability. These developments reflect the growing need for grid modernisation, storage solutions, and more adaptive energy planning to sustainably accommodate Sri Lanka's accelerating renewable energy transition.

SECTOR COMPOSITION



Energy, Mobility & Projects

OPERATING ENVIRONMENT SUCCESS

POLICY DEVELOPMENTS

23% reduction in solar feed-in tariffs

Directly impacts the compensation received by the solar system owners, thereby reducing financial attractiveness of the investments

M

CONSTRUCTION SECTOR

9.2% growth

Supported by the gradual stabilisation of macro-economic conditions, more favourable interest rates and recommencement of large-scale projects

M

NATIONAL CLIMATE AMBITIONS

70% renewable energy target

Requires gradual phasing out of fossil-fuel based energy sources and further investments in renewable

H

Key risks

Policy and regulatory risks
Government policy on renewable energy and tariffs

Market risks
Increase in material input costs

Sustainability-related risks
Projected increase in solar trash over the long-term

Opportunities

Market opportunities:
Construction Sector recovery

Robust demand for electric and hybrid vehicles

Sustainability-related opportunities
National climate commitments

CRRO#4

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Product and service expansion — 1

Expansion of service product/service portfolio including the launch of mobility solutions and horizontal diversification in the renewable energy cluster through grid infrastructure projects

Resource allocation: Intellectual capital, Investment in Hayleys Mobility: **Rs. 531 mn**

Relevance to Group strategy:

Geographical diversification — 2

Pursuing increased penetration in the Maldives and other overseas markets across the different business verticals

Resource allocation: Marketing and sales expenditure in overseas markets: **Rs. 156 mn**

Relevance to Group strategy:

Operational excellence — 3

Established a dedicated Performance Excellent Unit to pursue operational efficiencies, quality enhancements and productivity gains

Resource allocation: Systems and certifications across multiple areas of operations

Relevance to Group strategy:

H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- The new services added reflects the organisation's innovation, responsiveness and breadth of product/ service portfolio

17

New products/services launched

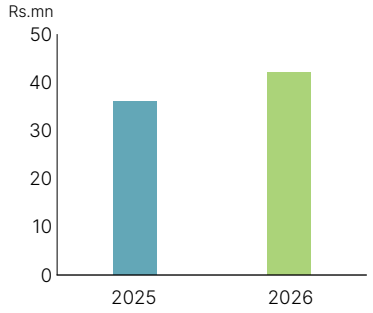
Rs. 4,977 Mn

Revenue generated from new segments

About this KPI and why we use it:

- Demonstrates success of overseas market activation strategies and potential for growth

OVERSEAS REVENUE GENERATION



About this KPI and why we use it:

- Demonstrate how effectively the organisation manages its operational efficiency, liquidity, and resource utilisation.

KPI	2026	2025
Debtor days	108	107
Stock days	52	80
Creditor Days	60	125
Cash flow Working Cycle	100	62

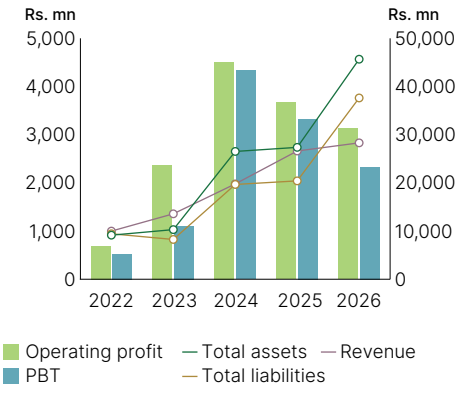
INTEGRATED PERFORMANCE REVIEW

The Sector remained resilient amidst challenging operating conditions through strategic diversification initiatives aimed at strengthening long-term business sustainability. Revenue increased by 6% to Rs. 28.31bn, reflecting steady business momentum despite pressures within the Renewable Energy Cluster which impacted profitability. Accordingly EBIT declined by 15% to Rs. 3.1 bn and Profit Before Tax reducing by 30% to Rs. 2.3 bn. Nevertheless, targeted cost optimisation measures and productivity improvements helped partially offset margin pressures, positioning the Sector to better navigate current challenges while building a stronger foundation for future growth.

Renewable energy: The Cluster maintained its position as the market leader in the rooftop solar PV segment, surpassing 500MW of installation and commanding a market share of 20%, During the year the cluster pursued geographical expansion, further strengthening its presence in the Maldives, which delivered significant benefits during the year under review. As resort operators increasingly transitioned

Y-o-y growth	Revenue	Profit
Energy	-8%	-37%
Projects	7%	68%
Equipment Trading & Renting	66%	-93%
Mobility	100%	100%

SECTOR FINANCIAL PERFORMANCE

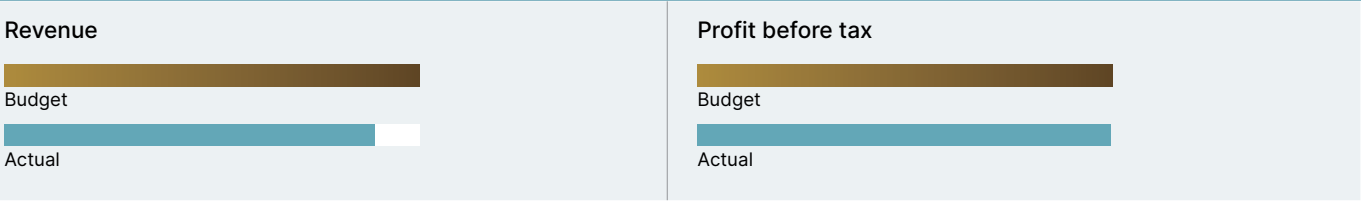


Energy, Mobility & Projects

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**28,313**	26,623	6	19,796
Earnings before interest and tax	**3,128**	3,667	-15	4,513
Net finance income/(cost)	**(795)**	(334)	138	(180)
Profit before tax	**2,333**	3,333	-30	4,333
Profit after tax	**1,666**	2,370	-30	3,784
Assets	**45,664**	27,378	67	26,530
Liabilities	**37,625**	20,424	84	19,684
Operating cash flow	**2,196**	866	154	1,484

PERFORMANCE AGAINST TARGETS



OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
No. of employees	**2,083**	1,880	11	1,492
Revenue per employee (Rs. mn)	**13.6**	14.2	-4	13
Number of active projects	**3,930**	676	381	163
Number of commissioned projects	**2,819**	6,606	-57	6,593

SUSTAINABILITY-RELATED FINANCIAL METRICS		2026	2025	%	2024
SASB METRICS*	Incidents of non-compliance related to project development *IF-EN-160a.1*	**Nil**	Nil	-	Nil
	Structural integrity- amount of defect and safety-related rework *IF-EN-250a.1*	**Nil**	Nil	-	Nil
	Amount of backlog for renewable energy projects (Rs.mn) *IF-EN-410b.1*	**2,956**	8,180	-64	15,944
	Workforce health and safety - Total recordable incident rate (%) - Fatality rate (%) *IF-EN-320a.1*	**0.68** **-**	0.23 -	195 -	N/A N/A
	Monetary losses due to charges related to bribery *IF-EN-510a.1*	**0**	0	-	0

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues
*Engineering and construction Services SASB Standard.
** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high-risk category for water stress

from oil-dependent energy systems to solar solutions to mitigate fuel vulnerability, the Cluster capitalised on this shift, securing approximately 10 MW of solar and battery projects and emerging as the second-largest player in the Maldivian market. The Cluster also accelerated horizontal diversification by expanding into grid infrastructure and transmission projects. It also emerged as one of the first players to offer hybrid and off-grid energy solutions resulting in exceptional battery sales momentum towards the latter part of the financial year.

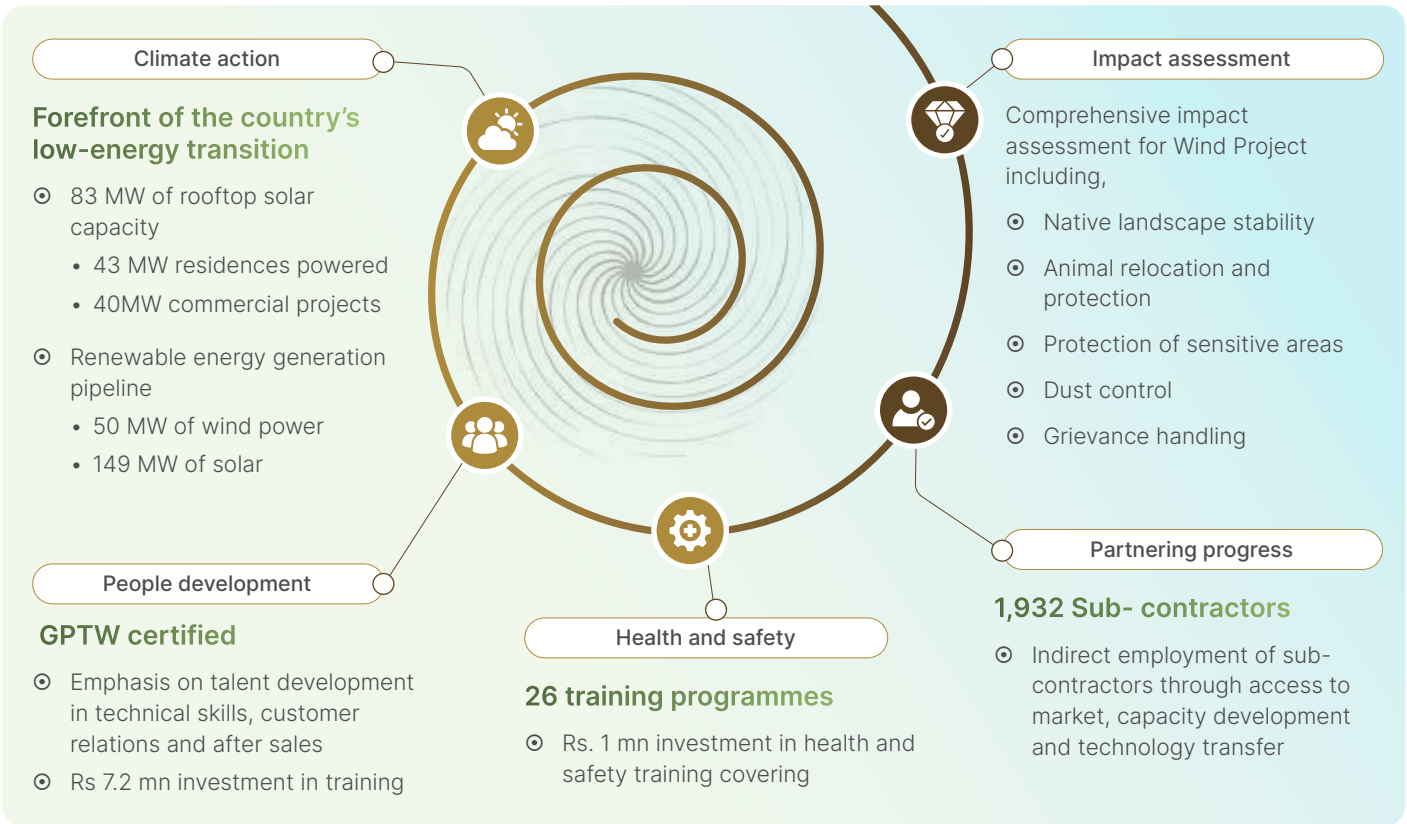
Meanwhile, within the power generation segment, the Cluster pursued inorganic growth through the acquisition of controlling stakes in six companies, adding 60 MW of wind and 150 MW of solar capacity. This was further supported by a robust development pipeline, including the commencement of construction of the Group's 50 MW wind project and an additional 149 MW of solar projects.

Projects: The performance of the Projects Cluster moderated during the year, in view of evolving industry conditions. Operationally, the Cluster remained firmly aligned with its speed-to-completion strategy while integration of digitalisation, including advanced estimation tools further enhanced execution precision. During the year, the Cluster also secured several major projects, including highly time-sensitive assignments demonstrating its strong execution capabilities. Geographical diversification gained traction, with the Cluster expanding into markets such as the Maldives through the acquisition of several sizable projects. Meanwhile, SIS Integrated Solutions experienced a more challenging year amid subdued market conditions, reflecting exposure to government infrastructure spending.

Equipment trading and renting: The Cluster successfully expanded existing customer engagements in battery backup solutions while scaling its OPEX-based offerings across the Group's multiple verticals. This included extending the model into the mobility segment, where its owned vehicle fleet was successfully deployed through corporate rental arrangement. Meanwhile the Singapore trading operation delivered strong growth, significantly expanding its customer base and trading volumes while generating healthy profitability.

Mobility: The Mobility Cluster, the Sector's newest and most dynamic vertical, marked an exciting new chapter following the lifting of vehicle import restrictions, strategically positioning itself at the forefront of Sri Lanka's accelerating transition towards new energy vehicles. Accordingly, the Cluster secured a strategic partnership with CHERY International, China's largest automobile exporter since 2002, enabling the introduction of rapidly growing brands including JAECOO, OMODA, Kayi and SRM. This was further complemented by a balanced commercial vehicle offering comprising small commercial vehicles, passenger vans, and cargo vans. The Cluster's competitive strength lies in its integrated mobility ecosystem, combining a compelling product portfolio, expanding retail presence, and EV infrastructure capabilities. Supported by flagship retail locations and charging solutions through STAR Charge, the Cluster is well-positioned to play a leading role in Sri Lanka's evolving mobility landscape.

ESG as a driver of business value



Energy, Mobility & Projects

Customer experience and brand: The Sector continued to place strategic emphasis on customer service, particularly within Renewable Energy. In Projects, the Experience Centre also played an important role in improving customer interaction and driving sales conversion. Attesting to its continued focus on excellence, the Fentons Group secured 96 multi-disciplinary awards during the year, reflecting broad-based recognition across its operations and service delivery. Hayleys Solar's inclusion among Sri Lanka's Most Loved Brands by LMD, alongside its strong positioning in Brand Finance's Most Valuable Brands rankings, reinforces the growing strength of the brand.

PROSPECTS AND PLANS

We are seeing encouraging traction across several emerging opportunities, particularly in industrial developments, high-rise residential projects, and large-scale economic zones such as Port City. These segments are expected to support the continued expansion of the Sector's Projects division, which has been strategically strengthened through the addition of two new sub-verticals. Over the short-to-medium term, the Renewable Energy cluster is also expected to remain a key driver of performance, particularly following the Sector's entry into energy generation, although further reductions in solar feed-in tariffs may temper future investment momentum. In addition, the mobility segment presents significant growth potential as consumer adoption of electric vehicles accelerates, positioning the Sector to capitalise on evolving market trends and diversify future earnings streams. The Sector's risk and opportunity landscape and its interventions to effectively mitigate and leverage these developments are mapped below:

	Short-term	Medium to Long-term
Portfolio optimisation	• Increased penetration through new business lines • Regional and international expansion	• Fleet Management Solutions & Commercial Fleet Expansion • Digitization of Project
Customer Centricity	• Speed-to-market to drive customer satisfaction • Market expansion through B2B E-commerce platform	• Island-wide penetration of services
Strategic ESG Integration	• Ongoing emphasis on organic and inorganic growth in renewable energy generation	• Participation in the broader energy spectrum
What we hope to achieve	**10%** Revenue growth ROCE **>16%**	**40%** Revenue growth I ROCE **>20%**

Opportunities and levers

- Recovery of Sri Lanka's construction and infrastructure development sector
- Energy transition including BESS and stronger policy commitment towards achieving country's decarbonisation goals
- Strong demand for new energy mobility solutions

Risks to strategy

- Escalation of state-based armed conflict and implications on input pricing
- Government policy on renewable energy and further reductions in solar feed-in tariffs
- Escalating competition and adverse policy changes in the mobility sector



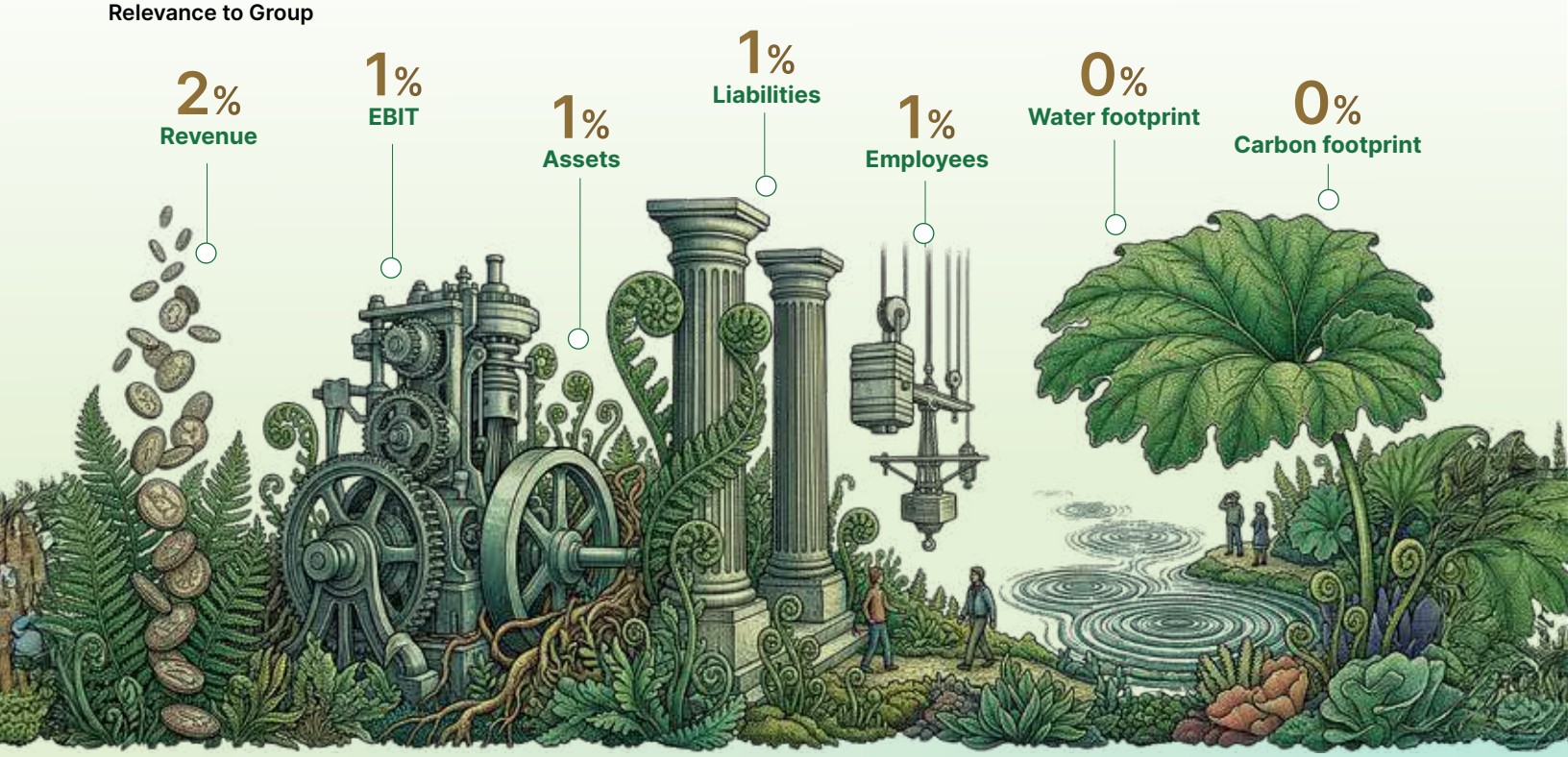
Insights from sector GMC member
Scan to view

Tea Exports

As one of Sri Lanka's largest tea exporters, Mabroc Teas (Pvt) Ltd takes Ceylon Tea to the world through extensive distribution networks and long-standing customer relationships. Meanwhile, Martin Bauer Hayleys (Pvt), a joint venture between Hayleys and global leader in botanicals, German-based Martin Bauer Group (MBG) Ltd is engaged in the manufacturing and export of value-added tea extracts and tea aroma products.

Tea Exports

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 10.55 bn (-20%)	Rs. 888.4 mn (+44%)	Rs. 704 mn (+50%)	Rs. 6.83 bn (+22%)	Rs. 3.24 bn (+32%)	172 (-5%)	1,403tCO₂e (-77%)

Year in review

Financial performance

Navigated intensified competition from lower-cost tea origins to deliver resilient profitability, with Profit After Tax increasing 2%, supported by value-added products and the strong performance of Martin Bauer Hayleys.

Strategic highlights

Ongoing focus on innovation and product development while pursuing growth in in new markets

ESG performance

Mabroc launched its ESG Roadmap aligned with the aspirations of the Hayleys Lifecode

Ongoing focus on decarbonisation initiatives

Way forward

Ongoing innovation and product development to cater to emerging customer needs

Offer sustainable product propositions

The carbon footprint for 2025/26 represents an expanded coverage of Scope 3 emissions compared to the previous year

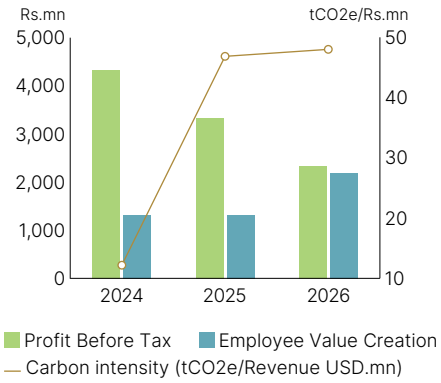
Market position	Product capabilities	Distribution network	Quality
Mabroc Teas is **one of Sri Lanka's largest tea exporters**. It is also the largest exporter of tea from Sri Lanka to China and Taiwan. Martin Bauer Hayleys (Pvt) Ltd is the leading exporter of Ceylon Tea aroma to the global market and one of Sri Lanka's largest exporters of instant tea extract powders.	In value-added tea, the Sector has capabilities to **customise blended teas** to supply a range of packets and tea bags of black, green, herbal and flavoured tea. Martin Bauer Hayleys is the only Sri Lankan manufacturer with capabilities to manufacture tea aroma with varying concentrations	Mabroc's OEM and branded products are sold in 51 countries as well as 16,504 retail outlets across the island. Martin Bauer's products are sold in 25 markets across the world	The Sector is committed to maintaining the highest standards of quality and product responsibility as attested by numerous **Food Safety and Quality certifications.**

OPERATING ENVIRONMENT

Sri Lanka's tea export sector demonstrated a measure of recovery in 2025, with export volumes increasing by 4.7% to 257.4 million KGs and export earnings rising to approximately USD 1.51 bn. The improvement was supported by steady global demand, sustained production levels and the continued ability of Ceylon Tea to command a premium position in international markets. Average export prices remained largely stable during the year, reflecting the industry's ability to maintain value despite a challenging global environment.

Nevertheless, exporters continued to navigate a range of external pressures. Geopolitical tensions and escalating conflicts in several key markets contributed to demand volatility and heightened uncertainty, while disruptions to global shipping routes led to a significant increase in freight costs, impacting profitability. In addition, increasingly stringent regulatory requirements relating to residue levels continued to pose challenges for the industry, with compliance and testing requirements adding to the cost burden faced by exporters.

INTEGRATED PERFORMANCE



5%
Growth in tea export volume

5%
Growth in export earnings

8%
Increase in cost of production



Tea Exports

OPERATING ENVIRONMENT SUCCESS

CUSTOMERS' INCREASING REGULATORY AND QUALITY REQUIREMENTS

Increasingly stringent requirements governing maximum residue levels, product testing and certification have intensified compliance obligations

H

INTENSIFYING GLOBAL COMPETITION

Competition from lower-cost tea origins, particularly Kenya, **Indonesia** and India, continued to intensify across key export markets

H

GEOPOLITICAL TENSIONS

Geopolitical tensions and ongoing conflicts in several key tea-importing markets continued to create demand uncertainty, impacting purchasing patterns during the year.

M

Key risks

Market risks:
Competitive pressures from other producing nations

Exchange rate fluctuations

Operational risks:
Sri Lanka's high cost of production

Sustainability risks:
Physical risks of climate change

CRRO#1

Transition risks of climate change

CRRO#3

Opportunities

Market opportunities:
Rise of the health-conscious consumer and prevalence towards well-being

Sustainability-related opportunities
Opportunity to sharpen competitive edge through embracing social and environmental sustainability

STRATEGY & RESOURCE ALLOCATION

Strategic priorities

Customer acquisition 1

The Company continues to advance its market diversification strategy, strengthening its presence across a broader range of export destinations. In this regard, both businesses are actively pursuing customer acquisition opportunities in Japan and selected European markets

Resource allocation: Sales & Marketing Expenditure: **Rs. 139 mn**

Relevance to Group strategy:

Innovation and Product Development 2

The businesses continued to expand their portfolio of value-added offerings through the introduction of new tea extract and tea aroma variants, reflecting a strategic focus on higher-value applications, differentiated product propositions and unique blends tailored to evolving customer preferences.

Resource allocation: Investments in research & development: **Rs. 0.70 mn**

Relevance to Group strategy:

Operational excellence 3

The Sector maintains a strong focus on quality, food safety and sustainability, regularly undergoing customer audits to ensure compliance with evolving international standards and customer requirements.

Resource allocation: Investments in certifications: **Rs. 8.7 mn**

Relevance to Group strategy:

H-High, M-Medium, L-Low I Red circle represents adverse effect while green circle represents positive effect

MEASURING

About this KPI and why we use it:

- This KPI measures how effectively the Sector attracts and converts new customers over a given period

New Customers acquired

18
Mabroc

67
Martin Bauer

About this KPI and why we use it:

- This measure shows succession of innovation performance, market responsiveness and future growth potential

No. of New Products

5
Mabroc

About this KPI and why we use it:

- Attests to the Sector's commitment to complying with industry best practice, providing assurance to customers and other stakeholders on the effectiveness of the Sector's processes

No. of Certifications

12
Mabroc

10
Martin Bauer

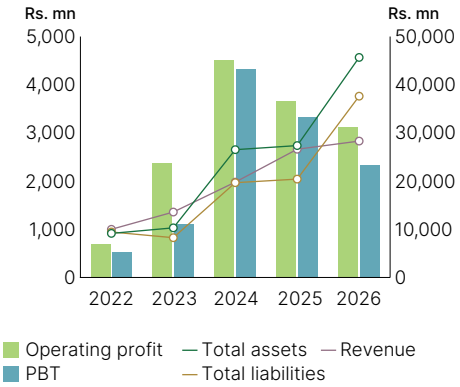
INTEGRATED PERFORMANCE REVIEW

The Sector operated in a highly competitive environment during the year, as lower-cost tea origins, particularly Kenya, Indonesia and India, continued to gain market share in certain export markets. Against this backdrop, Sector revenue declined by 20% to Rs. 10.55 bn, while EBIT decreased by 8% to Rs. 557.51 mn. Despite the pressure on top-line performance, profitability remained resilient, supported by the strong contribution from Martin Bauer Hayleys. Consequently, the Sector's Profit After Tax surged 50% increase to Rs. 704.01 mn, demonstrating the benefits of its focus on value-added products, market diversification and differentiated offerings.

Martin Bauer Hayleys delivered its highest-ever profitability during the year, with the Group's share of profit after tax from the joint venture more than tripling to Rs. 319.32 mn. The exceptional performance was driven by strong volume growth, supported by the successful retention and expansion of

Y-o-y growth	Revenue	Profit
Mabroc	-20%	+15%
Martin Bauer	N/A	+ 206%

SECTOR FINANCIAL PERFORMANCE

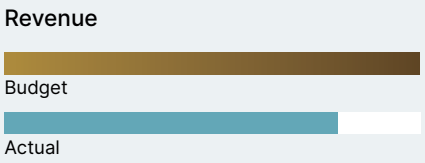


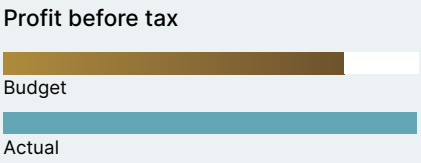
Tea Exports

PERFORMANCE HIGHLIGHTS

FINANCIAL METRICS	2026	2025	%	2024
Revenue	**10,554**	13,159	-20	12,199
Earnings before interest and tax	**558**	609	-8	829
Net finance income/(cost)	**12**	(104)	-	(173)
Share of profit of equity accounted investees (net of tax)	**319**	104	206	167
Profit before tax	**888**	616	44	167
Profit after tax	**704**	468	50	823
Assets	**6,826**	5,594	22	614
Liabilities	**3,239**	2,459	32	4,643
Operating cash flow	**(626)**	539	-	1.868

PERFORMANCE AGAINST TARGETS





OPERATIONAL HIGHLIGHTS	2026	2025	%	2024
Employees	**172**	181	-5	162
Revenue per employee (Rs. mn)	**61**	73	-16	75

SUSTAINABILITY-RELATED FINANCIAL METRICS		2026	2025	%	2024
SASB METRICS*	Operational energy consumed (GJ) *FB-AG-130a.1* - Grid electricity (%) - Renewable contribution (%)	 **2,355** **59** **35**	 3,188 44 26	 -26 15 9	 2,218 63 53
	Global Food Safety Initiative (GFSI) conformance *FB-AG-250a.1* (1) major non-conformance rate (2) minor non-conformance rate and associated corrective action rate	 **Nil** **5**	 Nil 5	 -	 - -
	No. of recalls issued *FB-AG-250a.3*	**Nil**	Nil	-	=

Refer to Sustainability-related Financial Disclosures on page 140 for further information on the financial implications of sustainability issues

* Agricultural products SASB standards

The above factors represent the Sector's financially material sustainability issues. Please refer to the Group's ESG supplement for disclosures on impact material sustainability issues.

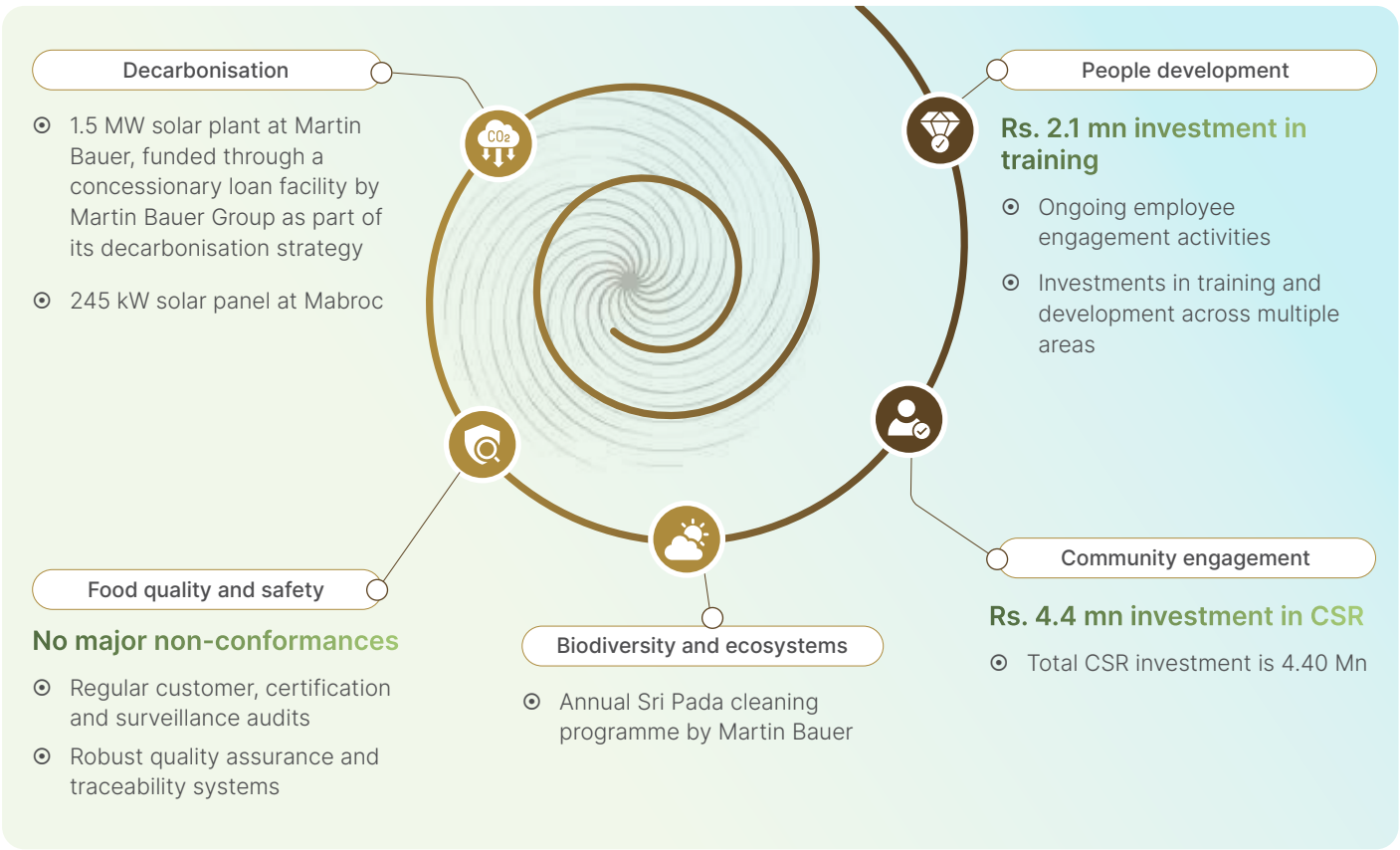
key multinational customer relationships across Asia, particularly in markets such as Thailand, Pakistan and Vietnam. The business also benefited from robust demand for its tea aroma products, particularly in the United States market, reflecting the strength of its value-added product portfolio and customer relationships.

Innovation and product development: Mabroc continued to pursue its strategy of driving higher value addition through the development and marketing of unique tea blends tailored to the preferences of diverse export markets, strengthening its differentiation and premium positioning. Meanwhile, Martin Bauer Hayleys advanced its innovation agenda through the introduction of several new tea aroma and tea extract variants, including the development of liquid tea extract products.

Market development: Market development and diversification remained a strategic priority for Mabroc during the year as the Company continued to expand its presence beyond traditional export destinations. While maintaining its position as the largest Sri Lankan tea exporter to China, Mabroc actively pursued growth opportunities in non-traditional markets, with particular emphasis on strengthening its presence in Japan and Taiwan. Meanwhile, Martin Bauer also pursued customer acquisition in new markets such as Japan.

Traceability and sustainability: As part of the Hayleys Group, the Sector benefits from end-to-end traceability through access to tea sourced from Hayleys Plantations, a recognised leader in sustainable plantation management. This integration provides access to premium single-garden teas cultivated in accordance with rigorous certification standards and supported by strong environmental and social stewardship practices, strengthening the Sector's differentiation in global markets. Reinforcing its commitment to sustainable value creation, Mabroc also launched its own ESG Roadmap during the year, aligned with the aspirations and targets of the Hayleys Lifecode, providing a structured framework to advance its sustainability agenda and create long-term value for stakeholders.

ESG as a driver of business value



Tea Exports

PROSPECTS AND PLANS

Looking ahead, demand for value-added tea products is expected to remain favourable, while demand for tea extracts is anticipated to remain stable over the short to medium term. Nevertheless, the near-term operating environment is likely to remain challenging amid heightened geopolitical tensions, evolving trade policies and ongoing uncertainty surrounding tariffs applicable to exports to the United States, which could have implications for certain segments of the Sector. In addition, structural challenges within Sri Lanka's plantation industry, including rising production costs and increasing exposure to climate-related risks, are expected to contribute to supply and cost volatility across the tea value chain.

Against this backdrop, the Sector continues to focus on strengthening its resilience through market diversification, innovation and value addition. In anticipation of more moderate growth in traditional export markets, the businesses have intensified efforts to develop differentiated products and unique tea propositions for international customers. These initiatives, together with a broader geographic footprint and strong customer relationships, are expected to support sustainable growth and enhance the Sector's long-term competitiveness.

	Short-term	Medium to Long-term
Portfolio optimisation	• Continued focus on non-traditional markets • Enhance production capacity through investments in new manufacturing facility is currently under construction	• Geographical diversification of operations through establishing overseas operations (Mabroc)
Customer Centricity	• Ongoing innovation and product development to cater to emerging customer needs • Offer sustainable product propositions	• Expand the private label market share in Australia • Increase Mabroc brand distribution in the European Union. • Pursue international e-commerce business in USA.
Strategic ESG Integration	• Enhance ESG capabilities across the Sector	• Drive active reduction of fossil-fuel based energy sources • Drive initiatives towards achievement of the targets set out in the ESG Roadmap
What we hope to achieve	**10%** Revenue growth ROCE **>16%**	**40%** Revenue growth I ROCE **>20%**

Opportunities and levers

- International expansion through investments in Kenya and Poland
- Escalating customer requirements on sustainability

Risks to strategy

- Geopolitical tensions in major buying markets
- Escalating implications of climate change and impacts on quality, yields and crop (CRRO 1)



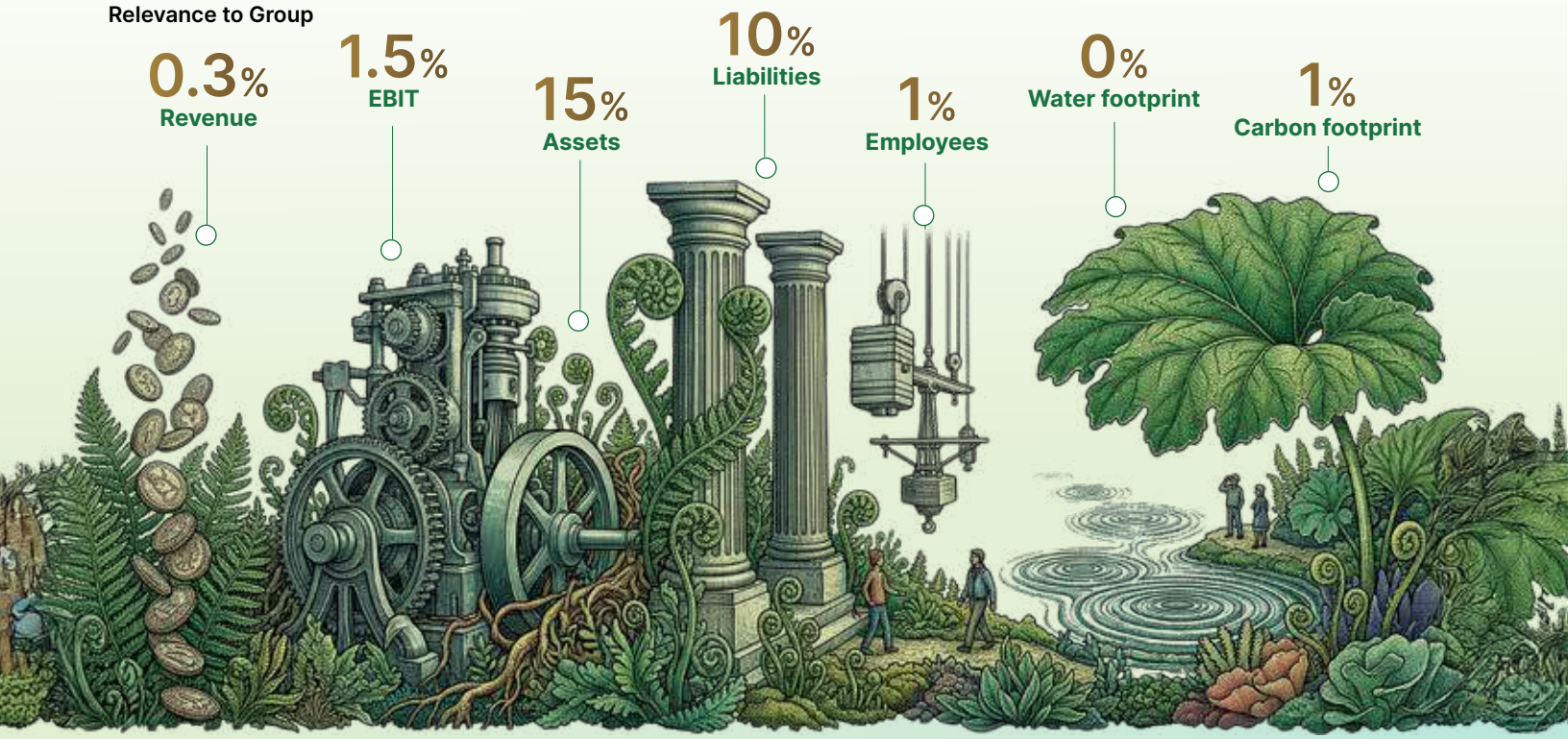
Insights from sector GMC member
Scan to view

Others

The Others Sector comprises Hayleys Business Solutions International and Group Services of Hayleys PLC. HBSI engages in BPO operations and Shared Services specializing in providing a range of back-end services including accounting, payroll, digital marketing, data management and IT solutions among others.

Others

Relevance to Group



Sector Highlights 2025/26

Revenue	PBT	PAT	Assets	Liabilities	Employees	Carbon footprint
Rs. 1.62 bn (+55%)	Rs. (692) mn (-114%)	Rs. (830) mn (-118%)	Rs. 92.96 bn (+16%)	Rs. 47.01 bn (+23%)	443 (+7%)	2,150 tCO2e (+53%)

FINANCIAL METRICS	2026	2025	%	2024
Revenue	1,623	1,048	55	1,438
Earnings before interest and tax	1299	7,988	-84	6,728
Net finance income/(cost)	2,030	(2,999)	-32	(4,389)
Profit before tax	(692)	5,045	-114	2,380
Profit after tax	(830)	4,583	-118	1,940
Assets	92,955	80,389	16	73,736
Liabilities	47,015	38,361	23	33,082
Operating cash flow	6,382	5,733	11	5,831

ESG HIGHLIGHTS	2026	2025	%	2024
No. of employees	443	414	7	387
Energy consumption (GJ)	8,468	8,338	2	7,959
Energy intensity (GJ/Revenue USD mn)	1,592	2,369	-33	1,751
Carbon footprint (tCO2e)- Scope 1 & 2	1,200	1,231	-3	915
Emission intensity (tCO2e/Revenue USD mn)	226	350	-36	201
Water withdrawn (m3)	17,818	17,022	5	16,636
Water intensity (m3/Revenue USD mn)	3,350	4,836	-31	3,660

HAYLEYS PLC

Hayleys PLC, the investment holding company of the Group, provides a range of centralised services enabling greater alignment and consistency across the Group. During the year, Dividend Income increased by 13% to Rs. 6.47 bn, reflecting the strong profitability of the Group's operating subsidiaries. As at the Reporting Date, the Company had committed to transfer of the head lease and operating assets of Luxury Resort (Pvt) Ltd, supporting the Group's strategy of sharpening its portfolio focus and concentrating its leisure investments within Sri Lanka. Accordingly, a Letter of Intent was signed on 3 February 2026 followed by a Lease Transfer Agreement and Asset Purchase Agreement on 16 May 2026. Based on management's assessment of the recoverability of its investment and related receivables as at 31 March 2026, an impairment loss of Rs. 6.89 bn has been recognised under Other Expenses (Refer to note 37 for further information). Meanwhile, Net Finance Costs declined by 28% to Rs. 2.29 bn, supported by fair value gains on equity investments. Consequently, Hayleys PLC reported a Loss Before Tax of Rs. 1.58 bn and a Loss After Tax of Rs. 1.44 bn for the year.

During the year, the Company undertook several strategic interventions to further strengthen its financial position and enhance its capacity to pursue future growth opportunities. A key milestone was the successful completion of a Rs. 9 bn Rights Issue, the first undertaken by the Company since 2005, which was oversubscribed and reflected shareholder confidence in the Group's long-term prospects. The proceeds are being deployed to optimise the Group's capital structure through the partial settlement of debt, while enhancing financial flexibility to pursue strategic investments and long-term growth opportunities. In addition, the Company raised Rs. 12.9 bn through the issuance of two listed, rated, senior, unsecured, redeemable debentures, further enhancing financial flexibility and supporting its capital management objectives.

The year also marked an important step in the Group's portfolio expansion strategy with the announcement of its entry into the supermarket sector. Significant progress has already been made in establishing the foundations required to scale the business, including key leadership appointments, capability building and the development of operational platforms. With the foundational elements now being established, the Group is excited about the opportunities ahead and confident in the sector's potential to emerge as a significant contributor to the Group's future growth Further strengthening its investment portfolio, the Company acquired a 40.63% stake in Harischandra Mills PLC and a 9.48% stake in Diesel and Motor Engineering PLC during the year.

Hayleys Business Solutions International

Hayleys Business Solutions International delivered another year of strong growth and strategic progress, recording growth of 12% and 7% in Revenue and Profit Before Tax respectively during the year. Performance was driven by continued expansion within the Australian market, supported by the establishment of Hayleys Business Solutions Pacific, enabling the Company to strengthen its proximity to customers. Growth was also supported by the continued expansion of the Company's service portfolio towards higher-value services, moving beyond traditional process-driven outsourcing. The BPO and Payroll verticals continued to perform strongly through the acquisition of new customers and the successful achievement of growth targets, while Shared Services operations remained stable during the year.

Concurrently, the Company continued to strengthen its digital and technological capabilities, actively exploring opportunities to leverage AI across its internal processes and service delivery models. Efforts during the year focused on assessing how AI-enabled solutions could enhance efficiency and productivity, while building on the Company's existing strengths in robotics and process automation. Further reinforcing client confidence and governance standards, the BPO division obtained ISO 27001 certification during the year, reflecting the strength of its information security and data management practices.

Talent development and employee retention remained key priorities during the year, supported by continued investments in digital and AI-related capability building for its highly specialised workforce. Employee retention improved compared to prior years amidst reduced overseas migration, although competition for talent continued to remain a challenge. Further reinforcing its employer brand and operational credibility, the Company was recognised as an ACCA Gold Partner and among ACCA's Top 10 Employers.

Looking ahead, the Company remains focused on accelerating growth within the Australian market through its local presence, while simultaneously evaluating opportunities for inorganic expansion, including potential acquisitions. Key downside risks include intensifying competition, evolving technological disruption driven by AI, and continued pressure on talent retention, which the Company will seek to mitigate through service diversification, capability enhancement, and continued investment in higher-value offerings.

Way Forward

GLOBAL OUTLOOK

The global economic outlook remains fluid and increasingly influenced by geopolitical developments. The recent escalation of conflict in the Middle East has emerged as a significant source of uncertainty at a time when the global economy was already grappling with elevated trade barriers, policy uncertainty and uneven growth dynamics. Reflecting these challenges, the International Monetary Fund (IMF) has revised its global growth forecast to 3.1% in 2026 and 3.2% in 2027. While the baseline outlook remains positive, downside risks continue to dominate. A prolonged or broader conflict, increasing geopolitical fragmentation, renewed trade tensions or a reassessment of expectations surrounding productivity gains from artificial intelligence could weigh further on growth and heighten volatility across financial markets. These risks are compounded by elevated levels of public debt and weakening institutional credibility in several economies, leaving the global economy more exposed to future shocks.

IMPLICATIONS ON SRI LANKA

The outlook for Sri Lanka remains subject to heightened uncertainty. Although the economy has made significant progress in restoring macroeconomic stability and rebuilding confidence following the recent crisis, the external environment has become increasingly challenging. The conflict in the Middle East has introduced risks through higher energy costs, potential disruptions to trade and tourism and possible pressures on remittance inflows, all of which are important contributors to economic activity and external sector stability. These factors are expected to weigh on growth and contribute to higher inflation during the year ahead. While economic growth is projected to remain positive, the pace of expansion is expected to moderate, underscoring the importance of maintaining reform momentum, fiscal discipline and policy consistency in order to safeguard recent gains and strengthen resilience against future shocks.

IMPLICATIONS ON HAYLEYS

The evolving geopolitical situation presents a mixed outlook for the Group. While prolonged instability has the potential to create headwinds through higher energy prices, supply chain disruptions and weaker consumer demand in certain sectors, Hayleys' diversified portfolio provides a degree of natural hedging, with some sectors positioned to benefit from the very conditions that may adversely affect others.

Potential risks

- **Higher Energy Costs:** A sustained increase in global energy prices could place upward pressure on operating costs across several sectors, particularly within the Manufacturing and Transportation and Logistics which have relatively energy-intensive operations
- **Tourism demand:** Heightened geopolitical uncertainty and weaker global economic sentiment could adversely affect international travel patterns, potentially impacting tourist arrivals to Sri Lanka and weighing on occupancy levels and profitability
- **Input cost inflation:** Higher commodity and freight costs could increase the cost of imported raw materials and inputs used across the Group, including fertiliser, latex, yarn, chemicals and other production inputs

Opportunities

- **Increased Demand for Logistics and Freight Services:** Disruptions to global supply chains and changes in trade routes may lead to increased demand for freight forwarding, logistics solutions and supply chain management services
- **Supply chain reconfiguration:** As businesses seek to diversify sourcing strategies and improve supply chain resilience, opportunities may emerge for the Group to strengthen its role within regional and global value chains

OUTLOOK AND WAY FORWARD FOR HAYLEYS

Against this backdrop, the Group will maintain focus on its five key strategic pillars while also emphasising building increased agility into its business models. Key priorities under each strategic pillar is summarised below

As our mature businesses continue to generate stable growth and cash flows, we are simultaneously building new growth platforms in sectors such as retail, mobility and consumer businesses that are expected to play an increasingly important role in the Group's future.

Portfolio Optimisation	• Aggressive growth in new industry verticals including the large-format supermarket sector and mobility solutions • Export-oriented sectors will seek to diversify its markets with increasing focus on non-traditional markets • Increase contributions from value-added products, thereby reducing exposure to price competitive offerings • Pursuing diversification of funding sources to fuel future investments in organic and inorganic growth
Customer Centricity	• Our mature businesses will continue to pursue growth through a greater focus on niche and value-added segments. • Focus on customised solutions to sharpen competitive edge and customer loyalty • Active engagement in trade fairs and exhibitions • Aggressively seeking new customer acquisition in regional markets
Inclusive business models	• Continued focus on prioritising inclusive supply chains which accelerate positive social and environmental impact • Screening suppliers on environmental and social criteria
Nurturing inspired teams	• Developing a future-ready workforce with the capabilities required for a rapidly evolving digital landscape. • Ongoing digitalisation of HR processes • Succession planning across sectors to build effective talent pipelines • Creating a respectful and inclusive workplace through ongoing training and engagement interventions
ESG integration	• Completion of Sector-level ESG roadmaps across all Sectors • Ongoing focus on strengthening ESG governance and reporting mechanisms • Initiatives across all six pillars aligned to the aspirations of the Hayleys Lifecode

PROJECTIONS FOR FY 2026/27

15%
Revenue growth

16%
PBT growth

Further information on the Outlook and Way Forward to is also available in the Sections below:

- Operating landscape (page 100)
- A purpose-driven strategy (page 118)
- Portfolio Reviews (page 212)
- Capital management (page 192)

Independent Limited Assurance Report - Integrated Reporting

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

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

TO THE BOARD OF DIRECTORS OF HAYLEYS PLC

REPORT ON THE CONTENT ELEMENTS INCLUDED IN HAYLEYS PLC'S INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED MARCH 31, 2026

Conclusion

We have performed a limited assurance engagement on whether the Content Elements ("Subject matter Information" or "SMI") in the Hayleys PLC's ("the group") Integrated annual report for the year ended March 31, 2026 have been prepared in accordance with the IFRS Foundation's International <IR> Framework ("Criteria").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Content Elements in the Integrated Report of Hayleys PLC for the year ended 31st March 2026 are not prepared, in all material respects, in accordance with the Criteria.

Our conclusion on the SMI as mentioned above does not extend to other information that accompanies or contains the SMI and our assurance report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management (SLSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for limited assurance conclusion.

Intended use or purpose

We have been engaged by the Board of Directors of Hayleys PLC to provide limited assurance on whether the SMI have been prepared in accordance with the Criteria.

Restriction on use or distribution

This report has been prepared for the Board of Directors of Hayleys PLC for the purpose of providing an assurance conclusion on whether the SMI in the Hayleys PLC's Integrated Annual Report for the Year ended 31st March 2026 has been prepared in accordance with the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than Hayleys PLC, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Hayleys PLC, for any purpose or in any other context. Any party other than Hayleys PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Hayleys PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Responsibilities of Management for the SMI

The management of the Group are responsible for:

- Selecting or developing suitable criteria for preparing the Subject Matter Information and appropriately referring to or describing the criteria
- Determining that the criteria is appropriate to meet the needs of intended users, being the Group's Board of Directors and any other intended users.
- Preparing and presenting the SMI in accordance with the criteria set out in the IFRS Foundation's International <IR> Framework. This includes disclosing the criteria, including any significant inherent limitations.
- Design and implementation of internal controls that the Group determines necessary to enable the preparation and presentation of the SMI that is free from material misstatement, whether due to fraud or error.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA
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

- Ensuring the Group's strategy is well-presented in the SMI and reflects how the Group creates value as they operate in practice
- Identifying stakeholders and stakeholder requirements;
- Identifying material issues and reflecting those in the SMI; and
- Preparation and fair presentation of the SMI;
- Informing us of any known and/or contentious issues relating to the SMI.
- Preventing and detecting of fraud and ensuring that the Group complies with laws and regulations applicable to its activities;
- Process to ensure that the Group's personnel involved with the preparation and presentation of the SMI are properly trained, systems are properly updated and that any changes in reporting is relevant to the SMI and encompass all significant business units.
- The responsibility also includes informing changes in the Group's Operations since the date of our most recent assurance report on the SMI.
- The maintenance and integrity of Hayleys PLC's website, including the presentation of our independent limited assurance report on the website is the responsibility of Hayleys PLC's management. Management is responsible for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Hayleys PLC's website.

Those charged with governance are responsible for overseeing the reporting process for the Group's SMI.

Inherent limitations

The preparation of SMI is subject to inherent limitations arising from the nature of non financial data, including the use of estimates, assumptions, and third party information. In addition, due to the inherent limitations of any internal control system, errors or irregularities may occur and not be detected.

Our engagement was not designed to detect internal control weaknesses because the procedures were performed on a test basis and not continuously throughout the period. We do not provide any assurance on the assumptions and achievability of prospective information in the Integrated Report

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of Hayleys PLC.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our procedures selected depended on our understanding of the SMI , other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

1. Assessing the suitability of the criteria used by the Group in preparing SMI;
2. Through inquiries, obtained an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Information subject to Limited Assurance, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
3. Obtaining an understanding of the relevant internal policies and procedures developed by the Group, including those relevant to determining what matters most to the Group's stakeholders, how the Group creates value, the Group's external environment, strategy, governance and reporting.
4. Obtaining an understanding of the description of the Group's strategy and how the Group creates value in the SMI and enquiring of management as to whether the description accurately reflects their understanding;
5. Assessing of the alignment between the Group's strategy, the disclosures on how the Group creates value and what matters most to the Group's stakeholders.
6. Checking Board minutes to ensure consistency with the SMI.
7. Evaluated the overall presentation of the Information subject to Limited Assurance to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the Group's processes.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Chartered Accountants

Colombo
8th June 2026

Independent Assurance Report - Sustainability Related Disclosures and Climate Related Disclosures

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

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

TO THE BOARD OF DIRECTORS OF HAYLEYS PLC

REPORT ON THE SELECTED SUSTAINABILITY RELATED DISCLOSURES AND CLIMATE RELATED DISCLOSURES IN THE INTEGRATED ANNUAL REPORT AS OF 31ST MARCH 2026

Conclusion

We have performed a limited assurance engagement on whether the selected Qualitative Sustainability and Climate Related Disclosures as defined in Annexure A ("Subject Matter Information" or "SMI") included in Hayleys PLC's and it's subsidiaries ("the entity") Integrated Annual Report for the year ended 31st March 2026, has been prepared in accordance with the selected paragraphs of the Sri Lanka Financial Reporting Standards (SLFRS) Sustainability Disclosure Standards, SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures) (together 'SLFRS S1 and S2') as detailed in the Annexure A ("Criteria").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the selected Qualitative Sustainability and Climate Related Disclosures as defined in Annexure A of the Hayleys PLC Integrated Annual report for the year ended 31st March 2026 are not prepared, in all material respects, in accordance with the Criteria.

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI and our assurance report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management (SLSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for limited assurance conclusion.

Intended use or purpose

We have been engaged by the Management of Hayleys PLC to provide limited assurance on whether the SMI have been prepared in accordance with the Criteria.

Restriction on use or distribution

This report has been prepared for the Board of Directors of Hayleys PLC for the purpose of providing an assurance conclusion on whether the Subject Matter Information included in the Hayleys PLC's Integrated Annual Report for the Year ended 31st March 2026 has been prepared in accordance with the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than Hayleys PLC, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Hayleys PLC, for any purpose or in any other context. Any party other than the entity who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Hayleys PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Our conclusion is not modified in respect of this matter.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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. Reddella ACA
W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA
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

Responsibilities of the Board of Directors and Management for the Subject Matter Information

The Management of the Entity are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the SMI free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Subject Matter Information and appropriately referring to or describing the criteria used;
- Preparing the Subject Matter Information in accordance with the Criteria. This responsibility includes:
    - understanding the context in which Softlogic Life Insurance's activities and business relationships take place and developing an understanding of its affected stakeholders;
    - Identifying stakeholders and stakeholder requirements;
    - Determining that the criteria is appropriate to meet the needs of intended users, being the Entity's members and any other intended users.
    - Disclosing the criteria in the SMI, including any significant inherent limitations.
    - the identification and disclosure of the material matters i.e. actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
    - the assessment of the materiality of the identified Sustainability related risks and opportunities and Climate related risks and opportunities by selecting and applying appropriate thresholds;
    - and making assumptions and estimates that are reasonable in the circumstances.
- Informing us of any known and/or contentious issues relating to the Subject Matter Information;
- Ensuring that the Entity complies with laws and regulations applicable to its activities.
- Ensuring that the Entity personnel involved with the preparation and presentation of the Subject Matter Information are properly trained, systems are properly updated and that any changes in reporting is relevant to the integrated report information encompass all significant business units. This responsibility also includes informing us of any changes in the Entity's operations.

The maintenance and integrity of Hayleys PLC's website, including the presentation of our independent limited assurance report on the website is the responsibility of the Hayleys PLC's management. Management is responsible for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Hayleys PLC's website.

Those charged with governance are responsible for overseeing the reporting process for the entity's Subject Matter Information.

Inherent limitations in preparing the SMI

The preparation of SMI is subject to inherent limitations arising from the nature of non financial data, including the use of estimates, assumptions, and third party information as set out below:

- Uncertainty in Qualitative and Forward-Looking Disclosures: The Selected Qualitative Sustainability and Climate Related Disclosures may include qualitative, subjective, or forward-looking disclosures — such as scenario analysis or narrative descriptions of climate-related risks and opportunities — which are inherently uncertain. The selection of different, yet acceptable, scenario assumptions or estimation techniques by management could result in materially different disclosures. For clarity, our engagement does not extend to providing assurance on the accuracy or achievability of forward-looking statements or scenario outcomes.
- Scenario-Based Value Chain Assessments: When scenario analysis is applied to assess value chain risks or opportunities, results may be subject to significant limitations. Scenario models often involve simplified representations of complex systems, and the outcomes depend on assumptions about future policy, technological advancements, and market shifts — all of which are inherently uncertain.
- Complexity of Business Model Dynamics: Disclosures related to the business model may rely on management's current understanding of how climate-related and sustainability factors interact with various aspects of operations, strategy, and financial performance. These interactions are complex, dynamic, and may evolve as external conditions change. The interconnected nature of these elements introduces inherent uncertainty, and different but acceptable modeling approaches or assumptions could produce materially different outcomes.
- Evolving Industry Practices and Frameworks: Sustainability Related Disclosures and Climate Related Disclosures for business models and value chains is still evolving, with varying levels of maturity across industries. The absence of universally standardized methodologies may lead to differences in how sustainability impacts are assessed and disclosed, potentially affecting comparability across reporting periods or peer entities.

Independent Assurance Report - Sustainability Related Disclosures and Climate Related Disclosures

- Allocation of Resources and Strategic Adaptation: Disclosures regarding changes to resource allocation or business strategy in response to climate-related risks and opportunities may include forward-looking statements. These statements are based on current expectations and strategic plans but are subject to change as new information becomes available. Our assurance procedures do not extend to the accuracy or achievability of future strategic actions or the completeness of the disclosed adaptation pathways.
- Prospective Information and Future Resilience Assessments: Information regarding the future resilience of the business model or value chain under different climate scenarios is inherently uncertain. Actual future impacts may differ materially from those disclosed, due to unforeseen variables or changes in the external environment. Our limited assurance procedures do not include assessing the likelihood or precision of future events or verifying the underlying assumptions of scenario analysis.

In addition, due to the inherent limitations of any internal control system, errors or irregularities may occur and not be detected. Our engagement was not designed to detect internal control weaknesses because the procedures were performed on a test basis and not continuously throughout the period.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Boad of Directors of Hayleys PLC

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

1. Assessed the suitability of the criteria used by the entity in preparing the SMI;
2. Interviewing executives, senior management and relevant staff for obtaining an understanding of the control environment, processes and information systems relevant to the preparation of the SMI, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
3. Obtaining an understanding of the relevant internal policies and procedures developed by the entity, including those relevant to determining what matters most to the investors and providers of financial, the Entity's strategy, governance and reporting process relevant to the Strategy Core Content Disclosures.
4. Obtaining an understanding of the reporting process for the SMI performed by the Entity, including the preparation of the SMI;
5. Performing risk assessment procedures to understand the Entity and its environment, including the Entity's reporting boundary, its value chain information and identify risks of material misstatement;
6. Obtaining an understanding of the Entity's materiality assessment process by performing inquiries to understand the sources of the information used by management, reviewed the Entity's internal documentation of this process:
7. Inspecting the integrated risk management framework and internal risk registers to identify the process of how sustainability related risks and opportunities are identified and monitored.
8. Evaluating consistency of disclosed timeframes across the report and strategic plans.
9. Obtain understanding of climate targets to identify how the Entity plans to achieve the climate- related targets it has set.
10. Evaluating the overall presentation of the SMI and considered whether they are, consistent with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Chartered Accountants

Colombo
8th June 2026

Annexure A to our limited assurance report dated 8th June 2026

The Selected Qualitative Sustainability and Climate Related Disclosures covered by our Limited assurance engagement are:

Core Content	Subject Matter Information	Point in time or period subject to assurance	Page Number	Criteria
Governance	Roles and responsibilities	As at 31st March 2026	144 – 145	SLFRS S1 Paragraph 26 – 27 SLFRS S2 Paragraph 5 – 6
	Role of the Board and Sub-committees in monitoring, managing and overseeing SRRO/CRRO	As at 31st March 2026	145	
	Role of the management in monitoring, managing and overseeing SRRO/CRRO	As at 31st March 2026	146	
	Method and frequency of board reporting	As at 31st March 2026	146	
	Strategic Integration	As at 31st March 2026	146 – 147	
	Sustainability Expertise	As at 31st March 2026	147	
	Remuneration	As at 31st March 2026	148	
Strategy	Current Year SRROs	As at 31st March 2026	148	SLFRS S1. Paragraph 28 – 40 SLFRS S2 Paragraph 8 – 21
	Summary of impact pathways	As at 31st March 2026	149, 152, 153, 164	
	Impacts on Value Chain	As at 31st March 2026	150, 154, 156, 162, 166, 168	
	Impacts on Business Model	As at 31st March 2026	150, 154, 156, 162, 166, 168	
	Strategy and Decision Making	As at 31st March 2026	151, 155, 157, 163, 167, 169	
	Tradeoffs Considered	As at 31st March 2026	171	
Risk Management	Risk identification	As at 31st March 2026	179	SLFRS S1. Paragraph 43 – 44 SLFRS S2 Paragraph 24 – 26
	Risk Assessment	As at 31st March 2026	179	
	Risk Prioritization	As at 31st March 2026	179	
	Reporting and Monitoring	As at 31st March 2026	180	
	Identification and assessment of opportunities	As at 31st March 2026	165	
	Integration into existing risk management framework	As at 31st March 2026	180	
Metrics & Targets	Climate-related transition risks	As at 31st March 2026	183	SLFRS S1. Paragraph 45 – 53 SLFRS S2 Paragraph 27 – 36
	Climate-related physical risks	As at 31st March 2026	183	
	Climate-related opportunities	As at 31st March 2026	183	
	Capital Deployment	As at 31st March 2026	183	
	Internal Carbon Prices	As at 31st March 2026	183	
	Remuneration	As at 31st March 2026	183	
	Climate related targets	As at 31st March 2026	186	

Annual Report of the Board of Directors

1. GENERAL

The Board of Directors of Hayleys PLC has pleasure in presenting their Report on the affairs of the Company together with the Audited Consolidated Financial Statements for the year ended 31st March 2026. The details set out herein provide the pertinent information required under Section 168 of the Companies Act No. 07 of 2007 ('the Companies Act'), the Listing Rules of the Colombo Stock Exchange, Code of Best Practice on Corporate Governance 2023 issued by the CA Sri Lanka, and Finance Companies Corporate Governance Direction No 05 of 2021 issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011.

2. REVIEW OF THE BUSINESS

2.1 Principal Business activities of the Company and the Group

Hayleys PLC is a holding Company that owns, directly or indirectly, investments in the numerous Companies constituting the Hayleys Group and provides services to its Group Companies. The Group consists of a portfolio of diverse business operations. The main subsidiaries and equity accounted investees of Hayleys PLC are listed on pages 511 to 522.

The principal activities of the Group are categorised into fourteen different business sectors. i.e. Eco Solutions, Hand Protection, Purification Products, Textiles, Construction Materials, Plantations, Agriculture, Transportation & Logistics, Consumer & Retail, Industry Inputs, Power & Energy, Leisure, Energy, Mobility & Projects, Tea Exports and Others. The main activities of the sectors are described in the Portfolio Review pages on 212 to 319 of this Report.

During the financial year the Group ventured into mobility and large scale supermarket businesses. There were no other material changes in the nature of the business of the Company and Group.

The Directors to the best of their knowledge and belief, confirm that the Company and the Group have not engaged in any activity that contravene laws and regulations.

2.2 Review of operations of the Company and the Group

The investment/disposal activities during the financial year and after the reporting period include the following;

- Hayleys PLC purchased 1,751,306 (2.58%) ordinary shares of Kelani Valley Plantations PLC at a total consideration of Rs. 169.59 mn
- Hayleys PLC acquired 778,946 ordinary shares of Harischandra Mills PLC, representing a 40.58% stake, for a total consideration of Rs. 2.58 bn. Subsequently, a Mandatory Offer was made to the remaining shareholders of Harischandra Mills PLC, pursuant to which an additional 1,080 shares were acquired, increasing Hayleys PLC's shareholding in Harischandra Mills PLC to 40.63%.
- Hayleys PLC acquired a total of 1,040,291 shares at a consideration of Rs. 1.1 bn resulting in 11.27% shareholding in Diesel and Motor Engineering PLC during the month of April 2025 as part of the Group's business strategy. Subsequently disposed of 165,000 shares at a total consideration of Rs. 330 mn which resulted in a reduction of the shareholding to 9.48%.
- Hayleys PLC disposed 250,000 ordinary voting shares of Hayleys Produce Marketing Limited to Talawakelle Tea Estates PLC at a consideration of Rs. 7.50 mn.
- Hayleys Fentons Limited capitalized their reserves and retained profits amounting to Rs. 3.18 bn and issued 03 fully paid ordinary shares for every 01 share held by the existing shareholders. Hayleys PLC received 361,389,315 fully paid ordinary shares of Hayleys Fentons Limited.
- Hayleys Fentons Limited invested Rs. 160 mn in Hayleys Electronics (Pvt) Ltd and was issued 16,000,000 ordinary shares.
- Hayleys Fentons Limited invested Rs. 500 mn in Hayleys Mobility Limited and was issued 50,012,722 ordinary shares.
- Hayleys Fentons Limited invested Rs. 160 mn in Fentech Brands Ltd and was issued 16,000,000 ordinary shares.
- Hayleys Fentons Limited invested Rs. 160 mn in Nex-Gen Engineering Studio Limited and was issued 16,000,000 ordinary shares.
- Hayleys Fentons Limited invested Rs. 190 mn in Fentons Smart Facilities Limited and was issued 19,000,000 ordinary shares.
- Hayleys Fentons Limited invested Rs. 6.2 bn in Haywind One Limited and was issued 7,750,098 ordinary shares.
- Nex-Gen Engineering Pte Ltd (Singapore) invested Rs. 608.4 mn in Haywind One Limited and was issued 600,000 ordinary shares.
- Hayleys Fentons Limited, invested Rs. 389.69 mn in Energynet (Pvt) Ltd, a subsidiary of Hayleys Fentons, by taking up the full rights entitlement and was issued 2,726,880 ordinary shares.
- Hayleys Aventura (Private) Limited invested Rs. 194 mn in Celonex (Pvt) Ltd and was issued 1,940,000 ordinary shares.
- Hayleys Power Limited invested Rs. 250 mn in Solar Two (Pvt) Ltd and was issued 25,000,000 ordinary shares.
- Hayleys Agriculture Holdings Limited invested Rs. 390 mn in Hayleys Nature Nest (Pvt) Ltd and was issued 39,000,000 (50%) ordinary shares.
- Singer (Sri Lanka) PLC subscribed to 60,567,388 (21.8%) ordinary voting shares in the Rights Issue of Singer Finance (Lanka) PLC, representing 21.8% of the shares offered for total investment of Rs. 1.6 bn.

- Hayleys Power Limited disposed 100,000 ordinary voting shares of Innovative Health Solutions (Pvt) Ltd to Hayleys Aventura (Private) Limited.
- Hayleys Leisure PLC, invested Rs. 857.7 mn in Sun Tan Beach Resorts Limited, a subsidiary of Hayleys Leisure PLC by subscribing to its full rights entitlement and additional rights shares, acquiring a total of 456,247,280 ordinary voting shares.

New Incorporations

- Hayleys Aventura India (Pvt) Ltd was incorporated on 17th September 2025 as a fully owned subsidiary of Hayleys Aventura Singapore Pte Ltd.
- Mabroc India Private Limited was incorporated on 13th October 2025 as a fully owned subsidiary of Mabroc Teas (Pvt) Ltd.
- Hayleys BSI Pacific Pty Ltd was incorporated on 28th November 2025 as a fully owned subsidiary of Hayleys Business Solution International (Pvt) Ltd.
- Hayleys Green Energy Holdings Ltd was incorporated on 06th January 2026 as a fully owned subsidiary of Hayleys PLC.
- Hayleys Retail Holdings Ltd was incorporated on 06th January 2026. The Company had not commenced operations as at the reporting date and remains in its preparatory stage.
- Advantis Sarens Heavy Lift (Private) Limited was incorporated on 17th March 2026 as a joint venture of Hayleys Advantis Limited (50%) and Sarens Heavy Lift India Private Limited (50%).

Discontinued Operations

As at the reporting date, the Group was committed to transfer the head lease and the operating assets of Luxury Resort (Pvt) Ltd, a wholly owned subsidiary of Hayleys PLC, by entering into a binding offer (Contract) by way of a Letter of Intent dated 03rd February 2026 and an addendum to the binding offer dated 11th April 2026 and an Asset Purchase Agreement signed on 16th May 2026, which comprises the transfer of property, plant & equipment, leasehold rights, intangible assets, and inventories relating to its hotel operations in the Maldives.

In accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the assets and corresponding liabilities directly associated with Luxury Resort Pvt Ltd have been classified as assets held for sale and the subsidiary has been presented as a discontinued operation in the Consolidated Financial Statements. Accordingly, the After Tax Loss from the discontinued operation has been disclosed separately, and comparative information has been restated to conform with the requirements of the standard. Further details are provided in Note 37 to the Financial Statements.

Accordingly, Hayleys PLC has recognized an impairment loss of Rs. 6.88 bn in the Statement of Profit or Loss, which includes an impairment of the investment in Luxury Resort Pvt Ltd amounting to Rs. 2.96 bn and an impairment of balance receivables from Luxury Resort Pvt Ltd amounting to Rs. 3.92 bn.

Amalgamations

- D P L Premier Gloves Limited a fully owned subsidiary of Dipped Products PLC, was amalgamated with Dipped Products PLC on 01st August 2025.
- Ultracarb (Private) Limited a fully owned subsidiary of Haycarb PLC, was amalgamated with Haycarb PLC on 01st October 2025.

Change of Company Names

The following Name changes were carried out during the financial year;

- Nex-Gen Asia (Pvt) Ltd changed its name to Nex Gen Engineering Studio Limited on 29th July 2025, in order to carry on engineering related businesses.
- Global Consumer Brands (Pvt) Ltd changed its name to Fentech Brands Ltd on 26th September 2025 in order to deal with manufacturing, selling and importing of all types of electronic and mechanical machinery for domestic and industrial use.
- Hayleys Electronics Manufacturing (Pvt) Ltd changed its name to Hayleys Mobility Ltd on 2nd October 2025 in order to carry out the business of importing and supplying of all types of vehicles as well as operating electronic charging stations and similar businesses.
- Neluwa Upper Hydro Power (Private) Limited changed its name to Innovative Health Solutions (Pvt) Ltd on 27th November 2025 in order to carry on the business of preventive healthcare solutions.
- Advantis Projects and Engineering (Pvt) Ltd changed its name to Hayleys Engineering (Pvt) Ltd on 05th January 2026 since the company structure was remodeled, and the engineering business vertical was transferred from Advantis Group to Hayleys PLC.
- Reality Lanka Limited changed its name to Realty & Distributors Ltd on 29th January 2026 in order to enter into distribution business.
- Haycolour (Private) Limited changed its name to Celonex (Pvt) Ltd on 12th February 2026 due to expansion of business activities.
- An Advantis Group Company Civaro International Limited, changed its name to Advantis International Limited on 24th March 2026 in order to align with the Group's name.
- Advantis Marine Network Pte. Ltd changed its name to Taru Global Pte. Ltd. on 4th August 2025, since the scope of the business changed from marine activities to trading activities.

Annual Report of the Board of Directors

Major Projects

- Hayleys Fentons Limited, invested Rs. 1 bn and acquired 70% of the share capital of 3W Power Management Limited, a 100 MW solar power project in Nilaweli in December 2025.
- In February 2026, Hayleys Fentons Limited, invested 51% in the equity capital of 6 wind power project companies. The consideration paid up to date to acquire the shareholding is Rs. 138.7 mn per company. Each company is set to develop 10 MW wind power projects in Kalpitiya. The companies are:

- Northgate Wind Power (Pvt) Ltd
- Air Power Energy Solutions (Pvt) Ltd
- Karaitivu Windcity Energy Park (Private) Limited
- Westgate Wind Power Solutions (Pvt) Ltd
- Wind Will Energy (Pvt) Ltd
- Northwest Wind Power Solutions (Pvt) Ltd

- Hayleys Fentons Limited invested Rs. 375 mn in Ceylon Electric Power Development (Pvt) Ltd and acquired 19% of the 50 MW solar power project in Jaffna.

Rights Issue

Hayleys PLC

On 21st January 2026, the Board of Directors resolved to increase the stated capital of the Company by way of a Rights Issue of 45,000,000 ordinary voting shares at a price of Rs. 200/- per share for a total consideration of Rs. 9 bn in the proportion of three (03) new ordinary voting shares for every fifty (50) existing ordinary voting shares held. Subsequent to obtaining the approval in principle from the Colombo Stock Exchange, an Extraordinary General Meeting ("EGM") was held where the resolutions were approved unanimously by the shareholders. The shares were oversubscribed by Rs. 2 bn and the Company allotted the rights shares to those who applied for the rights entitlement in full. The additional shares were allotted on a proportionate basis according to the rights entitlement of the shareholders. On 27th April 2026 the Company issued and allotted 45 mn ordinary voting shares to the shareholders and the shares were listed on the Colombo Stock Exchange on 4th May 2026.

Singer Finance (Lanka) PLC

On 20th May 2025, the Board of Singer Finance (Lanka) PLC resolved a Rights Issue to raise the Tier 1 Capital by Rs. 2.01 bn through the issuance of 75,777,778 ordinary voting shares at a price of Rs. 26.50 per share, subject to the approval of the Central Bank of Sri Lanka and the approval in principle from the Colombo Stock Exchange. The Rights Issue was offered in the proportion of six (06) new ordinary voting shares for every sixteen (16) existing ordinary voting shares held. Unanimous approval was received from the shareholders for the Rights issue at the EGM held on 29th August 2025 upon receiving the approval of the CBSL and the Colombo Stock Exchange.

The Rights Issue was oversubscribed by Rs. 363 mn. The new ordinary shares under the Rights Issue were alloted on 8th October 2025 and were listed on the Colombo Stock Exchange on 14th October 2025.

Sun Tan Beach Resorts Limited

On 30th September 2025, the Board of Directors resolved to increase the stated capital of the Company by way of a Rights Issue of 533,839,504 ordinary voting shares at a price of Rs. 1.88 per share, for a total consideration of Rs. 1 bn by issuing six (6) ordinary voting shares for every five (5) ordinary voting shares held. The shareholders unanimously approved the Rights issue at the EGM. Hayleys Leisure PLC subscribed for 456,247,280 ordinary voting shares (including additional shares), for a total consideration of Rs. 857.74 mn Accordingly, the Rights shares were allotted on 8th October 2025 to the shareholders who applied for their Rights entitlement and additional shares.

Energynet Limited

On 23rd March 2026, the Board of Directors resolved to increase the stated capital of the Company by way of a Rights Issue of 2,726,880 ordinary voting shares at a price of Rs. 143/- per share, for a total consideration of Rs. 389.94 mn by issuing one (1) ordinary voting share for every four (4) shares held. Approval of the shareholders was received and Hayleys Fentons Limited subscribed for their full rights entitlement of 2,726,880 ordinary voting shares at a consideration of Rs. 389.4 mn.

Capitalization of Reserves

Hayleys Fentons Limited

On 30th March 2026, the Board of Directors resolved to capitalise the balances remaining in the General Reserve and Retained Earnings of the Company as at that date and to issue fully paid ordinary shares to the existing shareholders of the Company.

Accordingly, Rs. 3.18 bn was capitalised and 361.38 mn fully paid ordinary voting shares were issued at Rs. 8.797 per share, in the proportion of three (3) new ordinary voting shares for every one (1) ordinary voting share held by shareholders.

Mandatory offer

The Company acquired 778,946 ordinary voting shares, constituting 40.58% of the total issued ordinary voting shares of Harischandra Mills PLC at a price of Rupees Three Thousand Three Hundred (Rs. 3,300/-) per share on 17th October 2025. In terms of Rule 31(1)(a) of the Company Takeovers and Mergers Code, 1995 (as amended in 2003), Hayleys PLC made a mandatory offer to the remaining shareholders of Harischandra Mills PLC to purchase the balance 1,140,654 ordinary voting shares in issue, constituting 59.42%, at a price of Rupees

Three Thousand Three Hundred (Rs. 3,300/-) per share, being the highest price paid by Hayleys PLC for shares of Harischandra Mills PLC within the twelve-month period preceding the date of acquisition.

Subsequent to the offer, the Company holds 780,026 ordinary voting shares of Harischandra Mills PLC, representing 40.63% of the total issued ordinary voting shares of Harischandra Mills PLC.

2.3 Financial Statements of the Company and the Group

The Financial Statements of the Company and the Group are given on pages 358 to 486 of this report.

2.4 Auditors' Report

The Auditor's Report on the Financial Statements of the Company and the Group is given on pages 354 to 357.

2.5 Accounting Policies and changes during the year

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 which requires compliance with Sri Lanka Accounting Standards. The detailed accounting policies adopted in the preparation of the Financial Statements are given on pages 369 to 394. There were no changes to the Accounting Policies used by the Group and the Company during the year.

2.6 Entries in the Interests Register

The Company, in compliance with the Companies Act, maintains an Interests Register. In accordance with the requirement of Section 30 of the Companies Act, particulars of entries in the interests register of the Company and those subsidiaries which have not dispensed with the requirement to maintain interests registers, are detailed below.

2.6.1 Directors' interest in transactions

The Directors of the Company and its Subsidiaries have made the general disclosures in terms of Section 192(2) of the Companies Act. Note to the Financial Statements dealing with related party disclosures includes details of their interests in transactions. In instances where a Director had an interest in contracts (or a relevant interest as per Section 200 of the Companies Act involving the Company), such Director refrained from voting and refrained from being a part of the discussion or decision.

2.6.2 Directors' interests in shares

Directors of the Company and its Subsidiaries who have relevant interests in the shares of the respective Companies have disclosed their shareholdings and any acquisitions/ disposals to their Boards, in compliance with Section 200 of the Companies Act.

Hayleys PLC

Details of Directors' shareholdings in the Company are given on page 503.

Following shares were subscribed by the Directors of the Company pursuant to the Rights Issue.

Mr. A. M. Pandithage: 150,214 shares

Mr. K. D. D. Perera: 22,955,818 shares

Mr. S. C. Ganegoda: 68,301 shares

Mr. H. S. R. Kariyawasan: 5,656 shares

Mr. L. R. V. Waidyaratne: 22,758 shares

Ms. J. Dharmasena: 37,657 shares

Mr. P. Y. S. Perera: 682 shares

Haycarb PLC

- 482,058 shares were purchased during the year by Mr. H. S. R. Kariyawasan and Mrs. K. H. S. Kariyawasan (Joint Account), Mr. H. S. R. Kariyawasan is a Common Director for Hayleys PLC and Haycarb PLC.
- 15,000 shares were purchased during the year by Mr. S. C. Ganegoda. Mr. S. C. Ganegoda is a Common Director of Hayleys PLC and Haycarb PLC.

Alumex PLC

- 80,169,400 shares were disposed during the year by Akbar Brothers (Pvt) Ltd. Mr. S. Munaweera, Non-Executive Director of Alumex PLC and a Director of Akbar Brothers (Pvt) Ltd.

Dipped Products PLC

- 10,000 shares were purchased during the year by Mr. S. C. Ganegoda, Mr. S. C. Ganegoda is a Common Director of Hayleys PLC and Dipped Products PLC.

Talawakelle Tea Estates PLC

- 2,000 shares were purchased during the year by Dr. W. G. R. Rajadurai, the Managing Director of Talawakelle Tea Estates PLC.
- 40,000 shares were purchased during the year by M J F Holdings (Private) Limited. Mr. Malik J. Fernando, is a Non-Executive Director of Talawakelle Tea Estates PLC and a Director of M J F Holdings (Private) Limited.

Kelani Valley Plantations PLC

- 1,000 shares were purchased during the year by Dr. W. G. R. Rajadurai, the Managing Director of Kelani Valley Plantations PLC.

Horana Plantations PLC

- 16,000 shares were purchased during the year and 15,000 shares were disposed during the year by Dr. W. G. R. Rajadurai, the Managing Director of Horana Plantations PLC.

Singer Finance (Lanka) PLC

- 60,567,388 Rights shares were subscribed by Singer (Sri Lanka) PLC during the year. Mr. A. M. Pandithage and Mr. S. C. Ganegoda are common Directors of Hayleys PLC and Singer (Sri Lanka) PLC.
- Mr. T. A. Amarasuriya, Managing Director of Singer Finance (Lanka) PLC subscribed to 18,808 Rights shares and disposed 40,000 shares during the financial year.

Annual Report of the Board of Directors

2.7 Payment of remuneration to Directors

Executive Directors' remuneration is structured within an established framework by the Board's Remuneration Committee, to whom this task has been entrusted. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The total remuneration of Executive Directors for the year ended 31st March 2026, which is given in Note 10 includes the value of perquisites granted to them as part of their terms of service.

The total remuneration of Non-Executive Directors for the year ended 31st March 2026, which is given in Note 10 is determined according to scales of payment decided upon by the Board.

The Board is satisfied that the payment of remuneration is fair to the Company.

Directors' remuneration, in respect of the Company for the financial year 2025/26 is Rs. 1,156 mn (2024/25 - Rs. 939.84 mn) comprising Rs. 1,131.45 mn paid to Executive Directors and Rs. 24.7 mn paid to Non-Executive Directors.

Directors' remuneration in respect of the Company's Subsidiaries for the financial year 2025/26 amounted to Rs. 4.33 bn (2024/25 - Rs. 4.23 bn) comprising Rs. 4.18 bn paid to Executive Directors and Rs. 152.23 mn paid to Non-Executive Directors.

2.7.1 Insurance & Indemnity

The Company has obtained a Directors and Officers Liability insurance cover. This covers the liability towards the Directors and Officers of Hayleys Group in respect of past, present and future negligence subject to terms and conditions of the policy.

2.8 Corporate Donations

Donations by the Company amounted to Rs. 2.98 mn (2024/25 - Rs. 2.96 mn) which includes a sum of Rs. 0.14 mn (2024/25 - Rs. 11.54 mn) made to Government approved charities. Donations by the Subsidiaries amounted to Rs. 51.1 mn (2024/25 - Rs. 32.20 mn).

3 FUTURE DEVELOPMENTS

Future developments are discussed in the Reflections from the Chairman & Chief Executive (pages 35 to 43) and Portfolio Review (pages 212 to 319) of this Report.

4 GROUP REVENUE AND INTERNATIONAL TRADE

The revenue of the Group from its continuing activities was Rs. 585.02 bn (2024/25 - Rs. 490.56 bn) in the year under review. A detailed analysis of the Group's revenue, profit and asset allocation relating to different segments of the Group's businesses is given in Note 40 to the Financial Statements.

The Group's exports from Sri Lanka, amounted to Rs. 205.6 bn (2024/25 - Rs. 203.95 bn) at F.O.B. value in the year under review.

The Group's revenue from International Trade, which includes the revenue of overseas subsidiaries in addition to exports from Sri Lanka, amounted to Rs. 294.89 bn (2024/25 - Rs. 260.43 bn) in the year under review.

Trade between Group companies is conducted at fair market prices.

5 PERFORMANCE AND RESERVES

5.1. Performance

The Group's Profit Before Tax (PBT) from continuing operations amounted to Rs. 38.04 bn (2024/25 - Rs. 36.71 bn). After deducting 14.59 bn (2024/25 - Rs. 12.86 bn) for taxation the profit from continuing operations was Rs. 23.45 bn (2024/25 - Rs. 23.85 bn). Loss from discontinued operations amounted to Rs. 1.23 bn (2024/25 - Rs. 1.37 bn) which resulted in the Group's profit for the year amounted to Rs. 22.22 bn (2024/25 - Rs. 22.51 bn). After deducting Rs. 8.17 bn (2024/25 - Rs. 9.06 bn) to non-controlling interests the profit attributable to the owners of the Parent amounted to Rs. 14.05 bn for the year. (2024/25 - Rs. 13.45 bn).

5.2 Reserves

Total Group Reserves as at 31st March 2026 amounted to Rs. 102.64 bn (2025 - Rs. 91.57 bn). These reserves comprised Capital Reserves of Rs. 1.23 bn (2025 - Rs. 0.98 bn), Other components of equity of Rs. 35.94 bn (2025 - Rs. 34.17 bn), and Revenue Reserves of Rs. 65.46 bn (2025 - Rs.56.43 bn). The composition of the reserves is presented in the Statement of Changes in Equity in the Financial Statements.

6 PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred capital expenditure of Rs. 33.6 bn (2025: Rs. 21.33 bn) on property, plant and equipment (including capital work-in-progress), biological assets, and intangible assets. The Company's capital expenditure for the same period amounted to Rs. 625 mn (2025: Rs. 457.07 mn).

Details of capital expenditure relating to Property, Plant and Equipment (including capital work-in-progress), Investment properties, Biological assets, and Intangible assets, are disclosed in Notes 13, 15, 16 and 17 to the Financial Statements.

Information of extents, locations, number of buildings and valuations of the Group's properties are given in the statement of Value of Real Estate on pages 498 to 501.

7 MARKET VALUE OF FREEHOLD

The freehold lands of the Group has generally been subjected to periodic revaluation by independent qualified valuers. The most recent revaluations of the lands were carried out in 2025. Details of revaluations, carrying values and market values are disclosed in Note 13 to the Financial Statements. The details of freehold land is given in the statement of Value of Real Estate on pages 498 to 501.

8 ISSUE OF SHARES AND DEBENTURES

8.1 Issue of Shares

As the allotment of Rights shares occurred after the reporting date, the rights shares issued have not been included in the number of voting shares for the year ended 31st March 2026.

8.2 Increase of Stated Capital

The stated capital of the Company remained unchanged for the year ended 31st March 2026. Although the Rights Issue was approved during the year, the share allotment was completed subsequent to the reporting date on 27th April 2026. Accordingly, as at 31st March 2026, the Rights Issue amount of Rs. 9 bn was presented separately within equity as Shares Pending Allotment, reflecting the fact that the shares had not yet been formally allotted at the reporting date, despite the capital having been committed.

8.3 Issue of Debentures

- On 23rd March 2026, the Company issued 50,000,000 listed, rated, unsecured, senior redeemable debentures ('Debentures') at a par value of Rs. 100/- each to raise Rs. 5 bn with an option to issue up to a further 20,000,000 Debentures at the discretion of the Company in the event of an oversubscription of the initial issue, thereby raising up to a maximum of Rs. 7 bn. The initial issue was oversubscribed, and accordingly 58,828,200 debentures were allotted to investors, following which the Board decided not to proceed with the issuance of the remaining additional Debentures available under the option granted by the Prospectus.

- On 14th May 2026 the Company issued 50,000,000 listed, rated, unsecured, senior, redeemable debentures at a par value of Rs. 100/- each, to raise Rs. 5 bn with an option to issue a further 20,000,000 debentures at the discretion of the Company in the event of an oversubscription of the initial issue, thereby raising up to a maximum of Rs. 7 bn. The issue was oversubscribed on the first day of opening, and accordingly, 70,000,000 debentures were allotted to investors.

Details of the debentures in issue are disclosed in the Share Information section on page 504 of this Annual Report.

9. SHARE INFORMATION

Information relating to earnings, dividend, net assets, market value per share, share trading and distribution of shareholding is given on pages 502 to 504.

10. SUBSTANTIAL SHAREHOLDINGS

10.1 Major Shareholdings

Details of the twenty largest ordinary shareholders, together with their respective percentage holdings, are given on page 502.

10.2 Public Holding

There were 16,403 (2025 - 13,086) registered shareholders as at 31st March 2026. The percentage of shares held by the public, in accordance with Colombo Stock Exchange rules is 37.09% (2025 - 37.09%). The Float Adjusted Market Capitalization as at 31st March 2026 was Rs. 59.8 bn. The distribution schedule of the number of shareholders is given on page 502.

11. DIRECTORS

a. Hayleys PLC

The names of the Directors who held office during the financial year is given below. Brief profiles of each Director are provided on pages 48 to 51.

Executive Directors

Mr. A. M. Pandithage (Chairman & Chief Executive)

Mr. S. C. Ganegoda

Mr. H. S. R. Kariyawasan

Mr. L. R. V. Waidyaratne

Mrs. J. Dharmasena

Mr. R. J. Karunarajah

Non-Executive Directors

Mr. K. D. D. Perera (Co-Chairman)

Dr. H. Cabral, PC

Mr. K. D. G. Gunaratne

Senior Independent Director

Mr. P. Y. S. Perera (appointed as the Senior Independent Director on 15th September 2025)

Mr. M. Y. A. Perera (resigned from the Board with effect from 15th September 2025)

Independent Directors

Mr. T. A. B. Speldewinde

Mr. A. J. Alles

Mrs. S. R. Fernando
(appointed on 17th September 2025)

b. Rationale for the appointment of a Senior Independent Director

The Board is of the view that, given the Group's diversified operations across 14 business sectors and 20 countries, the current arrangement where the Chairman and Chief Executive roles are combined is the most appropriate for both the Company and the Group and should therefore continue. Accordingly, the Company continues to have a Senior Independent Director in compliance with Section 9.6.3 of the Governance Rules of the Colombo Stock Exchange. Mr. M. Y. A. Perera who served as Senior Independent Director resigned from the Board with effect from 15th September 2025, after serving for 9 years as an Independent Director. Following his resignation, Mr. P. Y. S. Perera was appointed as the new Senior Independent Director of the Company.

The role and responsibilities of the Senior Independent Director are given in the Statement by the Senior Independent Director on page 340.

Annual Report of the Board of Directors

c. Classification of Directors

The basis on which Directors are classified as Independent is discussed in the Corporate Governance Report page 57.

d. Re-election/ Re-appointment of Directors

The Nominations and Governance Committee of the Company has recommended that the Chairman & Chief Executive of the Company Mr. A. M. Pandithage who continues to make a significant contribution to the Board and the Company through his extensive experience, industry knowledge and business acumen is eligible to be re-appointed by the shareholders in terms of Section 211 of the Companies Act, notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

In terms of the Articles of Association of the Company which stipulates that one third of the Directors who have served the longest on the Board shall retire at every Annual General Meeting, except the person holding the office of the Chief Executive/ Managing Director and the newly appointed Directors, the Nominations and Governance Committee have recommended that Mr. K. D. G. Gunaratne, Mrs. J. Dharmasena, Mr. T. A. B. Speldewinde and Mr. P. Y. S. Perera who are due to retire by rotation, are eligible to be re-elected by the shareholders at the Annual General Meeting.

The Nominations and Governance Committee has also recommended that Mrs. S. R. Fernando who was appointed to the Board on 17th September 2025, and who is to be re-elected by the shareholders at the Annual General Meeting in terms of the Articles of Association of the Company, is eligible to be re-elected to the Board.

The Nominations and Governance Committee has ensured that the aforementioned Directors have fulfilled the fit and proper criteria stipulated in the Listing Rules of the CSE. Brief profiles of the Directors are provided in pages 48 to 51. Details of their other principal commitments and directorships are given in pages 48 to 51.

The Board of Directors further confirm that all the Directors have throughout the financial year continuously satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

e. Board Composition

The Board comprises thirteen (13) Directors of whom four (4) are Independent. The Independent Directors have submitted their annual declaration of independence and there has been no impairment of their independence during the year.

The Company remains fully compliant with the requirements in Section 9.8 of the Listing Rules.

f. Alternate Directors

No alternate directors were appointed during the year.

g. Directors of Subsidiaries

The names of the Directors holding office of the Subsidiaries as at the end of the financial year, grouped by Sectors, are given below. The names of the Directors who ceased to hold office during the year are shown within brackets.

Eco Solutions			
A. M. Pandithage	H. S. R. Kariyawasan	S. C. Ganegoda	K. R. Rajapakse
D. K. De S Wijeyeratne	M. J. S. Rajakariar	L. A. K. I. Kodytuakku	L. Uralagamage
Ms. S. Amarasekera, PC	J. A. M. V. D. Hout	K. A. Karunarathna	Ms. K. A. D. B. Perera
Ms. T. Sakakibara	Dr. T. K. D. A. P. Samarasinghe	Dr. N. S. J. Nawaratne	S. Fukushima
A. Venugopal	H. C. S Mendis	Ms. K. E. Weiland	Ms. M. Shiraishi
C. D. Weiland	N. S. Warnapala	W. W. H. C. S. Mendis	T. Fukushima
S. Sukumar	(A. R. K. Jayawardena)	(M. M. A. R. P. Goonathileke)	(R. L. D. K. Gunawardana)
Hand Protection			
A. M. Pandithage	H. S. R. Kariyawasan	R. H. P. Janadheera	S. C. Ganegoda
Ms. K. A. D. B. Perera	Prof. A.P. De Silva	N. A. R. R. S. Nanayakkara	P. Y. S. Perera
K. D. G. Gunaratne	M. N. R. Fernando	T. A. B. Speldewinde	D. P. P. Mendis
B. K. C. R. Ratnasiri	B. A. D. H. C. Mahipala	K. M. D. I. P. Kulathunga	Ms. A. I. Wanigasekera
Dr. R. M. U. N. Ratnayake	Ms. S. V. Wanigasekera	T. Taddei	H. U. A. Fonseka
G. Sharma	P. V. Ajayan	(T. G. Thoradeniya)	(S. A. N. Pushpakumara)
(K. M. D. I. Prasad)			

Purification Products			
A. M. Pandithage	H. S. R. Kariyawasan	B. Balaratnaraja	A. M. Senaratna
S. C. Ganegoda	Ms. M. J. A. S. Abeyratne	M. S. P. Udaya Kumara	P. Y. S. Perera
Ms. K. A. D. B. Perera	M. N. R. Fernando	A. A. M. Caderbhoy	I. A. S. L. Athukorala
Ms. K. Karnchanabatr	Ms. H. N. N. S. Gunawardana	Y. P. A. S. Pathiratna	B. Karnchanabatr
R. Mapahena	M. L. Wickramasinghe	W. Y. Fei	P. Karnchanabatr
J. Yaurai	Ms. C. Techatipmanee	L. Teague	M. Marques
G. M. G. Gunawardane	R. K. A. Karman	Ms. A. I. Wanigasekera	E. Srinivasulu
Ms. T. Gorst	G. Dourdin	T. A. B. Speldewinde	L.R.M.A.L. Karunarathne
K. Karnchanabatr	S. Raje Singh	R. D. Policarpio	C. Rosauer
R. Bittel	Ronny	E. Mense	(B. P. R. Liyanage)
(A. Munevar)	(T. Karnchanabatr)		
Textiles			
A. M. Pandithage	E. R. P. Goonetilleke	S. C. Ganegoda	N. Ekanayake
H. Somashantha	Ms. K. A. D. B. Perera	M. N. R. Fernando	I. B. R. R. Bandara
M. H. Jayasinghe	K. P. C. P. K. Pathirana	T. A. B. Speldewinde	J. A. N. R. Adhihetty

Construction Materials			
A. M. Pandithage	D. W. P. N. Dediwela	S. C. Ganegoda	R. P. P. K. Rajapaksha
M. J. S. Rajakariar	W. D. R. Kumara	Dr. H. Cabral, PC	D. T. R. De Silva
A. J. Alles	(A. A. Akbarally)	(S. Munaweera)	
Plantations			
A. M. Pandithage	Dr. W. G. R. Rajadurai	A. Weerakoon	S. C. Ganegoda
S. B. Alawattegama	S. L. Athukorala	M. C. B. Talwatte	Malik J. Fernando
P. A. L. Fernando	T. A. B. Speldewinde	Ms. A. I. Wanigasekera	F. Mohideen
N. R. Ranatunge	K. D. G. Gunaratne	R. J. Karunarajah	M. F. M. Ismail
Lt. Col. M. Kariyapperuma	T. M. Hewagama	S. P. Peiris	Ms. S. Amarasekera, PC
N. Ekanayake	J. D. N. Gunasekera	Ms. H. D. K. Randiligama	Ms. K. A. D. S. Perera
J. A. Rodrigo	Ms. V. A. Wijeweera	N. P. Abeysinghe	(S. M. Liyanage)
(C. V. Cabraal)			
Agriculture			
A. M. Pandithage	Ms. J. Dharmasena	S. C. Ganegoda	L. N. Abesekara
S. Rajapakse	O. P. K. Chandrasiri	M. Y. A. Perera	Dr. M. A. S. Mallawaarachchi
S. I. H. M. Rahman	S. R. R. Pathirage	S. M. Gamage	H. M. S. Kumara
Ms. D. G. Talpahewa	S. P. K. Gamage	S. M. N. S. Samarakoon	Dr. S. A. B. Wijeratne
M. Symons	S. Kodama	H. M. S. S. Priyankara	M. Yamahara
S. K. A. A. Samarasinghe	H. P. S. V. K. Silva	G. Olbrechts	A. S. Balasooriya
N. R. Ranatunga	Dianwei Huang	C. Zhang	X. Zheng
Dianhui Huang	P. I. Kodippili	(A. C. Pathirage)	(K. D. S. Kiriwaththuduwage)
(W. A. A. P. Wanasinghe)	(W. A. S. P. Wanasighe)		

Annual Report of the Board of Directors

Consumer & Retail			
A. M. Pandithage	Dr. J. A. W. M. Jayasekera	S. C. Ganegoda	M. H. Wijewardene
D. Sooriyaarachchi	M. Y. A. Perera	S. L. Athukorala	D. K. de S. Wijeyeratne
A. K. Halambaarachchige	Ms. K. A. D. B. Perera	K. M. S. P. Herath	K. D. Kospelawatta
D. T. R. De Silva	T. M. V. Tennakoon	Ms. D. G. Talpahewa	Ms. H. M. G. De Alwis
B. T. L. Mendis	H. R. K. H. Dharmasena	T. M. Hewagama	Ms. W. A. I. Sugathadasa
Ms. A. A. K. Amarasinghe	T. A. Amarasuriya	Ms. K. S. S. B. Jayakody	A. J. Alles
D. D. W. Siriwardena	S. D. Seresinhe	Ms. H. S. De Silva	C. V. Cabraal
Leisure			
A. M. Pandithage	R. J. Karunarajah	S. C. Ganegoda	T. A. B. Speldewinde
T. M. Hewagama	Ms. W. D. De Costa	Ms. R. N. Ponnambalam	Ms. K. A. D. B. Perera
D. T. R. De Silva	D. L. C. Fernando	R. S. Tissanayagam	Dr. K. T. M. De Soysa
Dr. P. N. R. Dias	Ms. H. D. K. Randiligama	Ms. K. A. D. S. Perera	Ms. A. A. K. Amarasinghe
S. J. M. Marcelline	A. J. Alles	(N. J. De S. Deva-Aditya)	(S. I. Wijesinghe)
Industry Inputs, Power & Energy			
A. M. Pandithage	Dr. J. A. W. M. Jayasekera	S. C. Ganegoda	Dr. W. G. R. Rajadurai
M. Y. A. Perera	Ms. W. A. I. Sugathadasa	C. Kapugeekiyana	Malik J. Fernando
S. M. H. C. Jayasiri	H. A. Wijayananda	D. Rangalle	H. Akbarally
L. R. V. Waidyaratne	M. H. C. Prematillake	T. M. Hewagama	K. B. M. I. Perera
R. M. S. Fernando	Ms. V. A. Wijayaweera	W. R. Kaluarachchi	Ms. K. S. S. B. Jayakody
V. Hirdaramani	I. G. P. Gamage	I. J. R. P. Ileperuma	J. Mathew
N. P. Abeysinghe	Ms. G. P. Kee	H. H. C. Pushpakumara	H. H. Abdulhusein - Alternate
(A. A. Akbarally)	(S. B. Alawattegama)	(M. Najmudeen)	(P. M. Hirdaramani)
(M. Rahman)	(Dr. Md. Z. H. Tutul)		
Energy, Mobility & Projects			
A. M. Pandithage	S. C. Ganegoda	M. Y. A. Perera	H. P. G. S. E. M. De Alwis
M. H. C. Prematillake	R. S. S. Perera	P. B. J. Gunawardana	J. M. J. Perera
W. I. K. Weerakkody	T. M. Hewagama	Ms. R. Dhamaratne	W. Wijesundara
B. Ponnambalam	Ms. G. P. Kee	G. W. U. D. Chandrarathne	J. T. De Rose
K. J. Chavda	L. Hongze	P. Kishokumar	S. Fukuzono
R. Manickam	(P. R. Kumar)		

Transportation & Logistics			
A. M. Pandithage	L. R. V. Waidyaratne	S. C. Ganegoda	M. Y. A. Perera
Dr. A. B. Ratnayake	I. A. V. A. Perera	A. M. Senaratna	M. I. S. Sabar
K. P. Katulanda	P. J. Jayanetti	R. D. Dharmadasa	A. R. Jowhersha
H. A. H. Rodrigo	W. D. K. de Silva	M. S. M. Rizan	S. Karunaratne
C. I. J. Charles	T. S. D. Peiris	A. Saaid	R. Hassan
Capt. P. L. Cumaratunga	K. D. Wimalaratne	S. N. Wickremesooriya	I. S. Jayathilaka
M. A. J. Ranatunge	G. Ramakrishnan	J. Mathew	R. A. Perera
J. G. Victoria	W. W. J. L. Fernando	C. K. de Zoysa	Ms. C. R. K. Bandara
T. Vaseeharan	Ms. E. M. C. S. Gamage	W. Y. Fei	D. C. Gazara
S. Djohan	C. N. J. Gunawardena	D. T. L. Sanjeewa	R. S. Ramakrishnan
L. Senanayake	J. R. U. De Silva	N. P. Samarasinghe	M. Nabeel
R. L. Karunaratne	A. A. Djohan	S. I. Ramakrishnan	K. Celly
K. S. R. De Abrew	T. Hanajima	A. Govindan	J. D. F. Peries
S. E. J. Abeysundere	K. L. C. Fernando	R. K. Sirinivasan	H. T. N. Perera
D. M. S. Thin	K. M. A. Fernando	S. I. S. M. H. S. Alhashimi	C. P. De Souza
Ms. S. S. De Silva	L. M. J. C. Renou	D. H. Lee	Ms. Jenny
K. Someya	Z. Ganfei	S. Mahadeva	M. Jianxun
W. S. M. Al Adawi	E. B. Mathew	V. V. P. Daluwatte	R. W. P. Polonowita
W. W. D. V. Fernando	M. Horiguchi	H. Sundaram	M. A. G. P. Fernando
B. P. R. Liyanage	Y. Emura	J. Stenbank	T. M. Hewagama
M. Sugioka	Ms. Budi	K. Furukawa	G. D. Wijemanne
T. Yamada	D. A. A. Mon	S. C. B. Rajaguru	Q. He
C. V. B Hulangamuwa	M. R. S. Ahmed	A. A. L. Thibault	C. K. De Silva
S. K. T. Fernando	A. Chowdhury	P. S. Vora	H. W. S. Udayanga
S. Eakwichit	C. L. Sarens	A. L. Gawas	Raimah Chowdhury
H. H. Chowdhury	H. Ishizaki	E. D. Vandendriesen	J. A. C. De Silva
K. S. S. T. Wong	T. E. Joo	L. S. D. Thanthirige	Ms. Rehana Chowdhury
S. Asavasakseri	V. K. Sharma	J. L. Sarens	U. D. C. Udawatte
A. N. Perera	W. Sarens	E. E. Ronen	S. Sibal
G. R. Karayath	T. S. C. James	H. Ishizaki - Alternate	U. L. J. Perera - Alternate
(D. J. A. Wijesinghe)	(J. C. Anandappa)	(M. P. Punchihewa)	(K. Abeywickrama)
(N. B. V. Frils)	(S. K. J. Wijayasinghe)	(Ms. V. Jayasundera)	(W. Shao)
(R. P. Edirisinghe)	(M. S. M. Ibrahim)	(Ms. Z. Yinghui)	(C. James)
(Y. Shimada)	(M. M. Hossain)	(R. E. Lisapaly)	(Mrs. I. Shaheen)
(M.A. Muttalib)	(K. O. I. C. Fernando - Alternate)		

Annual Report of the Board of Directors

Tea Exports			
A. M. Pandithage	S. C. Ganegoda	N. R. Ranatunga	Dr. W. G. R. Rajadurai
R. S. Samarasinghe	S. C. Hikkaduwage	A. Weerakoon	S. B. Alawattegama
T. M. L. J. Peiris	L. Zhiming	K. Wilegoda	M. P. Mariusz
J. Mathew	S. Sieben	C. Gohil	S. Mahadeva
K. Napora	M. Mielnik	T. M. Hewagama	Ms. M. Miszczak
(I. K. Gohil)	(C. Jamnadas)	(N. A. R. S. Nanayakkara)	(Ms. K. Chavda)
(A. A. Ferst)			

Others			
A. M. Pandithage	S. C. Ganegoda	T. M. Hewagama	Ms. D. G. Talpahewa
M. S. Mohamed	Ms. R. Malewana	A. P. Mathangaweera	M. S. M. S. Samarathunga
G. J. W. De Silva	M. L. K. Somaratne	N. J. C. De Mel	W. A. S. Perera
Ms. A. A. K. Amarasinghe	Ms. A. W. M. M. Peiris	Ms. L. D. P. T. K. Liyanage	M. A. Fernando
Ms. H. D. S. Tissera	D. De Silva	Ms. P. Illangasekera	

12. DISCLOSURE OF DIRECTORS' DEALING IN SHARES AND DEBENTURES

Directors' dealings in shares are given under Note 2.6.2 of this report.

Directors' holdings in the ordinary shares of the Company are given on page 503.

None of the Directors hold debentures in by the Hayleys PLC.

13. EMPLOYEE SHARE OWNERSHIP PLANS

The Company does not operate any share option schemes.

14. DIRECTORS' DISCLOSURE OF INTEREST

Disclosure of interest by the Directors of the Company and its subsidiaries are detailed in Note 2.6 above.

15. RELATED PARTY TRANSACTIONS

The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee

The Board of Directors confirms that the Company has complied with the requirements stipulated in Section 9.14 of the CSE Listing rules. More details are given in the Related Party Transactions Review Committee report.

16. ENVIRONMENTAL PROTECTION

The Group's efforts to conserve scarce and non-renewable resources, as well as its environmental objectives and key initiatives, are described in the Natural Capital on pages 208 to 209.

17. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government, other regulatory bodies and employees have been made on time. They further confirm that there have been no material non compliances with law or regulation, nor any applicable material fines, imposed by any government or regulatory authority in any jurisdiction in which the Company and Group operate.

The declaration relating to statutory payments is made in the Statement of Directors' Responsibilities on page 341.

18. RESEARCH AND DEVELOPMENT

Research and development remain a strategic focus of the Group, contributing to innovation and operational excellence. Significant resources have been invested in developing intellectual property, products, and processes, and these efforts will continue to support future growth and improve operational performance.

19. EVENTS AFTER THE REPORTING DATE

No event of material significance requiring adjustment to the Financial Statements that have occurred subsequent to the reporting date, other than those disclosed in Note 35 to the Financial Statements on page 468.

20. GOING CONCERN

The Directors, having considered the financial position, operating environment, regulatory requirements, and other relevant factors including those addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Financial Statements have been prepared on a, the going concern basis.

21. EXPOSURE TO RISK

The Group has a structured risk management process in place to support its operations.

The Hayleys Board of Directors, Audit Committee and the sector Audit Committees play a major role in this process. The Risk Management section of this report elaborates these practices and the Group's risk factors.

22. APPOINTMENT OF AUDITORS

A resolution for the re-appointment of Messrs Ernst & Young, Chartered Accountants, as auditors of the company for the year 2026/27 will be proposed at the Annual General Meeting.

23. AUDITORS' REMUNERATION AND INTEREST IN CONTRACTS

A resolution authorising the Directors to determine their remuneration will be submitted at the Annual General Meeting.

The Auditors, were paid Rs. 3.64 mn (2024/25 - Rs. 3.25 mn), and Rs. 194.06 mn (Rs. 185.7 mn) as audit fees by the Company and its local and overseas Subsidiaries respectively. In addition, they were paid Rs. 1.56 mn (2024/25 - Rs. 2.53 mn) and Rs. 66.55 mn (Rs. 70.30 mn), by the Company and its local and overseas Subsidiaries respectively, for non-audit related work, which consisted mainly of tax consultancy services.

The Auditors of the Company and its Subsidiaries, have confirmed that they have no relationships with, or interests in, the Company or any of its Subsidiaries. other than in their capacity as auditors.

24. RATIOS AND MARKET PRICE INFORMATION

The information relating to equity and debt as required by the listing requirements of the Colombo Stock Exchange are given on pages 502 to 504, and page 18 of this Report.

25. EMPLOYEES & INDUSTRIAL RELATIONS

The Group has a structure and a culture that recognizes the aspirations, competencies and commitment of its employees. Career growth and advancement within the Group is promoted.

Details of Group's human resource practices and employee and industrial relationships are given in Human Capital section of the Capital Management Review.

The number of persons employed by the Group at year-end was 38,746 (2025 - 38,029).

26. COMMUNICATION WITH SHAREHOLDERS

The Group endeavors to ensure equitable treatment to its shareholders. The policy on relations with Shareholders and Investors is available on the Company's website: www.hayleys.com. The contact person for communication with Shareholders is also provided in the website and in the Corporate Information page 540 in this Report.

The Board has established a process to make Directors aware of any major issues and concerns of shareholders, and it is set out in the Governance Report on page 76.

27. INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Group's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

The Board, having reviewed the system of internal controls, covering financial, operational and compliance controls and risk management and having obtained reasonable assurance on their effectiveness, is satisfied with the Group's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.

28. BOARD SUB COMMITTEES

The Board has established and maintains the following sub committees;

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

Please refer pages 343 to 352 for the Board sub committee reports.

29. POLICIES

The Company has adopted all the policies mandated by the Listing Rules of the CSE in addition to other policies of the Company. The policies include Matters relating to Board of Directors, Policy on Board Committees, Policy on Corporate Governance, Nominations and Re-elections, Policy on Internal Code of Business Conduct and Ethics

Annual Report of the Board of Directors

for all Directors and employees including trading in Company shares, Policy on Risk Management and internal controls, Policy on Relations with Shareholders and Investors, Policy on ESG and Sustainability (Hayleys Lifecode), Policy on Control and Management of Company Assets and shareholder investments, Policy on Corporate Disclosures, Policy on Whistle Blowing and Policy on Anti Bribery and Corruption.

These policies are available on the Company's website: www.hayleys.com The Company's Policy on Matters relating to Board of Directors, has set out the specific requirements stipulated in Rule 9.5 of the Listing Rules of the CSE and the Company has been compliant with the requirements of the Policy throughout the year.

30. CORPORATE GOVERNANCE

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been adhered to by the Company. The Corporate Governance Report on pages 57 to 92 discusses this further.

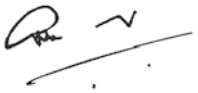
31. DIVIDENDS

The Company paid an interim dividend of Rs. 6/- for the financial year ended 31st March 2026, on 12th February 2026.

32. ANNUAL GENERAL MEETING

The Seventy Fifth Annual General Meeting will be held at the registered office No. 400, Deans Road, Colombo 10, Sri Lanka on Tuesday, 30th June 2026 at 1.00 p.m. The Notice of the Annual General Meeting to the shareholders is given on page 543.

For and on behalf of the Board,



Mohan Pandithage
Chairman & Chief Executive



Sarath Ganegoda
Director



Hayleys Group Services (Private) Limited
Secretaries

29th May 2026

*Comparative figures are shown in bracket

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

The Financial Statements of Hayleys PLC and the Consolidated Financial Statements of the Group as at 31st March 2026 are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by CA Sri Lanka;
- Companies Act No. 07 of 2007;
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Sri Lanka Financial Reporting Standards S1 & S2 Sustainability Disclosure Standards
- Listing Rules of the Colombo Stock Exchange;
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka;
- Finance Companies Corporate Governance Direction No 05 of 2021 issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011.

We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied, as described in the Notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our External Auditors. The SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards become mandatory for the Group in the reporting period under review, and disclosures have been further enhanced in line with the Group's adoption roadmap.

We have also taken proper and sufficient care in installing systems of internal control and accounting records to safeguard assets and to prevent and detect frauds as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by Group's internal auditors. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

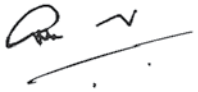
The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the effectiveness of the audits and to discuss auditing, internal control and financial reporting issues. The Independent Auditors and the Internal Auditors have full and free access to the Audit Committee to discuss any matter of substance.

The Financial Statements were audited by independent external auditors, Messers Ernst & Young, Chartered Accountants. Their report is given on pages 354 to 357 of the Annual Report.

The Audit Committee approves the audit and non-audit services provided by the External Auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that,

- the Company and its subsidiaries have complied with all applicable laws, regulations and prudential requirements;
- there are no material non-compliances; and
- there are no material litigations that are pending against the Group other than those disclosed in the Note 32 to the Financial Statements in this Annual Report.



Mohan Pandithage
Chairman & Chief Executive



Milinda Hewagama
Group Chief Financial Officer

29th May 2026

Statement by the Senior Independent Director



The year under review marked my first year serving as the Senior Independent Director of the Company, having assumed the role on 15th September 2025 following the relinquishment of the position by my predecessor to ensure continued compliance with the independence requirements of the Listing Rules of the Colombo Stock Exchange. My appointment was made in accordance with these Rules, which require the appointment of a Senior Independent Director where the roles of Chairman & Chief Executive are combined.

Rationale for the Combined Role of the Chairman & Chief Executive

Due to the complexity of operations in the conglomerate, which has 14 diverse business sectors and 51 overseas companies and the pivotal role played by the Chairman & Chief Executive in terms of cultivating and developing external partnerships, maintaining trust and confidence with business partners and key principals and ensuring the retention of prestigious agencies for the sustenance and growth of the Company and the Group's business as a whole, as well as his executive management skills, integrity, expertise, wealth of experience and business acumen, the Board has decided that the Chairman & Chief Executive should continue to function in the said capacity.

Role of the Senior Independent Director

As the Senior Independent Director of the Company, I remain committed to supporting strong corporate governance, constructive Board dynamics, and effective engagement with Key Management Personnel and other stakeholders.

Activities During the Year

During the year, I maintained regular engagement with the Chairman & Chief Executive, the Non-Executive Directors, and the Board Committees to ensure that the Board operates effectively by bringing in independent judgement and balanced decision-making through diversity of thought, skills, and experience which remained central to the Board's deliberations.

The Board continued to focus on the Group's long-term value creation, capital allocation priorities, risk oversight, succession planning, and maintaining high standards of integrity and accountability. Independent Directors actively challenged and contributed to management proposals, ensuring robust discussion on matters affecting the Group's strategy and operations.

During the year I presided over the meeting of Non-Executive Directors without the presence of the Executive Directors. The performance of the Chairman & Chief Executive and the Executive Directors were appraised at this meeting. The Non-Executive Directors expressed their satisfaction on governance matters and the creditable performance of the Chairman & Chief Executive who created a conducive environment for unfettered opinions and suggestions. A separate meeting was held with only the Independent Directors that provided valuable insights to further strengthen Board effectiveness and governance practices. The outcome of these meetings together with recommendations were duly informed to the Chairman & Chief Executive.

I am satisfied that the Board continues to operate effectively, with open dialogue, mutual respect, and an appropriate balance of skills, experience, and independence. The annual Board evaluation process confirmed that the Board and its Committees continue to operate effectively, with a strong culture of openness. This process enhances the effectiveness of the Board, the Committees and the management of the Company. The Independent/Non-Executive Directors thank the Chairman & Chief Executive and other Executive Directors for the co-operation extended at all times to the Independent/Non-Executive Directors in carrying out their duties.



P. Y. S. Perera
Senior Independent Director

22nd May 2026

Statement of Directors' Responsibilities

This Statement of Directors' Responsibility is to be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the Financial Statements contained in this Annual Report.

The Directors are responsible, under Sections 150 (1), 151, 152 (1), 153 (1) and 153 (2) of the Companies Act No. 07 of 2007 (the Companies Act), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit and loss of the Company and the Group for the financial year.

The Directors are also responsible, under Section 148, of the Companies Act to ensure that proper accounting records are kept to enable determination of the financial position with reasonable accuracy.

The Directors have taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting records which capture all transactions and provide an accurate disclosure of the Company's Financial Position.

In line with the mandatory adoption of SLFRS S1 and SLFRS S2 during the year, the Directors have exercised oversight over the processes and controls established to support the identification, measurement and disclosure of material sustainability-related and climate-related matters and are satisfied that the disclosures presented are consistent with the requirements of the Standards

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected. They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and the Companies Act. They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the Company, key operations and specific inquiries, that adequate resources exist to support the Company on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control and accounting records to prevent and detect frauds and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Directors have confirmed that the Company satisfied the solvency test requirement under Section 56 of the Companies Act for all dividends paid. Auditors' solvency certificates have been obtained as required.

The External Auditors, Messrs Ernst & Young, Chartered Accountants who were re-appointed in terms of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 354 to 357 sets out their responsibilities in relation to the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its subsidiaries as at the Balance Sheet date have been paid or provided where relevant.

By Order of the Board,



Hayleys Group Services (Private) Limited
Secretaries

29th May 2026

Directors' Statement on Internal Controls

The following statement fulfils the requirement to publish the Directors' Statement on internal controls as per the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

The Board of Directors is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and Group. This process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board.

The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of Financial Statements for external purposes and is in accordance with relevant accounting principles and regulatory requirements.

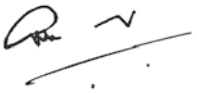
The Board has implemented the following to obtain reasonable assurance that proper systems of internal controls are in place:

- Instituted various committees to assist the Board in ensuring the effectiveness of Company's operations and the operations are in accordance with the corporate strategies and annual budget.
- Implementation of a comprehensive Personal Data Protection framework, aligned with the Sri Lanka Personal Data Protection Act (PDPA) including the appointment of a Group Data Protection Officer
- The Group Management Audit and System Review Department (MA & SRD) to review and report on the internal control environment and control procedures in the Company and Group. Audits are carried out on all subsidiaries in accordance with the annual audit plan approved by the Audit Committee.
- Findings are submitted to the relevant sub audit committees for their review at their periodic meetings and the key observations are tabled at the Group Audit Committee for their review.
- The Audit Committee reviews internal control issues identified by the Group MA & SRD and management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit Committee meetings are tabled at the Board meetings of Hayleys PLC.
- The adoption of new Sri Lanka Accounting Standards comprising LKAS and SLFRS (including SLFRS S1 & S2 Sustainability Disclosure Standards), Processes that are required to comply with new requirements of recognition, measurement, presentation and disclosures were introduced and implemented. The Group has implemented the necessary risk monitoring and reporting processes required to comply with the requirements of the SLFRS S1 and S2 and will continue to drive improvements in these processes to ensure full adoption of the Standards by 2026/27.
- The comments made by External Auditors in connection with the internal control system during the financial year 2024/25 were taken into consideration and appropriate steps have been taken to incorporate them where appropriate.

CONCLUSION

The Board having implemented the above is aware that such systems are designed to manage rather than eliminate the risk of failure to achieve business objective and can only provide reasonable and not absolute assurance against material misstatements of loss.

The Board of Directors confirm that the financial reporting system of Hayleys PLC has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with the Sri Lanka Accounting Standards, requirements of the Company's Act No 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.



Mohan Pandithage
Chairman & Chief Executive



Sarath Ganegoda
Director



Yohan Perera
Chairman, Audit Committee

29th May 2026

Audit Committee Report



60%
Independence
(as at end-March 2026)

04
Meetings

Relevance to Strategy
(Portfolio optimisation, ESG integration)

Composition of the Committee

The Board Audit Committee appointed by and responsible to the Board of Directors comprises three Independent Directors and two Non-Executive Directors, including the Senior Senior Independent Director who chairs the Committee.

The Committee conformed to the requirements of Section 9.13.3 of the Listing Rules of the CSE and were guided by the Corporate Governance principles embodied in the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka.

Name of member	Date of Appointment to the Committee	No. of meetings attended
Mr. P. Y. S. Perera (Senior Independent Director) Appointed as the Chairman of the Committee on 15.09.2025	16.10.2024	4/4
Dr. H. Cabral, PC (Non-Executive Director)	20.04.2011	4/4
Mr. K. D. G. Gunaratne (Non-Executive Director)	17.06.2020	4/4
Mr. T. A. B. Speldewinde (Independent Director)	16.10.2024	4/4
Mr. A. J. Alles (Independent Director)	16.10.2024	4/4
Mr. M. Y. A. Perera * (Senior Independent Director)	Resigned on 15.09.2025	1/1

** Mr. M. Y. A. Perera who served as the Chairman of the Audit Committee and Senior Independent Director of the Board having completed nine years as an Independent Director resigned from his position as a Board member to comply with the Corporate Governance rules.*

Profiles of the members are indicated in pages 48 to 51.

The Chairman of the Audit Committee is a member of a recognized accounting body.

The individual and collective financial knowledge and business acumen and the independence of the Committee members are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Attendees by Invitation

The Chairman & Chief Executive, Group Chief Financial Officer and Head – Group Management Audit & System Review attend all the meetings of the Committee.

Secretaries to the Committee

Hayleys Group Services (Private) Limited serves as the Secretary to the Committee.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to make sure that new developments relate to the function of the Committee. The Charter of the Committee was last reviewed and approved by the Board in March 2026. The Terms of Reference of the Committee are clearly defined in the Charter of the Audit Committee. The Terms of Reference was revised during the year under review to include oversight responsibilities on Sustainability and ESG reporting.

Rules on Corporate Governance under Listing Rules of the Colombo Stock Exchange, 'Code of Best Practice on Corporate Governance' issued by Institute of Chartered Accountants of Sri Lanka in 2023 and in the case of the subsidiary company, Singer Finance (Lanka) PLC 'Finance Leasing (Corporate Governance) Direction No 05 of 2021 issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011', further regulate the composition, roles and functions of the Board Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE

The Committee met on a quarterly basis during the year. The attendance of the members is stated in the given table.

Other members of the Board and the Group Management Committee, as well as the External Auditors were present at discussions where it was appropriate. The proceedings of the Audit Committee are regularly reported to the Board of Directors by tabling the minutes of the Committee meetings and an update by the Chairman of the Committee on matters that require the attention of the Board.

Audit Committee Report

THE AUTHORITY OF THE AUDIT COMMITTEE

- Recommend appointment, dismissal, service period and audit fee of the external auditors.
- Establish and maintain a direct communication channel with the external auditors.
- Resolve any issues regarding financial reporting between the management and the external auditor.
- Pre-approve all auditing and non-audit services performed by the external audit firm and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the management and external auditors as necessary to carry out the assigned duties.

ACTIVITIES IN 2025/26 FINANCIAL REPORTING SYSTEM

The Committee reviewed the financial reporting system adopted by the Group in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Finance and Directors-in-charge of operating units. The Committee recommended the Financial Statements to the Board for its deliberations and issuance.

The Committee, in its evaluation of the financial reporting system, also recognized the adequacy of the content and quality of routine management information reports forwarded to its members.

INTERNAL CONTROLS

The Committee reviewed the process to assess the effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

The Group Management Audit & Systems Review Department (MA & SRD) reports on key control elements and procedures in Group companies that are selected according to a group annual audit plan. During the year 2025/26, 767 audits were performed covering all 18 verticals of the Group. Significant findings and recommendations together with management's responses of the review of the internal controls carried out by internal auditors and provide recommendations for improvement.

The internal audits of certain verticals were outsourced in the financial year 2025/26 to leading audit firms in line with an agreed annual group audit plan. The Committee also invited representatives from the audit firms to make presentations on their observations and findings.

Follow-up reviews were scheduled to ascertain that audit recommendations are being acted upon.

The Committee evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the Group Management Audit & Systems Review Department and other internal auditors in the conduct of their assignments.

RISK MANAGEMENT

The Committee obtained and reviewed the Key Business Risks Dashboard of Business verticals identifying their respective major business risks, mitigatory action taken or contemplated for management of these risks. The COSO Enterprise Risk Reporting Process is presently being implemented within the Group.

The Committee maintains a close oversight of the information security systems of the Group to ensure that its digital infrastructure remains resilient against external threats and internal vulnerabilities.

The Audit Committee also conducted ESG risk assessments during the year, thereby identifying, prioritizing and monitoring sustainability-related risks and opportunities.

Review of risk management, internal controls, business continuity planning and information security systems are carried out and appropriate remedial actions are recommended to the Board.

SUBSIDIARY COMPANY AUDIT COMMITTEES

Within the Hayleys Group, there are 18 verticals consisting of 13 listed subsidiaries and 5 unlisted subsidiaries which have appointed their own Audit Committees comprising Independent Non-Executive Directors and have met four times each during the year 2025/26. These Audit Committees function independent of the Audit Committee of Hayleys PLC but have similar Terms of Reference. The minutes of their meetings were made available to Hayleys Audit Committee.

EXTERNAL AUDITS

The Committee held meetings with the External Auditors to review the Audit Plan detailing the nature, approach, scope of the audit. Further, the External Auditor presented to the Audit Committee, the Audit Results prior to the conclusion of the audit. The External Auditors' Management Letters of Group Companies were reviewed by the Audit Committee. Actions taken by the management in response to the issues raised, as well as the effectiveness of the internal controls in place, were discussed with the heads of business units. Remedial actions were recommended wherever necessary.

The Committee reviewed the Auditors' Declaration regarding their independence and is satisfied that the independence of the External Auditors has not been impaired. The nature of services provided by the Auditors, audit fees, expenses and any non-audit services were also scrutinized to ensure their independence is maintained throughout the financial year. Messers Ernst & Young have served as the External Auditors of the Company for sixteen (16) years, and a Partner rotation of the External Auditor takes place periodically. The current audit partner has served in the role for one (01) year.

APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young., continue as Auditors for the financial year ending 31st March 2027 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the financial year 2025/26.

COMPLIANCE

The Committee obtained representations from respective MD's and CFOs of Group Companies on the adequacy of provisions made for possible liabilities and reviewed reports tabled by Group Companies certifying their compliance with relevant statutory requirements. Further, the Committee obtained regular updates from Head of HR and Legal regarding compliance matters.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasized upholding ethical values of the staff members. In this regard, Code of Ethics, Whistle-Blowers Policies and Anti-corruption Policies were put in place and followed educating and encouraging all members of staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The Whistle-Blower Policy guarantees strict confidentiality of the identity of the Whistle-Blowers.

SRI LANKA ACCOUNTING STANDARDS

Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group companies and made recommendation to the Board of Directors.

Progress of implementation of SLFRS:

The Committee continuously monitored the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards.

The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

SUPPORT TO THE COMMITTEE

The Committee received information and support from management during the year to enable it to carry out its duties and responsibilities effectively.



P. Y. S. Perera
Chairman – Audit Committee

29th May 2026

Nominations and Governance Committee Report



60%
Independence
(as at end-March 2026)

03
Meetings

Relevance to Strategy
(Portfolio optimisation, ESG integration)

Composition of the Committee

The Board Nominations and Governance Committee during the year under review conformed to the requirements of Section 9.11 of the Listing Rules of the Colombo Stock Exchange and were guided by the corporate governance principles embodied in the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka.

In accordance with Section 9.11.4 the Nominations and Governance Committee comprises three Independent Directors including the Senior Independent Director who chairs the Committee, and two Non-Executive Directors.

Name of member	Date of Appointment to the Committee	No. of meetings attended
Mr. P. Y. S. Perera (Senior Independent Director) Appointed as the Chairman of the Committee on 15.09.2025	23.12.2024	3/3
Dr. H. Cabral, PC (Non-Executive Director)	20.04.2011	3/3
Mr. K. D. G. Gunaratne (Non-Executive Director)	01.11.2023	3/3
Mr. T. A. B. Speldewinde (Independent Director)	17.05.2024	3/3
Mr. A. J. Alles (Independent Director)	15.09.2025	3/3
Mr. M. Y. A. Perera * (Senior Independent Director)	Resigned on 15.09.2025	-

** Mr. M. Y. A. Perera who served as the Chairman of the Nominations and Governance Committee and Senior Independent Director of the Board having completed nine years as an Independent Director resigned from his position as a Board member to comply with the Corporate Governance rules.*

Profiles of the members are indicated in pages 48 to 51.

Attendees by Invitation

The Chairman & Chief Executive participated in all deliberations except in matters which were in relation to himself.

Secretaries to the Committee

Hayleys Group Services (Private) Limited serves as the Secretary to the Committee.

The Board has approved well-defined Terms of Reference outlining the Committee's purpose, composition, quorum, authority, responsibilities, and meeting related matters.

DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- To approve a formal and transparent procedure to evaluate and recommend the appointment of Directors of the Company considering the required skills, experience and qualifications necessary.
- Maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- To consider and recommend (or not recommend) the re-election of current Directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- To approve a suitable process for the periodic evaluation of the performance of the Board Directors and the Chairman & Chief Executive of the Company to ensure their responsibilities are satisfactorily discharged.

- To review the succession plans for Board of Directors and Group Management Committee Members.
- To review and recommend the overall corporate governance framework of the Company, taking into account the Listing Rules and other applicable regulatory requirements and industry best practices.
- To review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- To periodically review the insurance cover "Directors' and Officers' Liability Cover" for Directors and other Key Management Personnel.
- To receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

ACTIVITIES DURING THE YEAR

The Committee reviewed and evaluated the profile of the proposed Directors and recommended their appointment to the Board. The Committee also reviewed the structure and composition of the Board and Board Committees and recommended additions to Committees. Accordingly, the Board sought to enhance its diversity across areas such as experience, skills, age, and gender to support the effective discharge of its responsibilities.

Board performance evaluation was carried out and discussed at Board meetings. This entails the evaluation of performance of the Board, Sub-Committees and the performance of the Chairman & Chief Executive.

The succession Plan for the Board of Directors and the Group Management Committee Members was also reviewed and approved by the Committee.

The Company's policies were reviewed during the year and necessary amendments were incorporated. The Committee ensured that the Policies were uploaded on the Company website. The list of Policies of the Company is given on page 337 of the Annual Report of the Board of Directors. The Charter and Terms of Reference of the Committee were reviewed and amended where necessary.

The Committee also evaluated the Independence of the Directors against the criteria for independence as set out in the Listing Rules. The Committee ensured that the declaration of independence is carried out by the Independent Directors and concluded that all Independent Directors of the Company meet the criteria for determining independence. The Committee also evaluated all the Directors against the Fit and Proper assessment criteria.

The Committee ensured that Corporate Governance rules stipulated by the Colombo Stock Exchange were adhered to by the Board and the Company throughout the year.

The newly appointed Director was inducted to the Board by giving adequate information on the Group companies and their respective local and foreign operations. During the year, the Committee also updated the Board on Corporate Governance, Listing Rules, market regulation, and the Companies (Amendment) Act No. 12 of 2025.

RE-APPOINTMENTS / RE- ELECTIONS

One Third (1/3) of all the Directors, except the Chairman & Chief Executive and those who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Mr. K. D. G. Gunaratne, Mrs. J. Dharmasena, Mr. T. A. B. Speldewinde and Mr. P. Y. S. Perera to the Board at the Annual General Meeting to be held on 30th June 2026, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. K. D. G. Gunaratne, Non-Executive Director, was appointed to the Board on 01st October 2019 and last re-appointed as a Director in 2023. His directorships and other principal commitments are given in the profile on page 50. He serves on the Audit Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and the Remuneration Committee of the Company.

Mrs. J. Dharmasena, Executive Director, was appointed to the Board on 01st April 2018 and last re-appointed as a Director in 2023. Her directorships and other principal commitments are given in the profile on page 50. She does not serve on any Board Committees.

Mr. T. A. B. Speldewinde, Independent Non-Executive Director, was appointed to the Board on 03rd January 2024. His directorships and other principal commitments are given in the profile on page 50. He serves as the Chairman of the Related Party Transactions Review Committee, and as a member of the Audit Committee, Nominations and Governance Committee, and the Remuneration Committee of the Company.

Mr. P. Y. S. Perera was appointed to the Board on 01st April 2024 and appointed as the Senior Independent Director on 15th September 2025. His directorships and other principal commitments are given in the profile on page 50. He serves as the Chairman of

Nominations and Governance Committee Report

the Audit Committee, Nominations and Governance Committee, Remuneration Committee and as a member of the Related Party Transactions Review Committee of the Company.

Mrs. S. R. Fernando, Independent Non-Executive Director who was appointed to the Board on 17th September 2025, comes up for re-election at the Annual General Meeting. She does not serve on any Board Committees of the Company. Her profile is given on page 51 which contains her other principal commitments.

Due to the invaluable contribution made to the Board as a result of his many years of experience, industry knowledge and business acumen, the Committee has recommended to re-appoint Mr. A. M. Pandithage, Chairman & Chief Executive who is over seventy years, and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

The Committee affirms that it has met the Corporate Governance requirements stipulated in the Listing Rules of the Colombo Stock Exchange and further details are given in the Corporate Governance narrative from pages 80 to 85.



P. Y. S. Perera
Chairman - Nominations and Governance Committee

22nd May 2026

Remuneration Committee Report



60%
Independence
(as at end-March 2026)

03
Meetings

Relevance to Strategy
(Portfolio optimisation, ESG integration)

Composition of the Committee

The Board Remuneration Committee during the year under review conformed to the requirements of Section 9.12 of the Listing Rules of the CSE and were guided by the corporate governance principles embodied in the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka.

In accordance with Section 9.12.6 the Remuneration Committee comprises three Independent Directors including the Senior Independent Director who chairs the Committee, and two Non-Executive Directors.

Name of member	Date of Appointment to the Committee	No. of meetings attended
Mr. P. Y. S. Perera (Senior Independent Director) Appointed as the Chairman of the Committee on 15.09.2025	23.12.2024	3/3
Dr. H. Cabral, PC (Non-Executive Director)	20.04.2011	3/3
Mr. K. D. G. Gunaratne (Non-Executive Director)	21.04.2023	3/3
Mr. T. A. B. Speldewinde (Independent Director)	17.05.2024	3/3
Mr. A. J. Alles (Independent Director)	15.09.2025	3/3
Mr. M. Y. A. Perera * (Senior Independent Director)	Resigned on 15.09.2025	-

** Mr. M. Y. A. Perera who served as the Chairman of the Remuneration Committee and Senior Independent Director of the Board having completed nine years as an Independent Director resigned from his position as a Board member to comply with the Corporate Governance rules.*

Profiles of the members are indicated in pages 48 to 51.

Attendees by Invitation

The Chairman & Chief Executive participated in all deliberations except in matters which were in relation to himself.

Secretaries to the Committee

Hayleys Group Services (Private) Limited serves as the Secretary to the Committee.

The Remuneration Committee has well defined Terms of Reference outlining the Committee's, composition, quorum, authority, responsibilities and meeting related matters. The Committee comprises three Independent Non-Executive Directors and two Non-Executive Directors who are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The Committee is responsible to the Board to determine the policy of the remuneration package of the Chief Executive, Executive and Non-Executive Directors and the Key Management Personnel.

The Committee evaluates, assesses and recommends to the Board of Directors on matters that may affect Human Resources Management of the Company and specifically include;

- Review and approve the Remuneration Policy of the Company and its specific application to the Executive Directors and Key Management Personnel.
- Review the process of determination of the compensation of the Chief Executive, Executive Directors and Key Management Personnel.
- Review and approve guidelines, policies and parameters for the compensation structures for Senior Management of the Company.
- Review information related to Executive Directors' and Senior Management pay from time to time to ensure same is on par with the market/industry rates.

Remuneration Committee Report

- Approve the guidelines and parameters for annual salary increments and bonuses.
- Assist the Board of Directors to comply with the obligations under Section 216 of the Companies Act No. 7 of 2007 read together with the Articles of Association of the Company when approving remuneration of Directors including the basis under which the remuneration may be considered fair to the Company.

REMUNERATION POLICY

The Company's Remuneration Policy is designed to attract, motivate, and retain a highly qualified and experienced executive team, while rewarding performance in alignment with industry benchmarks and market practices.

The remuneration schemes provide compensation appropriate for each business within the Company and commensurate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder returns. The Policy also ensures that Executive Directors and Key Management Personnel are appropriately incentivised and motivated to perform in the best interest of the Company in the long term.

The remuneration packages which are linked to individual performances are aligned with the Companies short term and long-term strategy.

Non-Executive Directors receive a fee for serving on the Board and serving on Sub-Committees. They do not receive any performance related incentive payments. The Policy ensures that Non-Executive Directors' fee is based on principles of non-discriminatory pay practices among them so that their independence is not impaired.

ACTIVITIES IN 2025/26

During the year the Committee reviewed the performance of the Chairman & Chief Executive, Executive Directors and Key Management Personnel based on the targets set in the previous year. The Committee also reviewed the Chief Executive's, Executives Directors, and Senior Management's compensation packages. The Committee also recommended increments and market-based adjustments to total compensation packages to ensure alignment with median market benchmarks. According to performance measurements, bonus payments were also reviewed and recommended. Revised Terms of Reference of the Committee were also reviewed and forwarded for Board approval.

During the year, the remuneration of Non-Executive Directors was reviewed and revised where appropriate, while a comprehensive salary benchmarking exercise was undertaken for members of the Group Management Committee (GMC)

The aggregate remuneration of the Executive and Non-Executive Directors for the financial year amounted to Rs. 5.48 bn.



P. Y. S. Perera
Chairman – Remuneration Committee

22nd May 2026

Related Party Transactions Review Committee Report



60%
Independence
(as at end-March 2026)

04
Meetings

Relevance to Strategy
(Portfolio optimisation, ESG integration)

Composition of the Committee

The Related Party Transactions Review Committee during the year under review conformed to the requirements of Section 9.14 of the Listing Rules of the CSE and were guided by the corporate governance principles embodied in the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka.

In accordance with Section 9.14.2 the Related Party Transactions Review Committee comprises three Independent Directors including the Senior Independent Director and two Non-Executive Directors.

Name of member	Date of Appointment to the Committee	No. of meetings attended
Mr. T. A. B. Speldewinde (Independent Director) Appointed as the Chairman of the Committee on 15.09.2025	17.05.2024	4/4
Dr. H. Cabral, PC (Non-Executive Director)	10.02.2015	4/4
Mr. K. D. G. Gunaratne (Non-Executive Director)	23.12.2024	4/4
Mr. P. Y. S. Perera (Senior Independent Director)	23.12.2024	4/4
Mr. A. J. Alles (Independent Director)	15.09.2025	3/3
Mr. M. Y. A. Perera (Senior Independent Director)	Resigned on 15.09.2025	1/1

Profiles of the members are indicated in pages 48 to 51.

Regular Attendees by Invitation

Mr. A. M. Pandithage - The Chairman & Chief Executive
Mr. T. M. Hewagama - Group Chief Financial Officer
Mr. S.C. Ganegoda - Executive Director
Ms. D.G. Talpahewa - Head of Group Legal & HR

Secretaries to the Committee

Hayleys Group Services (Private) Limited serves as the Secretary to the Committee.

The Board established the Related Party Transactions Review Committee (RPTRC) on 10th February 2015 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange.

The RPTRC also complies with the Code of Best Practice on Related Party Transactions issued by CA Sri Lanka. The Committee comprises three Independent Non-Executive Directors and two Non-Executive Directors.

The Board appointed Mr. T.A.B. Speldewinde as the Chairman of the Related Party Transactions Review Committee on 15th September 2025 upon the recommendations of the Nominations and Governance Committee.

The Committee met four times on a quarterly basis, during the Financial Year 2025/26, to review the related party transactions. The minutes of the RPTRC meetings are tabled at Board meetings, thereby providing the Directors with access to the deliberations of the Committee.

The Committee assists the Board in reviewing all related party transactions carried out by the Company to ensure that the interests of shareholders as a whole are taken into account when entering into related party transactions, and also to ensure that Directors and Key Management Personnel do not secure any undue advantage due to their positions, thereby avoiding any conflicts of interest. The Committee also assists the Board in maintaining transparency in relation to related party transactions with required disclosures.

Related Party Transactions Review Committee Report

THE DUTIES OF THE COMMITTEE

- To review in advance all proposed related party transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from the Management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To review all non recurrent related party transactions while recurrent related party transactions are entered into on an arm's length basis determined by market forces and as per pre-approved criteria determined by the Committee, and ensure that details of those are presented to the Committee every quarter.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the Management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/ non-recurrent related party transactions
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining competent independent advice from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.
- To advise the Board in making immediate market disclosures on applicable related party transactions as per Rule 9.14.7, and in the Annual Report as per Rule 9.14.8 of the Listing Rules.

Policy and Terms of Reference

The Committee strengthened the Policy and Terms of Reference for the RPTRC with the approval of the Board. The Terms of Reference set forth the procedure to identify related parties and the process of reporting the transactions with related parties to the RPTRC on a quarterly basis. The Policy outlines the composition of the Committee, meeting procedures and the responsibilities of the Committee. It also specifies the approval processes and disclosure requirements, including market announcements and Annual Report disclosures. The Policy guides the Committee and makes them responsible for ensuring that no director or major shareholder takes advantage of their position to the detriment of the interest of minority shareholders.

COMMITTEE ACTIVITIES

During the year the RPTRC reviewed the related party transactions and their compliances of Hayleys PLC and its Group Companies (other than listed companies within the Group), and communicated the comments and observations to the Board of Directors and relevant companies.

In accordance with the RPT Policy, self-declarations were obtained from each Director for the purpose of identifying parties related to them. The Committee in its review process recognized the adequacy of the content and quality of the information forwarded to its members by the Management.

The Committee on an annual basis, reviews and assesses ongoing relationships with the Related Parties to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 38 to the Financial Statements given in pages 470 to 474 to this report.

DECLARATION

In terms of Rule 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange, a declaration by the Board of Directors as an affirmative statement of compliance with Listing Rules pertaining to Related Party Transactions is given on page 336 of this Annual Report.



T. A. B. Speldewinde
Chairman - Related Party Transactions Review Committee

29th May 2026

Bring this Story to Life

A SPHERE OF RENEWAL

Seasonal cycles are driven by the Earth's axial tilt and its orbit around the sun, creating predictable variations in solar exposure throughout the year. These shifts influence temperature, daylight, and biological activity, guiding phases of renewal, growth, maturity, and dormancy. Each season plays a distinct role in maintaining ecological balance, ensuring that systems recover, adapt, and prepare for what follows. This continuous cycle builds resilience, allowing natural environments to evolve while remaining stable.

During the year, Hayleys PLC entered a phase of recalibration; reassessing performance, refining priorities, and strengthening our foundation for what lies ahead. We used this season to sharpen our direction and build momentum for future growth through a disciplined approach, while positioning ourselves for continued progress.

FINANCIAL CALENDAR 2025/26

1st Quarter Report	13th August 2025
2nd Quarter Report	13th November 2025
3rd Quarter Report	13th February 2026
4th Quarter Report	29th May 2026
Annual Report 2025/26	8th June 2026
75th Annual General Meeting	30th June 2026
Interim Dividend	12th February 2026

Independent Auditor's Report

Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF HAYLEYS PLC

Opinion

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

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as 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 Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue The Group's revenue for the year amounted to Rs. 585.02 bn and was derived from diverse industry segments as disclosed in Notes 3.22 and 6 to the financial statements. Revenue was a key audit matter due to; • the materiality of the revenue reported and the significance of the amounts generated from industry specific sales arrangements for products and services; and • the considerations to be made on terms attached to sales arrangements, particularly relating to the timing of transferring control over goods sold and services provided.	Our audit procedures included the following key procedures: • obtained an understanding of the nature of revenue contracts entered in to by the industry segments of the Group • assessed whether the accounting policy for revenue recognition for each industry segment has been appropriately applied. • tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue.

Key audit matter	How our audit addressed the key audit matter

	• performed analytical procedures to understand and assess the reasonableness of the reported revenues.
	• tested revenue transactions to sales contracts and other supporting documents. Our procedures included testing:
	  • revenue transactions at the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; In particular, we tested how terms of specific sales arrangements for products and services were considered within the revenue recognition process, and
	  • journal entries recognized to revenue.
	We also assessed the adequacy of the related disclosures set out in Notes 3.22 and 6 to the financial statements.

Carrying value of inventories As of the reporting date, the carrying value of inventories of the Group amounted to Rs. 116.37 billion net of provision of Rs. 10.35 billion as disclosed in Note 21 to the financial statements. Carrying value of inventories was a key audit matter due to; • materiality of the reported inventory balance which represented 18% of the Group's total assets as of the reporting date; • the existence of diverse industry specific inventories; and • the use of significant management judgement over identifying inventories requiring write down to net realizable value (NRV) and in the determination of the provision, as disclosed in Notes 5.6 and 21 to the financial statements.	Our audit procedures to address this area of focus included the following: • obtained an understanding of inventories maintained by industry segments, together with key processes and controls relating to inventories; • observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported • tested whether inventories were stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices; • assessed the reasonableness of judgements applied by management in the write down of inventories to NRV and estimation of the provision for inventories. Our procedures included testing the completeness and accuracy of inventory age reports used as a basis to estimate the provision. We also assessed the adequacy of disclosures made in relation to the measurement of inventories in Notes 5.6 and 21 to the financial statements.

Impairment allowance for current and non-current trade and other receivables in the Consumer & Retail segment of the Group
The Group has recognised an allowance for expected credit losses of Rs. 8.69 billion for current and non-current trade and other receivables as disclosed in Note 22 in the financial statements. The allowance recorded in the Consumer and Retail segment of the Group amounts to Rs. 4.67 billion.
The impairment allowance for current and non-current trade and other receivables in the Consumer & Retail segment of the Group was a key audit matter due to;
• the degree of judgements, significance of assumptions and level of estimation uncertainty associated with estimating future cash flows management expects to receive from such financial assets.
	Our audit procedures included the following:
	• We evaluated the competence and independence of the firm of chartered accountants performing the component audit of the Consumer and Retail segment.
	• With the involvement of component auditors where relevant, we
	  • assessed the appropriateness of the selection of accounting policies based on the requirements of the SLFRS 09, business understanding and industry practice
	  • evaluated the appropriateness of the management approach over the application and use of practical expedients applied for SLFRS 9
	  • assessed management's processes, systems and controls implemented over impairment assessment, including the completeness, accuracy and relevance of data used
	  • assessed the logics and compilation of the overdue information of loans and advances, finance lease receivables and hire purchases,

Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
• the materiality of the reported amount of allowances for expected credit losses. Such assumptions, judgements and estimates include incorporation of forward-looking information such that expected cashflows reflect current and anticipated future external factors.	• evaluated the appropriateness of the assumptions used based on knowledge and information of the client and the industry and assessed whether the macro-economic factors have been used with the latest available information to assess that the latest economic forecasts have been used, and • tested the mathematical accuracy of models applied and post- model adjustments. We have also assessed the adequacy of the disclosures made in Note 3.9 and Note 22 in the financial statements.
Discontinued operations and assets held for sale As disclosed in note 37, the group was committed to transfer the head lease and the operating assets which comprises the transfer of property, plant and equipment, leasehold rights, intangible assets, and inventories relating to its hotel operations in the Maldives. This was considered as a key audit matter due to; • The significant management judgements and estimates that were involved in assessing the classification of assets and liabilities as held for sale, determining the necessary adjustments to the carrying amounts, the presentation as a discontinued operation, and the adequacy of related disclosures. • The judgements and estimates made by the management to determine the impact of the above transaction to the parent company Hayleys PLC and group are as disclosed in Notes 3.11, 8, 18, 37, 38.3.2.1 and 42 to the Financial Statements.	Our audit procedures included the following key procedures: • We read the related contracts and other supporting documentation to understand the key terms and conditions of the transaction including its nature, timing, and any significant contingencies. We evaluated whether a binding commitment existed as at the reporting date. • We evaluated the reasonableness of management's judgements and estimates in determining adjustments to the carrying amounts of the assets and liabilities, including the recognition of impairment. This included testing the key computations and underlying data. • We assessed the reasonableness of the recorded amount of impairment of the Company's investment, transfer and write-off of related balances of the respective subsidiary companies by agreeing amounts to supporting documentation and evaluating the basis for transfer and write-off. • We assessed the appropriateness of management's classification of the respective subsidiary's assets and liabilities as held for sale, and the presentation of its results as a discontinued operation. Further, we evaluated the adequacy of the related disclosures in Note 3.11, 8, 37, 18, 38.3.2.1 and 42 to the financial statements.

Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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 the 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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

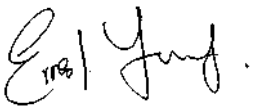
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3755.



29th May 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms Y A De Silva FCA, Ms. G G Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) – MIS Msc – IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

For the year ended 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Continuing operations					
Revenue	6	585,021,102	490,558,095	677,647	637,020
Cost of sales		(442,273,171)	(369,059,565)	(662,340)	(576,521)
Direct interest cost		(6,571,295)	(4,177,595)	-	-
Gross profit		136,176,636	117,320,935	15,307	60,499
Group dividend		-	-	6,471,722	5,749,182
Other income	7	3,687,634	5,063,926	83,570	846
Distribution expenses		(23,737,831)	(17,846,214)	-	-
Administrative expenses		(65,209,075)	(55,069,773)	1,022,105	1,662,769
Other expenses	8	(1,550,682)	(1,070,435)	(6,892,408)	-
Results from operating activities		49,366,682	48,398,439	700,296	7,473,296
Finance income	9.1	9,130,535	6,962,801	1,863,855	124,169
Finance cost	9.2	(19,934,812)	(18,401,096)	(4,150,156)	(3,288,357)
Net finance cost		(10,804,277)	(11,438,295)	(2,286,301)	(3,164,188)
Change in fair value of investment properties	15	132,394	112,999	2,200	550
Share of profit of equity accounted investees (net of tax)	18	379,120	237,074	-	-
Value added tax on financial services		(1,036,182)	(600,530)	-	-
Profit/ (Loss) before tax	10	38,037,737	36,709,687	(1,583,805)	4,309,658
Tax expense	11	(14,586,788)	(12,860,429)	147,954	(318,098)
Profit/ (Loss) for the year from continuing operations		23,450,949	23,849,258	(1,435,851)	3,991,560
Discontinued operations					
Loss for the year from discontinued operations (net of tax)	37	(1,227,977)	(1,336,666)	-	-
Profit/ (Loss) for the year		22,222,972	22,512,592	(1,435,851)	3,991,560
Profit/ (Loss) for the period attributable to:					
Owners of the parent		14,051,822	13,449,129	(1,435,851)	3,991,560
Non-controlling interest		8,171,150	9,063,463	-	-
Profit/ (Loss) for the year		22,222,972	22,512,592	(1,435,851)	3,991,560
Earnings per share					
Basic - (Rs.)	12	18.71	17.91	(1.91)	5.31
Diluted - (Rs.)	12	18.71	17.91	(1.91)	5.31
Earnings per share from continuing operations					
Basic - (Rs.)	12	20.34	19.69	(1.64)	(1.78)
Diluted - (Rs.)	12	20.34	19.69	(1.64)	(1.78)

Notes from pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Comprehensive Income

For the year ended 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Profit/ (loss) for the year		22,222,972	22,512,592	(1,435,851)	3,991,560
Other comprehensive income					
Items that will not be reclassified subsequently to the Statement of Profit or Loss					
Revaluation of lands	13	-	6,524,296	-	-
Actuarial loss on employee benefit obligations	28	(499,763)	(574,599)	(115,871)	(170,917)
Net change on equity instruments designated at fair value through other comprehensive income		6,349	1,567	-	-
Tax on other comprehensive income	11	159,634	(1,876,526)	34,761	7,691
Items that will be reclassified subsequently to the Statement of Profit or Loss					
Net exchange differences on translation of foreign operations		2,707,344	(255,922)	-	-
Net gain/ (loss) on cash flow hedges		124,101	618,242	-	-
Share of other comprehensive income of equity accounted investees		121,815	21,213	-	-
Total Other comprehensive income/ (loss) for the year, net of tax		2,619,480	4,458,271	(81,110)	(163,226)
Total comprehensive income/ (loss) for the year, net of tax		24,842,452	26,970,863	(1,516,961)	3,828,334
Total comprehensive income/ (loss) for the year attributable to:					
Owners of the parent		15,513,854	17,536,514	(1,516,961)	3,828,334
Non- controlling interest		9,328,598	9,434,349	-	-
		24,842,452	26,970,863	(1,516,961)	3,828,334

Notes from Pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Assets					
Non-current assets					
Property, plant & equipment	13	169,206,900	153,768,783	1,371,600	912,325
Right-of-use assets	14	16,199,183	15,147,537	3,206,265	-
Investment properties	15	1,463,410	2,192,662	101,200	99,000
Biological assets	16	1,696,526	1,651,025	-	-
Intangible assets	17	18,375,493	16,219,878	55,284	69,306
Investments in subsidiaries	18.1	-	-	39,271,007	41,379,421
Investments in equity accounted investees	18.2	2,885,056	2,747,620	1,504,863	1,504,863
Other non-current financial assets	19	5,671,314	462,204	5,055,178	42,000
Non- current trade and other receivables	22	30,447,534	19,288,757	107,000	-
Other non-current assets	20	1,250,422	1,042,556	-	-
Deferred tax assets	27	4,503,030	4,037,389	382,292	21,497
Amounts due from subsidiaries	38	-	-	828,836	1,283,847
Total non-current assets		251,698,868	216,558,411	51,883,525	45,312,259
Current assets					
Inventories	21	116,372,367	91,940,308	34,085	32,756
Amounts due from subsidiaries	38	-	-	5,185,574	4,778,305
Amounts due from equity accounted investees	38	203,755	147,999	109,279	43,596
Trade and other receivables	22	195,689,494	139,429,685	248,229	61,757
Receivables of proceeds from pending allotment of shares		8,998,841	-	8,998,841	-
Other current assets	20	9,831,293	8,125,669	112,874	35,790
Income tax recoverable	30	1,445,089	1,336,907	-	-
Other current financial assets	19	1,583,555	1,502,311	20,043	26,152
Short term deposits		27,002,950	27,358,471	1,463,637	1,864,684
Cash in hand and at bank		26,947,637	24,292,764	442,662	1,115,433
Assets classified as held for sale	37	6,049,915	-	-	-
Total current assets		394,124,896	294,134,114	16,615,224	7,958,473
Total assets		645,823,764	510,692,525	68,498,749	53,270,732
Equity and liabilities					
Stated capital	23	1,575,000	1,575,000	1,575,000	1,575,000
Shares pending allotment		9,000,000	-	9,000,000	-
Capital reserves		1,234,908	975,906	13,226	13,226
Other components of equity		35,943,547	34,166,542	-	-
Revenue reserves		65,461,184	56,424,777	3,529,921	9,546,882
Total equity attributable to equity holders of the Company		113,214,639	93,142,225	14,118,147	11,135,108
Non-controlling interest		57,286,107	50,950,117	-	-
Total equity		170,500,746	144,092,342	14,118,147	11,135,108

As at 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Non-current liabilities					
Interest-bearing borrowings	25	92,945,548	71,659,099	28,472,360	19,313,834
Grants	26	842,596	874,113	-	-
Deferred tax liabilities	27	15,137,783	14,079,676	-	-
Security deposits	24	2,291,434	1,894,630	-	-
Other non-current liabilities	29	358,288	1,705,052	-	-
Other non-current financial liabilities	19	13,744,991	6,406,999	-	-
Employee benefit obligations	28	18,109,484	16,103,974	1,536,812	1,222,508
Total non-current liabilities		143,430,124	112,723,543	30,009,172	20,536,342
Current liabilities					
Trade and other payables	29	85,664,564	84,357,278	921,887	4,810,007
Other current liabilities	29	12,409,961	7,815,062	1,700,050	85,680
Deferred revenue	29	2,539,370	2,122,739	-	-
Other current financial liabilities	19	27,433,542	21,907,141	-	-
Amounts due to subsidiaries	38	-	-	832,549	619,622
Amounts due to equity accounted investees	38	-	21,068	-	-
Income tax payable	30	6,525,026	4,902,222	80,913	113,218
Current portion of long term interest-bearing borrowings	25	43,850,354	30,924,584	6,374,694	6,899,333
Short-term interest-bearing borrowings	31	152,860,811	101,826,546	14,461,337	9,071,422
Liabilities directly associated with assets classified as held for sale	37	609,266	-	-	-
Total current liabilities		331,892,894	253,876,640	24,371,430	21,599,282
Total liabilities		475,323,018	366,600,183	54,380,602	42,135,624
Total equity and liabilities		645,823,764	510,692,525	68,498,749	53,270,732

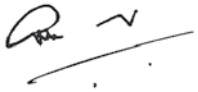
Notes from Pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.
These Financial Statements have been prepared in compliance with the requirements of Companies Act No. 7 of 2007.



Milinda Hewagama
Group Chief Financial Officer

The Directors are responsible for these Financial Statements.

Signed for and on behalf of the Board.



Mohan Pandithage
Chairman & Chief Executive



Sarath Ganegoda
Director

29th May 2026

Statement of Changes in Equity

For the year ended 31st March 2026			Capital Reserves			
	Stated capital	Shares pending allotment	Reserve on scrip issue	Other capital reserve	Revaluation reserve	
CONSOLIDATED	Rs.'000	Rs.'000	Rs.'000	Rs.'000 (Note 23.1.1)	Rs.'000	
Balance as at 01st April 2025	1,575,000	-	178,386	797,520	26,937,920	
Profit for the year	-	-	-	-	-	
Other comprehensive income						
Net exchange differences on translation of foreign operations	-	-	-	-	-	
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	
Net loss on cash flow hedges	-	-	-	-	-	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	
Actuarial loss on employee benefit obligations	-	-	-	-	-	
Tax on other comprehensive income	-	-	-	-	-	
Total other comprehensive income	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	
Transactions with owners, recorded directly in equity						
Rights Issue	-	9,000,000	-	-	-	
Dividend paid by subsidiaries to its non-controlling interest	-	-	-	-	-	
Dividends to equity holders	-	-	-	-	-	
Transfers	-	-	-	315,031	-	
Total contributions by and distributions to owners	-	9,000,000	-	315,031	-	
Changes in ownership interests in subsidiaries						
Shares issued by subsidiaries to non-controlling interest	-	-	-	-	-	
Adjustment on changes to non-controlling interest in subsidiaries	-	-	(13,997)	(42,032)	45,845	
Total changes in ownership interests in subsidiaries	-	-	(13,997)	(42,032)	45,845	
Total transactions with owners	-	9,000,000	(13,997)	272,999	45,845	
Balance as at 31st March 2026	1,575,000	9,000,000	164,389	1,070,519	26,983,765	

Notes from pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Attributable to Equity Holders of the Company									Non-controlling interest	Total equity
Other Components of Equity				Revenue Reserves				Shareholders' funds		
	Fair value reserve of financial assets at FVOCI	Cash flow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve	Retained earnings			
	Rs.'000	Rs.'000 (Note 23.1.4)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000 (Note23.1.3)	Rs.'000	Rs.'000	Rs.'000
	28,135	(753,428)	7,953,915	2,290,597	239,741	18,181	53,876,258	93,142,225	50,950,117	144,092,342
	-	-	-	-	11,143	(5,256)	14,045,935	14,051,822	8,171,150	22,222,972
	-	-	1,512,135	-	-	-	-	1,512,135	1,195,209	2,707,344
	-	-	122,316	-	-	-	(502)	121,814	1	121,815
	-	119,780	-	-	-	-	-	119,780	4,321	124,101
	6,007	-	-	-	-	-	-	6,007	342	6,349
	-	-	-	-	-	-	(432,896)	(432,896)	(66,867)	(499,763)
	131	-	-	-	-	-	135,061	135,192	24,442	159,634
	6,138	119,780	1,634,451	-	-	-	(298,337)	1,462,032	1,157,448	2,619,480
	6,138	119,780	1,634,451	-	11,143	(5,256)	13,747,598	15,513,854	9,328,598	24,842,452
	-	-	-	-	-	-	-	9,000,000	-	9,000,000
	-	-	-	-	-	-	-	-	(3,891,227)	(3,891,227)
	-	-	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)
	-	-	(22,861)	1,666	-	-	(293,836)	-	-	-
	-	-	(22,861)	1,666	-	-	(4,793,836)	4,500,000	(3,891,227)	608,773
	-	-	-	-	-	-	-	-	1,128,303	1,128,303
	1,532	(9,417)	1,537	4,890	-	-	70,202	58,560	(229,684)	(171,124)
	1,532	(9,417)	1,537	4,890	-	-	70,202	58,560	898,619	957,179
	1,532	(9,417)	(21,324)	6,556	-	-	(4,723,634)	4,558,560	(2,992,608)	1,565,952
	35,805	(643,065)	9,567,042	2,297,153	250,884	12,925	62,900,222	113,214,639	57,286,107	170,500,746

Statement of Changes in Equity

For the year ended 31st March 2025 **CONSOLIDATED**	Stated capital Rs.'000	Shares pending allotment Rs.'000	Capital Reserves Reserve on scrip issue Rs.'000	Other capital reserve Rs.'000 (Note 23.1.1)	Revaluation reserve Rs.'000	
Balance as at 01st April 2024	1,575,000	-	175,688	694,374	22,841,994	
Profit for the year	-	-	-	-	-	
Other comprehensive income						
Net exchange differences on translation of foreign operations	-	-	-	-	-	
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	
Net loss on cash flow hedges	-	-	-	-	-	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	
Realised gain on timber	-	-	-	-	-	
Revaluation of land	-	-	-	-	5,840,420	
Actuarial loss on employee benefit obligations	-	-	-	-	-	
Tax on other comprehensive income	-	-	-	-	(1,754,011)	
Total other comprehensive income	-	-	-	-	4,086,409	
Total comprehensive income for the year	-	-	-	-	4,086,409	
Transactions with owners, recorded directly in equity						
Dividend paid by subsidiaries to its non-controlling interest	-	-	-	-	-	
Dividends to equity holders of the parent	-	-	-	-	-	
Unclaimed dividend-write-back	-	-	-	-	-	
Transfers	-	-	2,475	119,251	-	
Total contributions by and distributions to owners	-	-	2,475	119,251	-	
Changes in ownership interests in subsidiaries						
Adjustment on changes to non-controlling interest in subsidiaries	-	-	223	(16,105)	9,517	
Acqusition of subsidiaries	-	-	-	-	-	
Total changes in ownership interests in subsidiaries	-	-	223	(16,105)	9,517	
Total transactions with owners	-	-	2,698	103,146	9,517	
Balance as at 31st March 2025	1,575,000	-	178,386	797,520	26,937,920	

Notes from pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Attributable to Equity Holders of the Company									Non-controlling interest	Total equity
Other Components of Equity				Revenue Reserves						
	Fair value reserve of financial assets at FVOCI	Cash flow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve	Retained earnings	Shareholders' funds		
	Rs.'000	Rs.'000 (Note 23.1.4)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000 (Note23.1.3)	Rs.'000	Rs.'000	Rs.'000
	27,881	(1,310,768)	8,262,499	2,289,353	212,827	14,544	45,379,601	80,162,993	45,367,092	125,530,085
	-	-	-	-	33,529	3,637	13,411,963	13,449,129	9,063,463	22,512,592
	-	-	(332,281)	-	-	-	-	(332,281)	76,359	(255,922)
	-	-	21,472	-	-	-	(260)	21,212	1	21,213
	-	565,182	-	-	-	-	-	565,182	53,060	618,242
	1,681	-	-	-	-	-	-	1,681	(114)	1,567
	-	-	-	-	(6,615)	-	6,615	-	-	-
	-	-	-	-	-	-	-	5,840,420	683,876	6,524,296
	-	-	-	-	-	-	(248,863)	(248,863)	(325,736)	(574,599)
	(504)	-	-	-	-	-	(5,451)	(1,759,966)	(116,560)	(1,876,526)
	1,177	565,182	(310,809)	-	(6,615)	-	(247,959)	4,087,385	370,886	4,458,271
	1,177	565,182	(310,809)	-	26,914	3,637	13,164,004	17,536,514	9,434,349	26,970,863
	-	-	-	-	-	-	-	-	(4,207,956)	(4,207,956)
	-	-	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)
	-	-	-	-	-	-	79,450	79,450	9,096	88,546
	-	-	-	(1,502)	-	-	(120,224)	-	-	-
	-	-	-	(1,502)	-	-	(4,540,774)	(4,420,550)	(4,197,960)	(8,618,510)
	(923)	(7,842)	2,225	2,746	-	-	(126,573)	(136,732)	(8,792)	(145,524)
	-	-	-	-	-	-	-	-	355,428	355,428
	(923)	(7,842)	2,225	2,746	-	-	(126,573)	(136,732)	346,636	209,904
	(923)	(7,842)	2,225	1,244	-	-	(4,667,347)	(4,557,282)	(3,851,324)	(8,408,606)
	28,135	(753,428)	7,953,915	2,290,597	239,741	18,181	53,876,258	93,142,225	50,950,117	144,092,342

Statement of Changes in Equity

For the year ended 31st March COMPANY	Stated capital Rs.'000	Shares pending allotment Rs.'000	Capital Reserve Other capital reserve Rs.'000	Revenue Reserve General reserve Rs.'000	 Retained earnings Rs.'000	Total Rs.'000
Balance as at 01st April 2025	1,575,000	-	13,226	382,087	9,164,795	11,135,108
Loss for the year	-	-	-	-	(1,435,851)	(1,435,851)
Other comprehensive income						
Actuarial loss on employee benefit obligations	-	-	-	-	(115,871)	(115,871)
Tax on other comprehensive income	-	-	-	-	34,761	34,761
Total other comprehensive income	-	-	-	-	(81,110)	(81,110)
Total Comprehensive income for the year	-	-	-	-	(1,516,961)	(1,516,961)
Transactions with owners, recorded directly in equity						
Right Issue	-	9,000,000	-	-	-	9,000,000
Dividends to equity holders	-	-	-	-	(4,500,000)	(4,500,000)
Total contributions by and distributions to owners	-	9,000,000	-	-	(4,500,000)	4,500,000
Total transactions with owners	-	9,000,000	-	-	(4,500,000)	4,500,000
Balance as at 31st March 2026	1,575,000	9,000,000	13,226	382,087	3,147,834	14,118,147
Balance as at 01st April 2024	1,575,000	-	13,226	382,087	9,797,213	11,767,526
Profit for the year	-	-	-	-	3,991,560	3,991,560
Other Comprehensive income						
Actuarial loss on employee benefit obligations	-	-	-	-	(170,917)	(170,917)
Tax on other comprehensice income	-	-	-	-	7,691	7,691
Total other comprehensive income	-	-	-	-	(163,226)	(163,226)
Total Comprehensive income for the year	-	-	-	-	3,828,334	3,828,334
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(4,500,000)	(4,500,000)
Unclaimed dividend-write-back	-	-	-	-	39,248	39,248
Total contributions by and distributions to owners	-	-	-	-	(4,460,752)	(4,460,752)
Total transactions with owners	-	-	-	-	(4,460,752)	(4,460,752)
Balance as at 31st March 2025	1,575,000	-	13,226	382,087	9,164,795	11,135,108

Notes from pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Cash flows from operating activities					
Cash generated from operations	A	(4,705,218)	31,440,747	6,123,264	6,729,906
Employee benefit paid	28	(1,392,313)	(2,499,011)	(13,540)	(1,077,680)
Income tax paid	30	(11,027,379)	(10,951,263)	(161,904)	(264,453)
Net cash inflow from operating activities		(17,124,910)	17,990,473	5,947,820	5,387,773
Cash flows from investing activities					
Purchase and construction of property, plant & equipment		(30,661,405)	(20,774,250)	(622,071)	(430,848)
Investments in other non- current assets		(385,801)	(363,521)	-	-
Investments in other current financial assets	19	(12,408,154)	(3,291,340)	-	-
Investments in other non -current financial assets	19	(4,233,245)	(51,757)	(3,683,245)	-
Net of harvest and development of biological assets	16	26,708	22,452	-	-
Grants received - capital	26	19,288	24,715	-	-
Improvements to investment property	15	(6,079)	(38,102)	-	-
Proceeds from disposal of property, plant & equipment		1,014,238	489,296	84,034	1,575
Proceeds from insurance claims		1,096,992	450,000	-	-
Proceeds from disposal of intangible assets		9,717	1,483	-	-
Proceeds from disposal of current financial assets	19	12,430,120	4,086,599	10,865	-
Proceeds from transfer of ownership of subsidiaries		-	-	7,500	-
Purchase of intangible assets	17	(2,695,391)	(364,979)	(3,198)	(26,222)
Long term investments in group companies and others		-	(1,158,351)	(960,803)	(753,255)
Proceeds from sale of non-current financial assets		759,120	74,669	327,471	-
Interest received		2,452,560	2,492,906	98,910	71,971
Net movement in deferred revenue	29	416,631	(1,503,030)	-	-
Dividends received from equity accounted investees		363,500	225,568	-	-
Dividends received from non-group companies	9	8,147	5,199	845	322
Net cash used in investing activities		(31,793,054)	(19,672,443)	(4,739,692)	(1,136,457)
Net cash inflow/ (used in) before financing		(48,917,964)	(1,681,970)	1,208,128	4,251,316
Cash flows from financing activities					
Payment on lease	25	(4,269,792)	(3,389,638)	(431,851)	(86,166)
Interest paid (including interest capitalised)		(16,418,737)	(13,919,883)	(3,682,710)	(3,182,530)
Dividend paid to non-controlling interest		(3,891,227)	(4,207,056)	-	-
Proceeds from debenture issue	25	14,882,820	-	12,882,820	-
Debenture redemption net of issue expenses	25	-	(3,093,661)	-	(3,000,000)
Proceeds from long term Interest-bearing borrowings	25	50,274,909	43,830,495	4,000,000	12,713,167
Repayment of Interest-bearing borrowings net of issue costs		(32,805,102)	(25,390,562)	(11,496,317)	(7,800,000)
Net movement in Security deposits		396,804	333,902	-	-
Acquisition of non-controlling interest		(171,124)	(145,524)	-	-
Shares issued by subsidiaries to non-controlling interest		1,128,303	-	-	-
Dividends paid to equity holders of parent		(8,943,803)	(3,974,223)	(8,943,803)	(3,974,223)
Net cash inflow/ (used in) from financing activities		183,051	(9,956,150)	(7,671,861)	(5,329,752)
Net increase/ (decrease) in cash and cash equivalents		(48,734,913)	(11,638,120)	(6,463,733)	(1,078,436)
Cash and cash equivalents at beginning of the year		(50,175,311)	(38,537,191)	(6,091,305)	(5,012,869)
Cash and cash equivalents at end of the year	B	(98,910,224)	(50,175,311)	(12,555,038)	(6,091,305)

Notes from pages 369 to 486 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
A. Cash generated from operations					
Profit before tax from continuing operations		38,037,737	36,709,687	(1,583,805)	4,309,658
Loss before tax from discontinued operations		(1,227,977)	(1,336,666)	-	-
Adjustments for:					
Net finance costs	9	11,438,402	12,143,457	2,286,301	3,164,188
Share of profits from equity accounted investees	18	(379,120)	(237,074)	-	-
Depreciation on property, plant & equipment	13	11,643,741	9,577,696	156,081	90,731
Impairment of property, plant & equipment	13	1,658,707	9,180	-	-
Amortisation of Right-of-use assets	14	3,670,848	2,345,527	229,019	63,832
Impairment of Right-of-use assets	14	337,397	-	-	-
Change in fair value of Investment properties	15	(132,394)	(112,999)	(2,200)	(550)
Change in fair value of agricultural produce on bearer biological assets		1,592	(26,418)	-	-
Derecognition of biological assets fallen under reservation area	16	5,150	-	-	-
Change in fair value of biological assets	16	(110,291)	(142,455)	-	-
(Gain)/loss on the disposal of property, plant & equipment		(234,379)	(21,832)	(77,917)	(846)
Insurance claims		(731,564)	(1,542,912)	-	-
Write off of property, plant and equipment	13	5,387	-	597	-
Loss on fire damages	8	413,869	947,308	-	-
Gain on transfer of ownership of subsidiaries	7	-	-	(4,968)	-
(Gain)/loss on disposal of Non-current financial assets		14,203	-	14,203	-
Amortisation of Intangible assets	17	541,402	328,467	17,220	13,024
Net loss on translation of foreign currency		1,072,911	(374,635)	(49,386)	(54,579)
Reversal of impairment of investments in subsidiaries	18	-	-	-	(75,000)
Provision for Impariment loss on intercompany and other receivable		-	-	3,917,836	-
Impairment for trade & other receivables	22	1,455,810	90,598	-	-
Provision for inventories	21	2,018,542	904,019	-	-
Impairment/ amortisation of other non -current assets	20	240,529	278,536	-	-
Write-back of trade creditors	7	(68,203)	(135,817)	-	-
Gain on bargain purchase	7	-	(370,271)	-	-
Provision for post employee benefit obligations	28	2,831,879	2,734,169	211,973	228,920
Grants amortised	7	(50,804)	(63,623)	-	-
Amortization of Debenture issue expense	25	290,598	-	-	-
Impairment of investments in subsidiaries		-	-	2,959,684	-
		72,743,972	61,703,942	8,074,638	7,739,378
(Increase)/decrease in trade and other receivables and other current assets		(72,837,970)	(34,671,666)	(4,246,654)	(690,687)
(Increase)/decrease in inventories		(26,452,193)	(7,755,956)	(1,329)	3,668
Increase/(decrease) in trade and other payables		8,976,580	6,029,798	2,296,609	(322,453)
Net movement in financial liabilities		12,864,393	6,134,629	-	-
		(4,705,218)	31,440,747	6,123,264	6,729,906
B. Analysis of cash and cash equivalents					
Cash in hand and at bank		26,947,637	24,292,764	442,662	1,115,433
Short - term deposits		27,002,950	27,358,471	1,463,637	1,864,684
		53,950,587	51,651,235	1,906,299	2,980,117
Short-term interest bearing borrowings	31	(152,860,811)	(101,826,546)	(14,461,337)	(9,071,422)
Cash and cash equivalents		(98,910,224)	(50,175,311)	(12,555,038)	(6,091,305)

Notes from pages 369 to 486 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

Hayleys PLC is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. Corporate information, the address of the Company's registered office and the principal place of business are given on page 540 in this Annual Report.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2026 comprise "the Company" referring to Hayleys PLC as the holding Company and the "Group" referring to companies that have been consolidated therein together with the group's Interests in Equity Accounted Investees.

1.3 Nature of Operations and Principal Activities of the Company and the Group

Descriptions of the nature of operations and principal activities of the Company, its subsidiaries and equity accounted investees are given on pages 511 to 522 to the Financial Statements.

Hayleys PLC does not have an identifiable parent of its own. Hayleys PLC is the ultimate parent of the Group.

1.4 Approval of Financial Statements

The Consolidated Financial Statements of Hayleys PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2026 were authorised for issue by the Directors on 29 May 2026.

1.5 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), in compliance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. The Consolidated Financial Statements also comply with the provisions of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for:

- Lands which are recognised as property plant and equipment which are measured at cost on initial recognition and subsequently carried at fair value.
- Land and buildings which are recognised as investment property which are measured at cost on initial recognition and subsequently carried at fair value.
- Financial instruments reflected as fair value through profit or loss which are measured at fair value.
- Financial instruments designated as fair value through other comprehensive income (OCI) which are measured at fair value.
- Consumable biological assets and agricultural produce from bearer biological assets which are measured at fair value, less costs to sell.

Where appropriate, the specific policies are explained in the succeeding notes.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.3 Functional and Presentation Currency

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

Subsidiaries whose functional currencies are different as they operate in different economic environments are reflected in Note 34 to the Financial Statements.

2.4 Materiality and Aggregation

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

2.5 Comparative information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in Financial Statements.

2.6 Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

2.7 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of Consolidation

The Consolidated Financial Statements encompass the Company, its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees (Associates and Joint Ventures).

Subsidiaries and equity accounted investees are disclosed in Note 18 to the Financial Statements.

Notes to the Financial Statements

3.1.1 Subsidiaries

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

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting right.

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

Profit or Loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.1.2 Consolidation of subsidiaries with different accounting periods

The Financial Statements of all subsidiaries in the Group other than those mentioned in Note 36 to the Financial Statements are prepared for a common financial year, which ends on 31 March.

Most subsidiaries with 31 December financial year ends prepare for consolidation purposes, additional financial information as of the same date as the Financial Statements of the parent.

For subsidiaries which are unable to prepare additional financial information the parent uses the most recent Financial Statements of the subsidiaries and is adjusted for the effects of significant transactions or events that occur between the date of those Financial Statements and the date of the Consolidated Financial Statements. The difference between the date of the subsidiary's Financial Statements and that of the Consolidated Financial Statements will not be more than three months.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit or Loss.

3.1.3 Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measures the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Profit or Loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

Notes to the Financial Statements

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.3 Foreign Currency

3.3.1 Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognised in Other Comprehensive Income.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.3.2 Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

3.3.3 Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.4 Fair Value Measurement

The Group measures financial instruments such as investments which are designated as fair value through Other Comprehensive Income (OCI), financial assets at fair value through Profit or Loss and derivatives; non-

financial assets such as owner-occupied land and investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions - Note 19.
- Quantitative disclosures of fair value measurement hierarchy - Note 19.
- Property (land) under revaluation model - Note 13.
- Investment properties - Note 15.
- Financial instruments (including those carried at amortised cost) - Note 19.
- Biological assets (Consumable and agricultural produce) - Note 16.

3.5 Property, Plant & Equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

3.5.1 Basis of recognition

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

3.5.2 Basis of measurement

Items of property, plant & equipment including construction in progress are measured at cost net of accumulated depreciation and accumulated impairment losses, if any, except for land which is measured at fair value.

3.5.3 Owned assets

The cost of property, plant & equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self- constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Notes to the Financial Statements

Any revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, the increase is recognised in the Statement of 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. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3.5.4 Subsequent costs

The cost of replacing a component of an item of property, plant & 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 in accordance with the derecognition policy given below.

The costs of the repair and maintenance of property, plant & equipment are recognised in the Statement of Profit or Loss as incurred.

3.5.5 Permanent land development costs

Permanent land development costs which relate to the Group's Plantation Sector are those costs incurred in major infrastructure development and building new access roads on leased lands. The costs have been capitalised and amortised over the shorter of useful lives or remaining lease periods.

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

3.5.6 Derecognition

The carrying amount of an item of property, plant & equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in the Statement of Profit or Loss. Gains are not classified as revenue.

3.5.7 Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Description	Period
Buildings	20 – 50 years
Software	03 – 05 years
Plant & machinery	05 – 20 years
Stores equipment	05 – 10 years
Motor vehicles	04 – 10 years
Furniture, fittings & office equipment	02 – 13 years
Vessels	05 – 25 years
Bearer biological assets	20 – 25 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised. The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted prospectively, if appropriate.

3.5.8 Leases

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

3.5.8.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.5.8.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Description	Period
Land	02-50 years
Buildings	02-16 years
Machinery & store Equipment	20 years
Motor vehicles	02-05 years
Furniture, fittings & office equipment	
Vessels	01-02 years
Mature/Immature plantation	20-33 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as described In Note 3.13 Impairment of non-financial assets.

3.5.8.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings in Note 28 to the Financial Statements.

3.5.8.1.4 Short-term leases and leases of low- value assets

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases that are considered to be 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.

3.5.8.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.6 Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair values of investment properties are included in the Statement of Profit or Loss in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer.

Investment properties are derecognised either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amounts of the asset is recognised in Statement of Profit or Loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, 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.

3.7 Intangible Assets

3.7.1 Basis of recognition

An Intangible asset is 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.

3.7.2 Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

3.7.3 Useful economic lives and amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Notes to the Financial Statements

The amortisation period and the amortisation method for an intangible asset with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

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

3.7.4 Derecognition of intangible assets

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss.

3.7.5 Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

3.7.6 Brand name

Brands acquired as part of a business combination, are capitalised if the Brand meets the definition of an intangible asset and the recognition criteria are satisfied. Brand Names, being determined to have an indefinite useful life, are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

3.7.7 Customer list

The present value of the income anticipated from repeat customer lists of travel agents as at the acquisition date is recognised as an intangible asset based on a valuation carried out by an independent valuer. Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses. Customer lists recognised at the acquisition date are amortised over the period over which income is anticipated to derive from repeat customers and reviewed annually for any impairment in value if there are indicators of impairment.

3.7.8 Trade mark

Trade marks purchased, being determined to have an indefinite useful life, are reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

3.7.9 Other intangible assets

Other intangible assets which are acquired by the Group, with finite useful lives, are measured on initial recognition at cost. Following initial recognition ERP systems are carried at cost less accumulated amortisation and accumulated impairment losses.

3.7.10 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Profit or Loss as incurred.

3.7.11 Amortisation

Amortisation of intangible assets with a finite life is recognised in Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets, from the date on which they are available for use. The estimated useful lives are as follows:

Description	Period
Right to generate hydro power	15- 20 years
Right to generate solar power	20 years
Customer List	5 years
ERP Systems	5-10 years

3.8 Biological Assets

Biological assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature

biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include tea and rubber trees, being biological assets that are not intended to be sold or harvested, but are used to grow for purpose of harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

3.8.1 Bearer biological assets

Bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber) which comes into bearing during the year, is transferred to mature plantations.

3.8.2 Infilling cost on bearer biological assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred.

3.8.3 Consumable biological asset

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair values of timber trees are measured using discounted cash flow (DCF) method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 16.

The main variables in DCF model concerns

Variable	Comment
Timber content	Estimate based on physical verification of girth, height and considering the growth of each species in different geographical regions. Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Group.
Economic useful life	Estimated based on the normal life span of each species by factoring the forestry plan of the Group.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfil in bringing the trees in to saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to biological asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.8.4 Nursery plants

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

3.9 Financial instruments

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

Notes to the Financial Statements

3.9.1 Financial assets

3.9.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.9.1.1.1 Business model assessment in the context of Financial Services within the Consumer & Retail Sector

In relation to entities in the Group engaged in financial services, the Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3.9.1.1.2 Assessment whether contractual cash flows is solely payments of principal and interest

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

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

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

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

3.9.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, short term deposits and cash and cash equivalents.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit or Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to Profit or Loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by-instrument basis.

Gains and losses on these financial assets are never recycled to Profit or Loss. Dividends are recognised as other income in the Statement of Profit or Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

This category includes listed and non-listed equity instruments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through Profit or Loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the Statement of Profit or Loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through Profit or Loss. Embedded derivatives are measured at fair value with changes in fair value recognised in Profit or Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Profit or Loss category.

3.9.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e: removed from the Group's Consolidated Financial Position) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

Notes to the Financial Statements

either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.9.1.4 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures which are determined to have low credit risk at the reporting date and for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.9.1.4.1 Impairment model for segments other than the Consumer & Retail sector

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.9.1.4.2 Impairment model for the Consumer & Retail sector (Excluding financial services)

The group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default in payments;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market or a security because of financial difficulties.

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

Write-offs

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 based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

3.9.1.4.3 Impairment model for the Financial Services within the Consumer & Retail sector;

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments;
- Lease & loan receivables;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments.

Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The key inputs used for measurement of ECL are likely to be the term structures of the following variables:

Probability of Default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical models, and assessed using various categories based on homogeneous characteristics of exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. The Group forecast PD by incorporating forward looking economic variables (unemployment, GDP growth, inflation, interest rate and using lag effect of these variables).

Loss Given Default (LGD)

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount.

The Group has used these parameters from internally–developed statistical models using historical data. All inputs were adjusted to reflect forward-looking information and future economic scenarios.

Notes to the Financial Statements

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as main adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- **Stage 1 :** The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- **Stage 2 :** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3 :** For loans considered credit-impaired the Group recognises the lifetime expected credit losses. The method is similar to that of Stage 2 assets, with the PD set at 100%.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 180 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the Statement of Financial Position.

Loss allowances for ECL are presented in the Statement of Financial Position as follows:

- Financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan

commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn components presented as a provision; and

- Debt instruments measured at FVOCI - no loss allowance is recognised in the Statement of Financial Position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the Statement of Profit or Loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.9.2 Financial liabilities

3.9.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, amounts due to equity accounted investees and derivative financial instruments.

3.9.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of SLFRS 9 are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

3.9.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

3.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if,

Notes to the Financial Statements

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.9.4 Derivative financial instruments and hedge accounting

3.9.4.1 Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit or Loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to Profit or Loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

3.10 Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same

A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 19 to the Financial Statements.

3.11 Non-Current Assets held for Sale and Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the Statement of Financial Position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan;
- to dispose of a separate major line of business or geographical area of operations; Or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit or Loss.

Additional disclosures are provided in Note 37. All other notes to the Financial Statements include amounts for continuing operations, unless indicated otherwise.

3.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

All inventory items, except manufactured inventories and work-in-progress are measured at weighted average directly attributable cost.

Manufactured inventories and work-in- progress are measured at weighted average factory cost which includes all direct expenditure and appropriate share of production overhead based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

3.12.1 Agricultural produce harvested from biological assets

Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

3.13 Impairment of Non-Financial Assets

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

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Notes to the Financial Statements

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.14 Cash and Cash Equivalents

Cash in hand and at bank and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and short-term borrowings as they are considered an integral part of the Group's cash management.

3.15 Employee Benefits

3.15.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Group contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

3.15.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 28. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. Actuarial gains or losses are recognised in full in the Other Comprehensive Income.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefits. However, for entities of the Group operating in Sri Lanka, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. The settlement of the liability is based on legal liability method or the following basis as applied by the respective entities.

Length of each service (Years) No. of month's salary for completed year of service.

Length of each service (Years)	No. of months salary for completed year of service
Up to 20	1/2
20 up to 25	3/4
25 up to 30	1
30 up to 35	1 1/4
Over 35	1 1/2

3.15.3 Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Grants and Subsidies

Grants and subsidies are recognised where there is a reasonable assurance that the grant / subsidy will be received and all attaching conditions, if any, will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Grants and subsidies related to assets, including non- monetary grants at fair value are deferred in the Statement Financial Position and credited to the Statement of Profit or Loss over the useful life of the asset.

3.18 Warranties

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3.19 Contingent Liabilities Recognised in a Business Combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

3.20 Ordinary shares

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

3.21 Regulatory Provisions

3.21.1 Deposit insurance scheme

In terms of the Finance Companies Direction No. 02 of 2010 – 'Insurance of Deposit Liabilities' issued on 27th September 2010 all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No. 01 of 2010 issued under Sections 32A to 32E of the Monetary Law Act with effect from 1st October 2010.

Deposits to be insured include demand, time and savings deposit liabilities and exclude the following:

- Deposit liabilities to member institutions.
- Deposit liabilities to Government of Sri Lanka.
- Deposit liabilities to Directors, Key Management Personnel and other related parties as defined in Finance Companies Act Direction No. 03 of 2008 on Corporate Governance of Registered Finance Companies.
- Deposit liabilities held as collateral against any accommodation granted.
- Deposit liabilities falling within the meaning of dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to the Central Bank of Sri Lanka.
- Registered Finance Companies are required to pay a premium of 0.15% on eligible deposit liabilities as at end of the month to be payable within a period of 15 days from the end of the respective month.

3.21.2 Reserve fund

Singer Finance (Lanka) PLC, a subsidiary of the Group maintains a reserve fund in compliance with Direction No. 01 of 2003 – Central Bank (Capital Funds) issued to Finance Companies and it will be used for only the purpose specified in the said Direction above. The details of the reserve fund are disclosed in Note 23.1.2.

3.22 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has several operating segments which are described In Note 40 to these Financial Statements. In all operating segments, the Group has generally concluded that it is the principal in its revenue arrangements, except for agency services described in Note 3.22.2.3 below, because it typically controls the goods or services before transferring them to the customer.

Notes to the Financial Statements

3.22.1 Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

3.22.1.1 Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

3.22.1.2 Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient for short term advances in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Where long-term advances are received from customers, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

3.22.1.3 Warranty obligations

In several sectors, the Group provides warranties for general repairs of defects that existed at the time of sale. These assurance type warranties are accounted for under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group also provides a warranty beyond fixing defects that existed at the time of sale in several sectors. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the equipment and to provide the service type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

3.22.1.4 Loyalty points programme

The Group has loyalty point programmes, in several sectors, which allows customers to accumulate points that can be redeemed against subsequent purchases. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

3.22.1.5 Non-cash considerations

Certain sectors of the Group have arrangements where customers are offered a scheme where new goods could be acquired through part exchange of old goods.

The Group estimates the fair value of the non-cash consideration by reference to its market price. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the goods sold.

3.22.1.6 Consignment arrangements

Certain Sectors engage in business which includes the delivery of goods to another party but retain control of the goods. Examples of such arrangements may include the delivery of a good to a dealer or a distributor for sale to an end customer of the Group. Revenue on such arrangements are recognised at the point of sale to an end customer net of commission expenses incurred.

3.22.2 Rendering of services

Several entities within the Group engage in the provision of services to its customers. The Group recognises revenue from services over time, applying methods to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

3.22.2.1 Hospitality revenue

Accommodation revenue generated by the hospitality sector is recognised on the rooms occupied on a daily basis. Food and beverage revenue is recognised at the time of related sale.

3.22.2.2 Maintenance services

Certain sectors within the group provide customers with complementary servicing of consumer durable goods sold by the Group within a defined period. Such servicing arrangements are identified as separate performance obligations

and revenue is recognised when the complementary services are provided to the customer.

3.22.2.3 Agency services

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount that it retains for its agency services.

3.22.3 Construction and installation contracts

In relation to contracts which involve the construction and installation of assets on behalf of its customers, the Group assesses the nature of the respective contracts as to whether such is reflective of goods or services transferred at a point in time or satisfied over a period of time.

The Group determines that arrangements include transfers of a good or service over time when any of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

When either of the above criteria is met, the Group recognises revenue on the respective contracts similar to the rendering of services. If an entity is unable to demonstrate that control transfers over time, the presumption is that control transfers at a point in time, and revenue is recognised similar to the sale of goods.

3.22.4 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

3.22.5 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.22.6 Assets and liabilities arising from rights of return

3.22.6.1 Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

3.22.6.2 Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.22.6.3 Cost to obtain a contract

In several sectors, the Group pays sales commission to its employees and third party representative for sales carried out. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense.

3.23 Income relating to Financial Services in Consumer and Retail Sector

3.23.1 Interest

Interest income and expense are recognised in Profit or Loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instruments, but not future credit losses.

The calculation of effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Interest income is presented in finance income in the Statement Profit or Loss.

3.23.2 Hire purchase, lease, loans and advances

The excess of aggregated contract receivables over the cost of the hired assets constitutes the total unearned income at the commencement of a contract. The unearned income is recognised as revenue as it is earned, using the effective interest rate method.

Notes to the Financial Statements

3.23.2.1 Service fee income on hire purchase

Service fee income is recognised over the length of hire purchase agreement using the effective interest rate method. In the event of early termination of the hire purchase contract or cash conversion remaining deferred, service income is recognised when such contract is recognised or converted.

3.23.3 Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, are recognised as the related services are performed.

3.24 Other Income

3.24.1 Dividends

Dividend income is recognised in Profit or Loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3.24.2 Grants

Grants are recognised initially as deferred income when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

3.24.3 Gains and losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in Profit or Loss.

3.24.5 Other income

Other income is recognised on an accrual basis.

3.25 Expenses

Expenses are recognised in the Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. For the purpose of presentation of the Statement of Profit or Loss, the function of expenses method is adopted.

Repairs and renewals are charged to Profit or Loss in the year in which the expenditure is incurred.

3.25.1 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.26 Finance income

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in the Statement of Profit or Loss. Interest income is recognised as it accrues in the Statement of Profit or Loss.

3.27 Finance Cost

Finance cost comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in the Statement of Profit or Loss.

3.28 Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combinations, or items recognised directly in Equity or in Other Comprehensive Income.

3.28.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.28.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, equity accounted investee and interests in

joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed.

The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.28.3 Value added tax on financial services

VAT on Financial Services is calculated in accordance with the amended VAT Act No. 07 of 2013. The base for the computation of Value Added Tax on Financial Services is the accounting profit before income tax adjusted for the economic depreciation and emolument of employees computed on prescribed rate.

3.28.4 Crop insurance levy

As per the provisions of the Section 14 of the Finance Act No. 12 of 2013, the CIL was introduced with effect from 1st April 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is Payable at 1% of the profit after tax.

3.28.5 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

3.28.6 Social Security Contribution Levy (SSCL)

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of manufacturing, supply of services or whole/ retail sales, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No. 25 of 2022, at the rate of 2.5%, with effect from 1st October 2022 and subsequent amendments thereto.

4. GENERAL

4.1 Events Occurring After the Reporting Date

All material post reporting date events have been considered and where appropriate adjustments or disclosures

Notes to the Financial Statements

have been made in the respective notes to the Financial Statements.

4.2 Earnings Per Share

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

4.3 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method".

Interest paid is classified as financing cash flow. Grants received, which are related to purchase and construction of property, plant & equipment are classified as investing cash flows. Dividend and interest income are classified as cash flows from investing activities.

Dividends paid are classified as financing cash flows. Dividends received by Hayleys PLC, which is an investment company, are classified as operating cash flows and are not disclosed separately in the Company Cash Flow Statement.

4.4 Segment Reporting

An operating segment is a component of the Group that engages in 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. All operating segments' operating results are reviewed regularly by the Chairman and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.5 Changes in Accounting Policies and Disclosures

4.5.1 New and amended standards and interpretations

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

4.6 Standards Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

4.6.1 SLFRS 17 Insurance Contracts

SLFRS 17 Insurance Contracts SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts, including life, non-life, direct insurance, reinsurance as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the Financial Statements.

4.6.2 SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations.

In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that Financial Statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the Financial Statements and the related notes is currently being identified and evaluated.

4.6.3 SLFRS 19 Subsidiaries without public accountability:

Disclosures SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that Financial Statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The entity is not eligible to apply for SLFRS 19.

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

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the Financial Statements

4.6.5 Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and 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 if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes.

5.1 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The assessment includes the existing and anticipated effects from the present macro-economic conditions, the circumstances of the external environment, or are inconsistent with historical trends. Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the management do not intend either to liquidate or to cease operations of the Group. Therefore, the Financial Statements continue to be prepared on the going concern basis.

5.2 Measurement of the recoverable amount of cash-generating units containing goodwill

The Group tests annually whether goodwill requires impairment, in accordance with the accounting policy stated in Note 3.13. The basis of determining the recoverable amounts of cash generating units and key assumptions used are given in Note 17 to the Financial Statements.

5.3 Taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has Rs. 14.0 bn (2025: Rs. 9.32 bn) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

On this basis, the Group has determined that it cannot recognise deferred tax assets on tax losses carried forward and described in Note 11 to the Financial Statements.

Notes to the Financial Statements

5.4 Measurement of the employee benefit obligations

The present value of the employee benefit obligations is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about employee benefit obligation are provided in Note 28 to the Financial Statements.

5.5 Revaluation of property, plant and equipment and investment properties

The Group measures the freehold land (classified as property, plant and equipment) at revalued amounts, with changes in fair value being recognised in OCI. The freehold lands were valued by reference to transactions involving properties of a similar nature, location and condition. In addition, the Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. For investment properties, valuation methodologies such as market approach, and income approach (the discounted cash flow (DCF) model) for properties lacked comparable market data were used.

The Group engaged valuation specialists to assess fair values as at 31 March 2025 for the freehold lands and investment properties. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 13 and 15 to the Financial Statements.

5.6 Valuation of inventories

The Group has applied judgment in the determination of impairment in relation to inventories that are slow moving or obsolete. The Group's impairment assessment in relation to such inventories take into account factors such as the use of significant judgement over identifying inventories requiring write down to NRV, including consideration of product life cycles, nature of inventories, future inventory demand and quality/ grading assessments, and the existence of significant estimates applied in the determination of NRV, considering expected sales prices and allowance policies based on historical sales.

5.7 Impairment allowance for current and non-current trade and other receivables in the Consumer & Retail segment of the Group

The Group uses a provision matrix to calculate ECLs for loans and trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the relevant sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's loans and trade receivables is disclosed in Note 22 to the Financial Statements.

6. REVENUE

6.1 Industry Segment Revenue

For the year ended 31st March	CONSOLIDATED							
	Revenue from contracts with customers		Interest Income	Total revenue	Revenue from contracts with customers		Interest Income	Total revenue
	Sale of goods	Rendering of services			Sale of goods	Rendering of services		
	2026				2025			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Eco solutions	15,111,741	-	-	15,111,741	12,846,732	-	-	12,846,732
Hand protection	51,061,280	-	-	51,061,280	46,350,259	-	-	46,350,259
Purification	66,772,781	-	-	66,772,781	42,834,515	-	-	42,834,515
Textiles	37,786,850	-	-	37,786,850	43,461,357	-	-	43,461,357
Construction materials	16,116,277	-	-	16,116,277	13,108,029	-	-	13,108,029
Plantations	19,970,043	-	-	19,970,043	19,182,334	-	-	19,182,334
Agriculture	44,278,944	-	-	44,278,944	37,510,227	-	-	37,510,227
Consumer & retail	141,047,455	2,106,810	13,580,741	156,735,006	93,521,934	1,976,761	12,982,639	108,481,334
Leisure	-	8,683,263	-	8,683,263	-	8,007,971	-	8,007,971
Industry inputs	9,421,566	-	-	9,421,566	9,531,636	-	-	9,531,636
Power & energy	-	1,088,595	-	1,088,595	-	1,570,388	-	1,570,388
Transportation & logistics	-	117,504,961	-	117,504,961	-	106,843,753	-	106,843,753
Energy, mobility & projects	12,557,947	15,754,616	-	28,312,563	25,002,850	1,620,211	-	26,623,061
Tea exports	10,554,042	-	-	10,554,042	13,158,936	-	-	13,158,936
Others	-	1,623,190	-	1,623,190	-	1,047,563	-	1,047,563
	424,678,926	146,761,435	13,580,741	585,021,102	356,508,809	121,066,647	12,982,639	490,558,095

6.2 Geographical Segment Revenue

For the year ended 31st March	CONSOLIDATED	
	2026	2025
	Rs.'000	Rs.'000
Asia (excluding Sri Lanka)	145,432,328	116,148,265
Australia	9,496,947	6,084,947
Europe	38,520,177	39,213,016
United States of America	34,617,900	30,315,020
Africa	12,606,990	5,452,666
Indirect exports	52,531,488	57,070,091
Middle East	-	4,706,120
Sri Lanka	291,815,272	231,567,970
	585,021,102	490,558,095

Notes to the Financial Statements

6.3 Gross Revenue

For the year ended 31st March	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Rent and building related income	677,647	637,020
	677,647	637,020

6.4 Contract Balances

As at 31st March		CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000
Contract Assets			
Retention receivables		1,018,070	1,027,125
		1,018,070	1,027,125
Contract Liabilities			
Maintenance warranties	29.1.1	1,196,688	794,880
Advances received	29.3	5,721,542	4,857,058
Deferred revenue	29.4	2,539,370	2,122,739
		9,457,600	7,774,677

7. OTHER INCOME

For the year ended 31st March	Note	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Grants amortised*	26	50,805	63,623	-	-
Write back of creditors		68,203	135,817	-	-
Gain on disposal of property, plant & equipment		323,425	135,779	78,602	846
Change in fair value of biological assets		108,699	168,873	-	-
Gain on transfer of ownership of subsidiary		-	-	4,968	-
Sundry Income/Scrap sales		1,549,347	1,734,815	-	-
Rent income		93,859	169,511	-	-
Gain on bargain purchase		-	370,271	-	-
Insurance claims		731,564	1,542,912	-	-
Income from financial services		425,171	334,732	-	-
Income from other services		119,086	109,902	-	-
Indent commission		217,476	297,691	-	-
		3,687,634	5,063,926	83,570	846

* Details of the grants are given in Note 26 to the Financial Statements.

8. OTHER EXPENSES

For the year ended 31st March	Note	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Loss on disposal of property, plant & equipment		89,046	113,947	685	-
Loss on disposal of non current financial assets		14,203	-	14,203	-
Provision for Impariment on amounts due from related party	37.3	-	-	3,917,836	-
Provision for Impariment on other receivable		1,021,655	-	-	-
Impairment of investments in subsidiaries	18.1.1/37.3	-	-	2,959,684	-
Loss on fire damages		413,869	947,308	-	-
Provision for impairment/write-off of property, plant & equipment		-	9,180	-	-
Provision for impairment of inventory		5,393	-	-	-
Others		6,516	-	-	-
		1,550,682	1,070,435	6,892,408	-

9. NET FINANCE COST

9.1 Finance Income

For the year ended 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Interest income on deposits and receivables	2,452,560	2,492,906	98,910	71,917
Guarantee income	-	-	-	54
Dividend income from non-group companies	8,147	5,199	845	322
Change in fair value of financial assets at fair value through profit or loss	1,849,289	211,740	1,679,527	6,192
Foreign exchange gain	4,820,539	4,252,956	84,573	45,684
	9,130,535	6,962,801	1,863,855	124,169

9.2 Finance Cost

For the year ended 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Interest on long term loans	5,387,396	5,330,347	2,424,609	2,535,820
Interest on short term loans	10,361,082	8,016,154	1,258,101	646,710
Finance charges under leases	1,415,286	1,189,872	330,322	5,562
Guarantee Fee	158,125	125,593	-	-
Change in fair value of financial assets at fair value through profit or loss	4,802	1,321	3,165	-
Foreign exchange loss	2,608,121	3,737,809	133,959	100,265
	19,934,812	18,401,096	4,150,156	3,288,357
Net finance cost	(10,804,277)	(11,438,295)	(2,286,301)	(3,164,188)

Notes to the Financial Statements

10. PROFIT BEFORE TAX

Profit before tax is stated after charging all expenses including the following.

For the year ended 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Directors' emoluments		5,483,817	5,169,281	1,156,150	939,839
Auditors' Remuneration (includes overseas subsidiaries)					
Audit services		197,700	188,946	3,885	3,250
Non audit services		68,114	72,821	1,562	2,526
Depreciation on property, plant & equipment	13	11,643,741	9,577,696	156,081	90,731
Donations		54,078	35,268	2,983	2,959
Provision for inventories	21	2,018,542	904,019	-	-
Impairment loss on trade and other receivables	22	1,455,810	90,598	-	-
Staff cost					
Defined contribution plan cost		4,853,223	3,992,165	242,476	201,943
Employee benefit obligation cost		2,831,879	2,734,169	211,973	228,920
Other Staff cost (excluding defined contributions & defined benefits)	28	54,654,573	49,146,525	3,109,153	2,467,033
Staff training and development cost		254,334	241,620	7,147	5,033
Legal fees		272,437	300,844	27,004	9,943
Research and development cost		331,811	327,515	-	-

11. TAXATION

11.1 Tax Expense

For the year ended 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000
Consolidated Statement of Profit or Loss		
Current income tax		
Income tax on current year profits		
Parent	175,029	199,998
Subsidiaries	12,435,739	10,591,566
	12,610,768	10,791,564
(Over)/ Under provision in respect of previous years	(100,544)	875,320
	12,510,224	11,666,884
Deferred tax expense		
Origination of temporary differences		
Parent	(326,034)	52,529
Subsidiaries	925,546	15,715
	599,512	68,244
Tax on intercompany dividend received from subsidiaries	1,477,052	1,125,301
Tax expense reported in the Statement of Profit or Loss	14,586,788	12,860,429

11.2 Consolidated Statement of Other Comprehensive Income

For the year ended 31st March	Note	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Deferred tax related to items charged or credited directly to other comprehensive income during the year :					
Actuarial loss on employee benefit obligation	27.1	159,482	82,222	34,761	7,691
Revaluation of lands		-	(1,958,201)	-	-
Net change on equity instruments designated at fair value through other comprehensive income		152	(547)	-	-
Tax charged/ (reversed) directly to/ (from) other comprehensive income		159,634	(1,876,526)	34,761	7,691

Notes to the Financial Statements

11.3 Reconciliation of Accounting Profit to Income Tax Expense

For the year ended 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Profit before tax	38,037,737	36,709,687	(1,583,805)	4,309,658
Share of profit of equity accounted investees	(379,120)	(237,074)	-	-
Intra-group adjustments	2,037,945	12,868,264	-	-
	39,696,562	49,340,877	(1,583,805)	4,309,658
Disallowable expenses	41,063,879	32,534,291	9,528,586	2,112,699
Tax deductible expenses	(30,348,392)	(31,319,777)	(888,488)	(2,199,999)
Tax exempt income	(10,529,767)	(11,907,042)	(6,472,863)	(3,555,698)
Tax loss b/f	(9,316,736)	(15,392,448)	-	-
Adjustment for tax loss b/f	(318,207)	841,788	-	-
Tax loss c/f	14,000,170	9,316,736	-	-
Taxable income	44,247,509	33,414,425	583,430	666,660
Income tax @ 15%	309,930	187,709	-	-
Income tax @ 20%	589,149	401,649	-	-
Income tax @ 22%	134,769	160,129	-	-
Income tax @ 24%	131,356	1,629	-	-
Income tax @ 27.5%	389,678	318,926		-
Income tax @ 28%	32,526	36,103	-	-
Income tax @ 30%	10,612,550	9,464,954	175,029	199,998
Income tax at other tax rates	410,810	220,465	-	-
Income tax on current year profit	12,610,768	10,791,564	175,029	199,998
Under / (Over) provision in respect of previous years	(100,544)	875,320	3,051	65,571
	12,510,224	11,666,884	178,080	265,569
Origination/(reversal) of temporary differences	599,512	68,244	(326,034)	52,529
Tax on dividend income	1,477,052	1,125,301	-	-
Tax expense	14,586,788	12,860,429	(147,954)	318,098
Effective tax rate	39%	37%	-	7%

11.4 General Provisions

Corporate Income Taxes of companies resident in Sri Lanka have been computed in accordance with the Inland Revenue Act No. 24 of 2017, as amended. Corporate Taxes of non-resident companies in the Group have been computed in keeping with the domestic statutes in the respective countries of their residence.

Sri Lankan resident companies in the Group, excluding those which enjoy a tax holiday or concessionary tax rates, were liable to income tax during the year of assessment 2025/26 at the rate of 30%.

11.5 Tax Exemptions

On Business Profits

11.5.1 In terms of the Inland Revenue Act

Solar One Ceylon (Pvt) Ltd is entitled for a 10 year income tax holiday. Tax holiday period has commenced during the Y/A 2016/17.

Alumex PLC is entitled for an income tax exemption for a period of 10 years for its undertaking associated with sale of construction materials recycled in a site established in Sri Lanka to recycle materials which were already used in the construction industry. The tax holiday period has commenced during the Y/A 2022/23.

11.5.2 In terms of BOI Agreements

Companies enjoying Tax Holidays under BOI Law are as follows:

Martin Bauer Hayleys (Pvt) Ltd.	10 year tax holiday ending December 31, 2027
Sun Tan Beach Resorts Ltd.	15 year tax holiday ending March 31, 2030

On Investment Income

11.5.3 Dividend Income

Many resident companies in Sri Lanka receiving dividend income enjoy the tax exemption on qualifying quantum of such dividend based on the following exemptions:

a) Dividend receipt from non-resident entity, in cases where the Sri Lankan shareholding Company has a substantial participation in such non-resident entity;

b) A dividend paid by a resident company which has entered into an agreement with the BOI and which is engaged in specified qualifying businesses such as offshore business and/or entrepot trade;

c) A dividend paid by a resident company to a member to the extent that such dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company.

11.5.4 Interest accrued on foreign currency deposits

Many resident companies in Sri Lanka enjoy an income tax exemption on interest income accruing or deriving from moneys lying to its credit in foreign currency in a foreign currency account opened by such company in any commercial bank or in any specialized bank, with the approval of the Central Bank of Sri Lanka.

Notes to the Financial Statements

11.6 Concessionary Tax Rates

On Business Profits

11.6.1 In terms of the Inland Revenue Act

Following resident companies in Sri Lanka are enjoying an income tax rate of 15% to the extent of the profits earned from qualifying foreign service income:

- Civaro International (Pvt) Ltd.
- Hayleys Energy Services (Pvt) Ltd.
- Sharaf Shipping Agency (Pvt) Ltd
- Sri Lanka Shipping Company Ltd.
- Advantis Projects and Engineering (Pvt) Ltd
- Advantis Ships (Pvt) Ltd
- Advantis Express (Pvt) Ltd
- MIT Global Solutions (Pvt) Ltd
- Intermarc Marine (Pvt) Ltd.
- Haycarb PLC
- Innovative Solutions Lanka (Pvt) Ltd
- Hayleys Aventura (Pvt) Ltd
- Hayleys Business Solutions International (Pvt) Ltd
- Dipped Products PLC

Following resident companies are entitled for an income tax rate of 15% to the extent of the profits derived from a qualifying foreign source:

- Bonterra Ltd.
- Chas P Hayley & Company (Pvt) Ltd.
- Hayleys Fibre PLC

11.6.2 In terms of BOI Agreements

As per agreements signed with the Board of Investment, the business income of the Companies listed below would be subject to the following concessionary tax rates. Periods indicated below:

Hayleys Agro Biotech (Pvt) Ltd	15% indefinitely
Nirmalapura Wind Power (Pvt) Ltd.	15% indefinitely
TTEL Somerset Hydro Power (Pvt) Ltd.	20% Indefinitely
TTEL Hydro Power Company (Pvt) Ltd.	20% Indefinitely
Neluwa Cascade Hydro Power (Pvt) Ltd	20% indefinitely
Hayleys Neluwa Hydro Power (Pvt) Ltd.	20% indefinitely
Bhagya Hydro (Pvt) Ltd	20% indefinitely
Lanka Bunkering Services (Pvt) Ltd.	15% indefinitely
Hayleylines Ltd.	15% Indefinitely
Moceti International Pvt Ltd.	15% Indefinitely
Regnis Appliances (Pvt) Ltd	20% Indefinitely

On Investment Income

11.6.3 Dividend Income

In terms of the Inland Revenue Act No. 24 of 2017, as amended, liable dividends declared are subject to a mandatory final Advance Income Tax of 15% at source.

11.7 Non Resident Companies

Corporate income tax rates of the non-resident companies are:

Sector	Company	Income tax rate
Agriculture Sector	Haychem (Bangladesh) Ltd.	27.5%
BPO	Hayleys BSI Pacific Pty ltd.**	-
Purification Sector	PT Mapalus Makawanua Charcoal Industry.	22.0%
	PT Haycarb Palu Mitra	22.0%
	Haycarb USA Inc	21.0%
	Eurocarb Products Ltd.	19.0%
	Haycarb Holding Australia (Pty) Ltd.	30.0%
	Puricarb Pte. Limited	17.0%
	Carbokarn Co. Ltd.	20.0%
	CK Regen Systems Co.Ltd.	20.0%
	Shizuka Co.Ltd.	20.0%
	Haycarb Philippine Corporation*	0%
	Haycarb Singapore Pte. Ltd	17.0%
	Haycarb Holdings Bitung Limited**	-
	Eurocarb Germany GmbH	30.0%
	Haycarb Activated Carbon (Pvt) Ltd	35.0%
Eco Sector	Haylex Ltd.	19.0%
	Haylex BV	15.0%
	Haylex Japan	15.0%
	Charles Fibre (Pvt) Ltd.	25.0%
Energy, Mobility & Projects Sector	Next-Gen Engineering Pte. Ltd.	17.0%
	Hayleys Fentons East Africa Limited**	-
Hand Protection Sector	Dipped Products (Thailand) Ltd.	20.0%
	ICOGUANTI S.p.A.	27.9%
	DPL France SAS	25.0%
	ROZENBAL POLSKA Sp. ZOO	19.0%
	Hi Care Glove Company	20.0%
	Dipped Products India (Private) Limited	25.2%
Industrial Inputs and Power Sector	Hayleys Aventura BD Ltd	27.5%
	Hayleys Aventura Singapore Pte. Ltd.	17.0%
Leisure Sector	Luxury Resort (Pvt) Ltd.	15.0%
	Hayleys Hotels Maldives Private Limited**	-
Tea Exports Sector	Mabroc East Africa Limited	30.0%
	Livee Polska SP. ZO.O.	19.0%
	Mabroc India Private Limited**	25.2%

Notes to the Financial Statements

Sector	Company	Income tax rate
Transportation and Logistics Sector	Logiwiz Logistics India (Pvt) Ltd.	25.0%
	Total Transport Solutions Maldives (Pvt) Ltd.	15.0%
	Nautical Maldives (Pvt) Ltd.	15.0%
	One World Logistics Maldives (Pvt) Ltd.	15.0%
	Super Logistics (Pvt) Ltd.	15.0%
	Advantis Kusuhara Sedate Myanmar (Private) Ltd.	22.0%
	Advantis Sedate Myanmar (Private) Ltd.	22.0%
	Advantis Singapore (Pte) Ltd.	17.0%
	Advantis Sabang Raya Lines (Pte) Ltd.	17.0%
	PT Advantis Akaza Indonesia	22.0%
	PT Advantis Mithra Logistik	22.0%
	Advantis Leo Thailand (Pvt) Ltd	20.0%
	Advantis Intasl Bangladesh (Pvt) Ltd.	27.5%
	K & A Logistics (Pvt) Ltd	27.5%
	Taru Global (Pte) Ltd (Formally known as Advantis Marine Network Pte. Ltd)	17.0%

*The Company is enjoying a 4 to 6 year tax holiday from the date of commencement of operations.

**These entities have not commenced operations during the year 2025/26, and accordingly, there is no tax liability for the period under consideration.

12. EARNINGS PER SHARE AND DIVIDENDS PER SHARE

12.1 Earnings Per Share

Basic Earnings Per Share

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

Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares of the parent outstanding after adjustment for the effect of all dilutive potential ordinary shares.

12.1.1 Basic/ diluted earning per share for the Company

	CONSOLIDATED		COMPANY	
For the year ended 31st March	2026	2025	2026	2025
Profit/ (loss) attributable to equity holders of the Parent (Rs.'000)	14,051,822	13,449,129	(1,435,851)	3,991,560
Weighted average number of ordinary shares of the parent (No.)	751,036,500	751,036,500	751,036,500	751,036,500
Basic/diluted earnings/ (loss) per share (Rs.)	18.71	17.91	(1.91)	5.31

12.1.2 Earnings per share from Continuing operations

For the year ended 31st March	CONSOLIDATED 2026	CONSOLIDATED 2025
Profit attributable to ordinary shareholders (Rs.'000)	15,279,799	14,785,795
Weighted average number of ordinary shares (No)	751,036,500	751,036,500
Basic/ Diluted earnings per share (Rs.)	20.34	19.69

12.1.3 Earnings per share from Discontinued operations

For the year ended 31st March	CONSOLIDATED 2026	CONSOLIDATED 2025
Loss attributable to ordinary shareholders (Rs.'000)	(1,227,977)	(1,336,666)
Weighted average number of ordinary shares (No)	751,036,500	751,036,500
Basic/ Diluted loss per share (Rs.)	(1.64)	(1.78)

12.1.4 Reconcilation of weighted average number of ordinary shares

On 21st January, 2026 it was resolved to increase the Company's Stated Capital by way of a Rights Issue amounting to Rs 9.0 Bn. Accordingly, the Board approved the issuance of three (3) new Ordinary Voting Shares for every fifty (50) existing ordinary voting shares held by the shareholders in the register of shareholders as at end of the date of entitlement and the share allotment was completed on 27 April 2026, upon which the balance recognized under Pending Share Allotment was transferred to stated capital.

In accordance with LKAS 33 – Earnings Per Share, comparative earnings per share has been adjusted retrospectively to reflect the bonus element inherent in the rights issue. The adjustment factor applied was 1.001382, which was calculated based on the theoretical ex-rights price derived from the market value of the shares immediately prior to the rights issue.

As the allotment of shares occurred after the reporting date, the rights shares issued have not been included in the weighted average number of shares for the year ended 31 March 2026, except for the retrospective adjustment reflecting the bonus element in accordance with LKAS 33 – Earnings Per Share.

For the year ended 31st March	CONSOLIDATED 2026	CONSOLIDATED 2025	COMPANY 2026	COMPANY 2025
Weighted average number of ordinary shares of the parent at beginning of the year (No.)	750,000,000	750,000,000	750,000,000	750,000,000
Retrospective adjustment for the bonus element	1,036,500	1,036,500	1,036,500	1,036,500
Weighted average number of ordinary shares of the parent (No.)	751,036,500	751,036,500	751,036,500	751,036,500

12.2 Dividends

For the year ended 31st March	COMPANY 2026	COMPANY 2025
Interim dividend (Rs'000)	4,500,000	4,500,000
Dividend per ordinary share (Rs.)	6.00	6.00

Notes to the Financial Statements

13. PROPERTY, PLANT & EQUIPMENT

13.1 Consolidated

As at 31st March	Freehold Land Rs.'000	Mature/ immature plantations Rs.'000	Buildings Rs.'000	Plant, machinery & stores equipment Rs.'000	Motor vehicles Rs.'000	Furniture, fittings & office equipment Rs.'000	Vessels Rs.'000	Total 2026 Rs.'000	Total 2025 Rs.'000
Cost or valuation:									
At the beginning of the year	43,930,874	13,366,583	49,801,520	87,465,828	3,254,894	12,578,421	17,385,157	227,783,278	197,549,383
Revaluation of land	-	-	-	-	-	-	-	-	6,524,296
Acquisition through business combinations	-	-	-	-	-	-	-	-	4,405,785
Additions	1,087,435	1,132,384	3,994,305	8,571,963	2,102,304	2,682,940	1,467,081	21,038,412	22,030,215
Write-offs	-	(5,387)	-	-	-	-	-	(5,387)	(952,080)
Transfer from Investment Properties	627,795	-	239,930	-	-	-	-	867,725	-
Transfer from Right-of-use assets	8,956	-	-	-	-	-	-	8,956	-
Transfer from/(to) biological assets	-	32,932	-	-	-	-	-	32,932	(36,193)
Transfer to Intangible Assets	-	-	-	-	-	-	-	-	(9,436)
Transfers	-	-	(18,782)	86,194	-	(67,412)	-	-	(13,112)
Classification change	(2,984)	-	2,984	-	-	-	-	-	-
Disposals	-	(102,308)	(374,764)	(981,580)	(299,349)	(485,447)	(6,400)	(2,249,848)	(1,786,845)
Transfer to assets held for sale	-	-	(6,630,188)	(803,127)	(44,746)	(528,389)	-	(8,006,450)	-
Effect of movements in exchange rates	164,147	-	1,209,390	2,950,242	47,156	297,116	332,434	5,000,485	71,264
At the end of the year	45,816,223	14,424,205	48,224,395	97,289,520	5,060,259	14,477,229	19,178,272	244,470,103	227,783,278

As at 31st March	Freehold Land	Mature/ immature plantations	Buildings	Plant, machinery & stores equipment	Motor vehicles	Furniture, fittings & office equipment	Vessels	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Accumulated Depreciation									
At the beginning of the year	194,581	4,187,178	13,814,059	47,262,150	2,083,136	8,338,910	4,384,958	80,264,972	71,042,011
Acquisition through business combinations	-	-	-	-	-	-	-	-	1,015,096
Depreciation for the year	13,113	440,284	1,963,547	5,424,635	403,346	1,562,862	1,835,954	11,643,741	9,577,696
Transfer to biological assets	-	-	-	-	-	-	-	-	(11,441)
Transfer from Right-of-use assets	5,597	-	-	-	-	-	-	5,597	-
Transfer to Intangible Assets	-	-	-	-	-	-	-	-	(10,916)
Transfers	-	-	(475)	50,675	-	(50,200)	-	-	(13,112)
Classification change	(147)	-	147	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	(262,187)
Disposals	-	(43,271)	(116,755)	(637,438)	(246,274)	(397,325)	(26,480)	(1,467,543)	(1,307,774)
Transfer to assets held for sale	-	-	(1,025,559)	(454,449)	(31,125)	(392,757)	-	(1,903,890)	-
Effect of movements in exchange rates	3,935	-	301,335	1,925,355	35,136	201,003	126,950	2,593,714	235,599
At the end of the year	217,079	4,584,191	14,936,299	53,570,928	2,244,219	9,262,493	6,321,382	91,136,591	80,264,972
Accumulated Impairment									
At the beginning of the year	2,260	-	78,653	71,460	-	11,505	-	163,878	166,656
Effect of movements in exchange rates	-	-	-	2,528	-	-	-	2,528	(351)
Disposals	-	-	-	(2,446)	-	-	-	(2,446)	(11,607)
Impairment for the year	-	-	929,845	472,594	17,760	238,508	-	1,658,707	9,180
Transfer to assets held for sale	-	-	(929,845)	(472,594)	(17,760)	(238,508)	-	(1,658,707)	-
At the end of the year	2,260	-	78,653	71,542	-	11,505	-	163,960	163,878
Net book value as at 31st March	45,596,884	9,840,014	33,209,443	43,647,050	2,816,040	5,203,231	12,856,890	153,169,552	147,354,428
Capital work -in progress - On acquisition through business combinations								-	221,187
Capital work -in progress								16,037,348	6,193,168
Carrying amount as at 31st March								169,206,900	153,768,783

Notes to the Financial Statements

13.2 Company

As at 31st March	Buildings Rs.'000	Machinery & stores equipment Rs.'000	Motor vehicles Rs.'000	Furniture, fittings & office equipment Rs.'000	Total 2026 Rs.'000	Total 2025 Rs.'000
Cost or valuation:						
At the beginning of the year	496,453	384,720	150,885	386,258	1,418,316	957,940
Transfers	-	67,411	-	(67,411)	-	-
Additions	216,780	111,996	211,860	145,024	685,660	469,002
Disposals	(313)	(2,907)	(73,710)	(24,191)	(101,121)	(8,626)
At the end of the year	712,920	561,220	289,035	439,680	2,002,855	1,418,316
Depreciation :						
At the beginning of the year	256,603	54,132	124,154	271,980	706,869	624,036
Transfer	-	50,200	-	(50,200)	-	-
Depreciation for the year	45,714	37,923	26,115	46,329	156,081	90,731
Disposals	(104)	(2,907)	(67,695)	(23,700)	(94,406)	(7,898)
At the end of the year	302,213	139,348	82,574	244,409	768,544	706,869
Net book value as at 31st March					1,234,311	711,447
Capital work in progress					137,289	200,878
Carrying amount as at 31st March					1,371,600	912,325

13.3 Carrying Value

As at 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
At cost	123,610,016	110,034,750	1,371,600	912,325
At valuation	45,596,884	43,734,033	-	-
	169,206,900	153,768,783	1,371,600	912,325

13.4 A borrowing costs of Rs. 572.86 mn have been capitalised under property, plant and equipment during the year ended 31 March 2026 (2025 - Rs. 59.32 mn).

13.5 Group Property, plant & equipment includes buildings on leasehold lands. The carrying amount of these assets are:

As at 31st March	CONSOLIDATED			
	Cost	Accumulated depreciation/ amortisation	Carrying value 2026	Carrying value 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Buildings	25,560,921	5,378,244	20,182,677	15,517,967
Total	25,560,921	5,378,244	20,182,677	15,517,967

13.6 Amounts by which values have been increased in respect of land revalued by independent qualified valuers are indicated below, together with the last date of revaluation:

As at 31st March	Location/ Date of Valuation - (31.03.2025)	Revaluation Surplus	
		2026	2025
		Rs.'000	Rs.'000
Darley Property Holdings (Pvt) Ltd/ Hayleys PLC	Colombo	3,774,533	3,774,533
World Export Center Ltd.	Colombo	14,497,391	14,497,391
Volanka (Pvt) Ltd.	Katana	487,694	487,694
	Galle	343,465	343,465
Chas P. Hayley & Co. (Pvt) Ltd.	Galle	1,294,690	1,294,690
	Kuliyapitiya	54,821	54,821
	Madampe	69,360	69,360
Dipped Products Group	Kottawa/Kiribathgoda/Khuan Niang	504,374	504,374
Alumex PLC	Gonawala	135,941	135,941
	Ekala	338,435	338,435
	Makola	454,021	454,021
	Makola	28,525	28,525
Haycarb PLC	Badalgama & Madampe	179,833	179,833
	Wewalduwa	541,505	541,505
	Kuliyapitiya	191	191
Recogen (Pvt) Ltd.	Badalgama	103,606	103,606
	Badalgama	1,159	1,159
Carbokarn Co. Ltd	Thailand	213,044	213,044
Shizuka Co. Ltd	Ratchaburi	86,560	86,560
PT Mapalus Makawanua	Bitung	232,895	232,895
PT Haycarb Palu Mitra	Palu City	107,387	107,387
Hayleys Agriculture Holdings Ltd	Dambulla	12,929	12,929
	Kottawa	238,282	238,282
Haychem Bangladesh Ltd	Mymensingh	70,070	70,070
Hayleys Industrial Solutions (Pvt) Ltd.	Malabe	317,010	317,010
Haycolour (Pvt) Ltd.	Kalutara	79,167	79,167
Hayleys Fibre PLC	Kuliyapitiya & Mahagama	218,562	218,562
Hayleys Advantis Ltd.	Welisara/Kelaniya/Seeduwa/Sedawatte	4,180,388	4,180,388
	Kotugoda	1,782,931	1,782,931
Unisyst Engineering Ltd.	Kotugoda	25,875	25,875
Singer (Sri Lanka) PLC	Ambalantota	9,950	9,950
	Balangoda	7,450	7,450
	Bandarawela	6,548	6,548
	Borella	24,900	24,900
	Chilaw	13,513	13,513
	Colpetty	13,300	13,300
	Eheliyagoda	7,746	7,746
	Gampaha	33,035	33,035
	Hikkaduwa	12,685	12,685

Notes to the Financial Statements

As at 31st March	Location/ Date of Valuation - (31.03.2025)	Revaluation Surplus 2026 Rs.'000	Revaluation Surplus 2025 Rs.'000
	Katugastota	7,269	7,269
	Kiridiwella	4,725	4,725
	Middeniya	2,913	2,913
	Mount Lavinia	15,050	15,050
	Mount Lavinia-Mega	32,935	32,935
	Negombo	11,500	11,500
	Pussellawa	10,186	10,186
	Trincomalee	8,190	8,190
	Wellawatta	15,666	15,666
	Galle	6,500	6,500
	Embilipitiya	4,900	4,900
	Kadawatha	16,800	16,800
	Kandy	14,300	14,300
	Kurunegala	3,600	3,600
	Maharagama	9,300	9,300
	Matara	8,700	8,700
	Nawalapitiya	6,700	6,700
	Panadura	9,100	9,100
	Piliyandala	114,625	114,625
	Ratmalana	273,390	273,390
	Ratmalana	601,480	601,480
	Rathnapura	7,200	7,200
	Tangalle	1,800	1,800
	Nuwaraeliya	6,400	6,400
Realty & Distributors Ltd	Ahangama	7,500	7,500
	Attidiya	7,777	7,777
	Moratuwa	13,055	13,055
	kandy	9,525	9,525
	Galle	24,000	24,000
	Kadawatha	11,100	11,100
	Kalawana	2,600	2,600
	Maradana	6,000	6,000
	Trincomalee	8,250	8,250
	Ambanpola	4,600	4,600
Ravi Industries (Pvt) Ltd.	Ekala	693,000	693,000
Volanka Exports (Pvt) Ltd.	Welipanna	79,694	79,694
Rileys Ltd	Ja-Ela	408,838	408,838
Toyo Cushion Lanka (Pvt) Ltd.	Katana**	81,194	81,194
Sunfrost (Pvt) Ltd.	Allawwa	66,365	66,365
	Padiyatalawa	18,347	18,347
	Pannala	7,262	7,262
Bhagya Hydro (Pvt) Ltd.	Gomala Oya	2,821	2,821
Neluwa Cascade Hydro Power (Pvt) Ltd.	Neluwa	4,863	4,863
Hayleys Neluwa Hydro Power Pvt (Ltd).	Mawanana	1,006	1,006
Hayleys Fabric PLC	Neboda	361,299	361,299
Kandyan Resorts (Pvt) Ltd.	Kandy	663,836	663,836
Culture Club Resorts (Pvt) Ltd.	Dambulla	6,863	6,863
		34,186,792	34,186,792
Income tax on revaluation		(4,902,521)	(4,902,521)
Revaluation reserve attributable to Non Controling interest		(2,578,930)	(2,578,930)
		26,705,341	26,705,341
Adjustment due to change in holding		278,424	232,579
		26,983,765	26,937,920

13.7 Lands owned by the Group (disclosed under property, plant and equipment and investment property) were revalued as at 31st March 2025 by independent Chartered Valuation Surveyors, Mr. P.B. Kalugalgedara, Mr. S. Sivaskantha and KPMG Real Estate & Valuation Services (Private) Limited. The fair value of the land was determined based on transaction observed in the market, appropriately adjusted for differences in the nature, location or condition of the specific property.

13.8 Lands owned by the Group other than that mentioned above have been stated at cost as the appreciation in value is insignificant. Further information is provided on page 498 to 501.

13.9 There has been an impairment of property, plant & equipment amounting to Rs. 1,658.71 mn (2025 - Rs. 9.18 mn). Details are as follows.

As at 31st March	2026 Rs.'000	2025 Rs.'000
Buildings	929,845	-
Machinery & Stores Equipments	472,594	9,180
Furniture, Fittings and Office Equipments	238,508	-
Marine Transport Equipment	17,760	-
Total impairment	1,658,707	9,180

The impairment losses amounting to Rs. 1,658 mn on buildings, machinery and store equipment, furniture, fittings and office equipment, and Marine Transport Equipment were recognised in Luxury Resort (Pvt) Ltd in order to write down the carrying amounts of such assets to their fair value less costs to sell, consequent to the classification of the disposal group as held for sale.

13.10 Property, plant & equipment with a carrying value of Rs. 22,217 mn (2025 - Rs. 23,730 mn) and Rs. Nil (2025 - Nil) for the Group and Company respectively have been pledged as security for term loans obtained. The details are shown in Note 25 to the Financial Statements.

13.11 The carrying value of revalued lands given above, had the said lands been included at cost, would amount to Rs. 8.53 mn (2025 -Rs. 8.85 mn) for the Group and Rs Nil (2025 - Nil) to the Company.

13.12 The cost of fully depreciated property plant and equipment which are still in use at the reporting date is as follows.

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs'000	2025 Rs'000	2026 Rs'000	2025 Rs'000
Buildings	2,492,025	2,142,414	223,770	223,770
Machinery & store equipments	23,194,910	20,718,753	79,182	31,710
Furniture, fittings & office equipments	5,356,739	5,794,327	178,833	216,465
Motor vehicles & vessels	3,156,722	2,519,805	45,275	108,285
	34,200,396	31,175,299	527,060	580,230

13.13 Capital Expenditure Commitments

The approximate amounts of capital expenditure approved by the Directors as at 31st March, 2026 were:

- Capital expenditure contracted for which no provision is made in the Financial Statements for the Group - Rs. 4.9 bn (2025 - Rs. 2.2 bn) and for the Company Rs. Nil (2025 - Nil).
- Capital expenditure approved by the Directors but not contracted for the Group Rs. 4.0 bn (2025 - Rs.4.5 bn) and for the Company Rs. Nil (2025 - Nil).

Notes to the Financial Statements

13.14 Unobservable Inputs used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used in measuring fair value of land as of 31 March 2025.

Category	District	Valuation Technique	Significant Unobservable Input	Range of Estimate (Weighted Average) for Unobservable Input Rs'000	Fair Value Measurement Sensitivity to Unobservable Input
Freehold land	Ampara	Open Market basis	Land -Rate per perch	6 to 7	Significant increases / (decreases) in estimated price per perch in isolation would result in a significantly higher / (lower) fair value.
	Matale			27 to 30	
	Puttalam			50 to 4,250	
	Gampaha			75 to 6,500	
	Kurunegala			33 to 5,000	
	Colombo			130 to 22,500	
	Kegalle			100 to 175	
	Kalutara			100 to 4,500	
	Trincomalee			175 to 5,000	
	Galle			1,250 to 7,000	
	Kandy			350 to 6,500	
	Hambantota			2,000 to 4,500	
	Ratnapura			2,750 to 5,000	
	Badulla			3,500 to 3,750	
	Matara			5,000 to 6,000	
	Nuwara Eliya			5,250 to 5,750	

14. RIGHT-OF-USE ASSETS

14.1 Consolidated

As at 31st March	Land	Mature/ Immature Plantations	Building	Motor Vehicles	Furniture, Fittings & Office Equipment	Vessels	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	6,512,558	49,883	8,493,698	89,920	1,478	-	15,147,537	11,733,876
Acquisition through business combinations	-	-	-	-	-	-	-	3,670
Increase/Decrease to recognised assets	80,475	-	45,726	144,012	-	561,703	831,916	187,034
Additions	826,621	-	4,434,022	-	-	674,413	5,935,056	5,679,659
Disposals	(57,748)	-	(241,261)	(17,252)	-	-	(316,261)	-
Transfer to Assets held for Sale	(1,516,028)	-	-	-	-	-	(1,516,028)	-
Derecognition	-	-	-	-	-	-	-	(72,783)
Transfers	(3,360)	-	-	-	-	-	(3,360)	-
Impairment for the year	(337,397)	-	-	-	-	-	(337,397)	-
Amortisation for the period	(349,396)	(7,462)	(2,513,459)	(50,239)	(1,355)	(748,937)	(3,670,848)	(2,345,527)
Effect of movements in exchange rates	117,704	-	8,384	2,480	-	-	128,568	(38,392)
At the end of the year	5,273,429	42,421	10,227,110	168,921	123	487,179	16,199,183	15,147,537

14.2 Company

As at 31st March	Building	Total 2026 Rs.'000	Total 2025 Rs.'000
At the beginning of the year	-	-	63,832
Additions	3,435,284	3,435,284	-
Amortisation for the period	(229,019)	(229,019)	(63,832)
At the end of the year	3,206,265	3,206,265	-

15. INVESTMENT PROPERTIES

As at 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
At the beginning of the year	2,192,662	2,041,561	99,000	98,450
Additions	6,079	38,102	-	-
Transfer to Property Plant & Equipment	(867,725)	-	-	-
Change in fair value during the year	132,394	112,999	2,200	550
At the end of the year	1,463,410	2,192,662	101,200	99,000

15.1 Rental Income

For the year ended 31st March	2026 Rs'000	2025 Rs'000
Rental income derived from investment properties	17,375	62,644
Direct operating expenses generating rental income	(1,337)	(987)
Net profit arising from investment properties	16,038	61,657

15.1.1 The Group as a lessor

The Group has entered into operating leases on its investement property protfolio consisiting of certain office and manufacturing buildings. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows;

For the year ended 31st March	2026 Rs'000	2025 Rs'000
Within one year	17,678	39,120
1 - 2 years	7,862	7,320
2 - 3 years	7,862	7,320
3 - 4 years	7,862	7,320
4 - 5 years	7,862	7,320
more than five years	7,862	7,320

Notes to the Financial Statements

15.1.2 The Company as a lessor

The Company has entered into operating leases on its building rented as office space to other related and non-related companies. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Rental income recognised by the Company during the year is Rs. 516 mn (2025: Rs. 504 mn).

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows;

For the year ended 31st March	2026 Rs.'000	2025 Rs.'000
Within one year	777,332	712,550
After one year but not more than five years	3,109,329	3,109,328

15.2 Investment properties are stated at fair value and fair values of those investment properties given below as at 31st March, 2026 had been carried out based on transactions observed in the market.

The details of fair value of investment properties of the Group as follows:

Company	Location	Building area (Sq Ft)	Land in acres	Value of building Rs '000	Value of land Rs '000	Total Rs'000 2026
Eastern Hotels (Pvt) Ltd	Nilakarai Estate, Nilaweli, Trincomalee	600	23.47	1,380	976,380	977,760
Singer (Sri Lanka) PLC	People's Park shopping Complex, Bodgiraja Mw, Colombo 11	872	-	30,400	-	30,400
	No 13 & 15, Wackwella Rd, Galle	-	0.08	-	87,000	87,000
	No 430/1, Ganemulla Road, Ihala Karagahamuna, Kadawatha	-	0.03	-	23,700	23,700
	No. J-63/ A,Watapotha Road,Nivithigala,Rathnapura.	-	1.62	-	5,400	5,400
	No.51/ 57,Brandiyawatta,Wellampitiya.	-	0.06	-	10,000	10,000
	Nayanmarthidal, Thampalakamam, Trincomalee.	-	0.38	-	13,750	13,750
	No.108 Yaluwewa,Ambanpola.	-	0.06	-	7,200	7,200
Hayleys Advantis Group	No. 15/ A, Altair Building, Sir James Peiris Mawatha, Colombo 02	1,932	-	207,000	-	207,000
Hayleys PLC	Kaluwamodara, Bentota	-	0.28	-	101,200	101,200
				238,780	1,224,630	1,463,410

Category	District	Valuation Technique	Range of Estimate for Unobservable input 2026 Rs'000	Range of Estimate for Unobservable input 2025 Rs'000
Freehold land	Gampaha	Open market basis (Land Rate per perch)	800 to 1500	800 to 1500
	Kalutara		2000 to 3000	2000 to 3000
	Trincomalee		200 to 300	200 to 300

15.3 The Group has no restriction on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop its investment properties or for maintenance and enhancement.

16. BIOLOGICAL ASSETS

As at 31st March	CONSOLIDATED	
	2026	2025
	Rs.'000	Rs.'000
At the beginning of the year	1,651,025	1,506,271
Increase due to development	17,840	33,103
Change in fair value of biological assets	110,291	142,455
Decrease due to harvest	(44,548)	(55,555)
Disposals	(5,150)	-
Transfer to immature/ mature plantation	(32,932)	24,751
At the end of the year	1,696,526	1,651,025

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such Plantations become mature, the additional investments made to bring them to maturity are transferred from Immature to Mature.

The fair value of the managed trees across all three plantations, Talawakele Tea Estates PLC, Kelani Velly Plantations PLC, and Horana Plantations PLC, was determined in accordance with LKAS 41, Agriculture, using the fair value less costs to sell method.

The fair value of matured managed trees was determined in accordance with SLFRS 13. Valuations for the three plantations, Talawakele Tea Estates PLC, Kelani Velly Plantations PLC and Horana Plantations PLC, were conducted by Messrs KPMG Real Estate & Valuation Services (Pvt) Ltd, FRT Valuation Services (Pvt) Ltd, and Chartered Valuer Mr. A.A.M. Fathihu, Proprietor of FM Valuers respectively, using the Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber, a physical verification was carried out covering all the estates.

Notes to the Financial Statements

16.1 Information About Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Talawakelle Tea Estates PLC

Non Financial Asset	Valuation technique	Unobservable inputs	Range of unobservable inputs (Probability weighted average.)		Relationship of Unobservable Inputs to Fair Value
			2026	2025	
Consumable managed biological assets	Discounted cash flows	Discounting Rate	13.0%	13.0%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	15-25 Years	15-25 Years	Lower the rotation period, the higher the fair value
		Volume at rotation	25 – 190 cu. Ft	25 – 190 cu. Ft	The higher the volume, the higher the fair value
		Price per cu.ft.	Rs. 166/- to Rs. 2,009/-	Rs. 60/- to Rs. 2,300/-	The higher the price per cu. ft., the higher the fair value

Other key assumptions used in valuation

1 The harvesting is approved by the PMMD and the Forest Department based on the Forestry Development Plan.

2 The prices adopted are net of expenditure.

3 Though the replanting is a condition precedent for harvesting' yet the costs are not taken in to consideration.

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable.

Nevertheless, the Directors recognize that estimates are inherently subject to uncertainity and cannot be completely accurate. Moreover, in the case of the Group's biological assets, small differences in valuation assumptions can have quite disproportionate effect on results. Therefore, the Board of Directors is of the opinion that the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the SLFRS 13 / LKAS 41 valuations as included in the consolidated accounts against his own assumptions.

The carrying amount of biological assets pledged as securities for liabilities as at the date of the statement of Financial Position is Rs. nil. (2025 - Rs. nil).

Kelani Valley Plantations PLC

Non Financial Asset	Valuation technique	Unobservable inputs	Range of unobservable inputs (Probability weighted average.)		Relationship of Unobservable Inputs to Fair Value
			2026	2025	
Consumable managed biological assets	Market Approach	Discounting Rate	13.5%	13.5%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	20-25 Years	20-25 Years	Lower the rotation period, the higher the fair value
		Volume at rotation	23 - 174 cu.ft	23-530 cu.ft	The higher the price per cu. dcm., the higher the fair value
		Price per cu.ft.	Rs. 166/- to Rs. 2,834/-	Rs. 67/- to Rs. 4,020/-	The higher the price per cu. ft., the higher the fair value

Other key assumptions used in valuation

1. It is assumed that the felling of trees will be undertaken at maturity for the period not covered under the Forestry Management Plan. Majority of the timber trees which have reached their maturity at the date of valuation are valued using the adjusted market price based on the location and accessibility. Remaining timber trees which have not come up to a harvestable age are valued considering their future incremental growth in the coming years and discounting the future value of such trees by appropriate present value discount ratio, which is assumed as the Expected Rate of Return (ERR) of a rationale investor, i.e. 13.5%.
2. The price adopted could vary based on the species and the girth of the respective species and are on the spare net of expenditure.
3. Though the replanting is a condition precedent for harvesting, yet the cost are not taken in to consideration.

The valuations, as presented in the external valuation models based on market values, take into account the possible market conditions and long-term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the active market prices and other variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that active market price projections are highly unpredictable.

Horana Plantations PLC

Non Financial Asset	Valuation technique	Unobservable inputs	Range of unobservable inputs (Probability weighted average.)		Relationship of Unobservable Inputs to Fair Value
			2026	2025	
Consumable managed biological assets	Discounted Cash flows	Discounting Rate	12.5% - 14.5%	13% - 15%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	25-35 Years	25-35 Years	Lower the rotation period, the higher the fair value
		Volume at rotation	15-65 cu.mt	15-65 cu.mt	The higher the price per cu. dcm., the higher the fair value
		Price per cu.ft.	Rs.310/- to Rs.1,504/-	Rs. 290/- to Rs. 1,504/-	The higher the price per cu. ft., the higher the fair value

Other key assumptions used in valuation

1 The prices adopted are net of expenditure.

2 The harvesting is approved by the PMMD and the Forest Department based on the Forestry Development Plan.

3 The valuation, as presented in the external valuation model based on the net present value, takes into accounts the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realization value. The Board of Directors retains their view that commodity markets are inherently volatile and their long-term price projection are highly unpredictable. Hence, the sensitivity analysis regarding the selling price and discount rate variation as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the valuation against his own assumptions.

4 The biological assets of the Company are mainly cultivated in leased lands. When measuring the fair value of the biological assets it was assumed that these concession can and will be renewed at normal circumstances. Timber content expects to be realized in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

Notes to the Financial Statements

16.2 Sensitivity Analysis

Sensitivity variation sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets.

Sales Price fluctuation	+10%	-10%
Managed Timber	Rs.'000	Rs.'000
Talawakelle Tea Estates PLC		
As at 31 March 2026	57,573	(57,573)
As at 31 March 2025	57,456	(57,456)
Kelani Valley Plantations PLC		
As at 31 March 2026	35,909	(35,909)
As at 31 March 2025	31,993	(31,993)
Horana Plantations PLC		
As at 31 March 2026	64,919	(64,919)
As at 31 March 2025	60,809	(60,809)

Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber show that an increase or decrease by 1% of the discount rate has the following effect on the net present value of biological assets.

As at 31 March	2026		2025	
Managed Timber	+1%	-1%	+1%	-1%
Discount rate fluctuation	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Talawakelle Tea Estates PLC	(2,772)	2,937	(3,225)	3,479
Kelani Valley Plantations PLC	(2,614)	2,758	(3,404)	3,620
Horana Plantations PLC	(32,228)	36,369	(27,775)	31,366

17. INTANGIBLE ASSETS

As at 31st March	CONSOLIDATED							
	Right to generate Hydro/ solar power/ development cost	Goodwill	ERP system	Brand name/ trade mark	Customer list	License	Total 2026	Total 2025
	Rs.'000	Rs.'000 (Note 17.3)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost :								
At the beginning of the year	237,231	14,734,980	3,996,828	433,956	152,420	-	19,555,415	19,149,967
Acquisition through business combinations	-	-	-	-	-	-	-	26,936
Additions	114,808	-	543,868	578	-	2,048,833	2,708,087	407,642
Transferred from Property Plant & Equipment	-	-	-	-	-	-	-	9,436
Transferred to assets held for sale	-	-	(65,043)	-	-	-	(65,043)	-
Disposals	-	-	(98,735)	-	-	-	(98,735)	(18,924)
Effect of movements in exchange rates	-	-	99,834	10,782	-	-	110,616	(19,642)
At the end of the year	352,039	14,734,980	4,476,752	445,316	152,420	2,048,833	22,210,340	19,555,415
Accumulated Amortisation :								
At the beginning of the year	142,099	145,959	2,692,972	79,766	152,420	-	3,213,216	2,904,801
Acquisition through business combinations	-	-	-	-	-	-	-	251
Amortisation for the year	8,885	-	509,914	22,603	-	-	541,402	328,467
Transferred from Property Plant & Equipment	-	-	-	-	-	-	-	10,916
Transferred to assets held for sale	-	-	(49,512)	-	-	-	(49,512)	-
Disposals	-	-	(89,018)	-	-	-	(89,018)	(17,441)
Effect of movements in exchange rates	-	-	77,384	6,358	-	-	83,742	(13,778)
At the end of the year	150,984	145,959	3,141,740	108,727	152,420	-	3,699,830	3,213,216
Accumulated Impairment :								
At the beginning of the year	-	137,864	-	-	-	-	137,864	137,864
Impairment for the year	-	-	-	-	-	-	-	-
At the end of the year	-	137,864	-	-	-	-	137,864	137,864
Net book value	201,055	14,451,157	1,335,012	336,589	-	2,048,833	18,372,646	16,204,335
Capital work in progress							2,847	15,543
Carrying amount							18,375,493	16,219,878

Notes to the Financial Statements

17.1 Company

As at 31st March	COMPANY		
	ERP system	Total	Total
		2026	2025
	Rs.'000	Rs.'000	Rs.'000
Cost :			
At the beginning of the year	143,649	143,649	114,980
Additions	7,135	7,135	28,669
Disposals	(6,068)	(6,068)	-
At the end of the year	144,716	144,716	143,649
Accumulated Amortisation :			
At the beginning of the year	80,452	80,452	67,428
Amortisation for the year	17,220	17,220	13,024
Disposals	(6,068)	(6,068)	-
At the end of the year	91,604	91,604	80,452
Net book value	53,112	53,112	63,197
Capital work in progress	2,172	2,172	6,109
Carrying amount	55,284	55,284	69,306

17.2 Right to Generate Hydro/ Solar Power and Development Costs

The details of remaining amortisation period of right to generate hydro power, solar power and development cost.

Company	Category	Remaining amortisation period	2026 (RS.'000)	2025 (Rs.'000)
Nirmalapura Wind Power (Pvt) Ltd.	Development cost	5 years	15,629	18,453
Solar One Ceylon (Pvt) Ltd.	Solar power	10 years	71,574	76,679
Solar Two (Pvt) Ltd	Solar power	20 years	113,852	-
			201,055	95,132

17.3 Goodwill

The aggregate carrying amount of goodwill allocated to each unit is as follows;

As at 31st March	2026 Rs. mn	2025 Rs. mn	Recoverable amount is based on
Dipped Products PLC	97	97	VIU
Dipped Products' Group Companies	33	33	VIU
Advantis Group Companies	659	659	VIU
Haycarb Group Companies	202	202	VIU
The Kingsbury PLC	633	633	VIU
Hayleys Plantation Services (Pvt) Ltd.	499	499	VIU
Alumex PLC	1,052	1,052	VIU
Hayleys Leisure Group Companies	1,415	1,415	VIU
Unisyst Engineering Ltd	20	20	VIU
Hayleys Fentons Group Companies	532	532	VIU
Singer (Sri Lanka) PLC	7,205	7,205	VIU
South Asia Textiles Limited	2,104	2,104	VIU
	14,451	14,451	

17.3.1 CGUs in which the carrying amount of goodwill is "significant" in comparison with the entity's total carrying amount

As at 31st March	2026		2025	
	Discount Rate	Terminal Growth Rate	Discount Rate	Terminal Growth Rate
Singer (Sri Lanka) PLC	9.9%	5.0%	11.0%	5.0%
Hayleys Leisure Group Companies	13.0%	5.0%	11.0%	5.0%
The Kingsbury PLC	14.0%	5.0%	11.0%	5.0%
Alumex PLC	15.0%	7.0%	11.0%	7.0%
South Asia Textiles Ltd.	9.1%	2.7%	11.0%	5.0%
Hayleys Fentons Limited	14.0%	2.0%	11.0%	2.0%

17.3.3 CGUs in which the carrying amount of goodwill is "not significant" individually in comparison with th entity's total carrying amount:

	2026	2025
Discount Rate	13%	11%
Terminal growth rate	3%-5%	3%-5%

Projected adjusted EBITDA

Projected adjusted EBITDA has been based on past expreince adjusted for the following

- Revenue is expected to continue to grow as increase in market share along with higher margins, and new products and services are introduced.
- Margins are expected to be impacted by negative factors such as the cost of acquiring and retaining customers in increasingly competitive markets and by positive factors such as the efficiencies expected from the implementation of Group initiatives.

Terminal Growth Rate

For the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity is applied immediately at the end of the five years forecast period and is based on the lower of

- the nominal GDP growth rate forecasts for the country of operations; and
- the long-term compound annual growth rate in adjusted EBITDA as estimated by management

Long-term compound annual growth rate determined by the management may be lower than forecasted nominal GDP growth rates due to market-specific factors; such as competitive intensity levels, maturity of business, regulatory environment or sector-specific inflation expectations. Cashflows beyond the five years period are extrapolated using 0%-3%.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings that the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax cash flows, in order to derive a pre-tax discount rate, the rates used for current financial year are 13%-15%.

17.4 Brand Name/ Trade Mark

17.4.1 The Group has recognised an intangible asset for the Amaya chain of hotels from the acquisition of Hayleys Leisure PLC.

"Amaya" brand name is a well established name in the leisure sector. Management is of the opinion that the brand name will be a key attraction in the future booming leisure sector.

Notes to the Financial Statements

17.4.2 Group has recognised an intangible asset in respect of brand name, trade mark, distribution rights through the acquisition of Singer (Sri Lanka) PLC.

SISIL trademark

The company had acquired the "SISIL" trade mark in December 2000, amounting to Rs. 55 mn. The management is of the opinion that the aforementioned trademark has an indefinite useful life as their associated brand awareness and recognition has existed over 30 years and the company intends to utilise the said trademark for the foreseeable future. There are no legal, regulatory, contractual, competitive, economic or other factors that may limit its useful life and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for any impairment as at 31st March 2026:

	2026	2025
Annual sales growth for next five years	15%	15%
Gross margin	29%	18%
Discount rate	10%	8%
Indefinite Growth Rate after Year 2031/32	2%	2%

UNIC trademark

The company had acquired the 'UNIC' Trade mark in 2006 amounting Rs. 38.5 mn. This trade mark is also considered to have an indefinite useful life due to the factors mentioned in the preceding paragraph and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for impairment as at 31st March 2026:

	2026	2025
Annual sales growth for next five years	8%	8%
Gross margin	21%	25%
Discount rate	10%	8%
Indefinite Growth Rate after Year 2031/32	2%	2%

SONY distribution rights

The company had acquired the distribution rights of brand 'SONY' in 2014 amounting Rs. 46.4 mn This assets are now carried at cost subject to annual impairment test and carrying amount as at 31st December 2015 is Rs. 46.4 mn.This distribution right also considered to have an indefinite useful life due to the factors mentioned in the preceding paragraph accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for impairment as at 31st March 2026.

	2026	2025
Annual sales growth for next five years	5%	5%
Gross margin	16%	20%
Discount rate	10%	8%
Indefinite Growth Rate after Year 2031/32	2%	2%

17.5 Customer List

Group has recognised an intangible asset in respect of customer relationship through the acquisition of Amaya Leisure PLC.

The established customer lists of Amaya Hotels is acknowledged as a key component in generation of revenue through travel agents and tour operators. The management is of the opinion that the Company is capable of retaining the travel agents through business relationship strategies and this would ensure retention and lead to repeat business over the future years and inflow of future economic benefits from them.

18. INVESTMENTS

18.1 Company Investment in Subsidiaries

As at 31st March	Effective Holding - %		Direct Holding - %		No. of Shares		
	2026	2025	2026	2025	2026	Addition/ (Disposal)	2025
Investee							
Quoted investments							
Haycarb PLC	68	68	68	68	201,251,030	-	201,251,030
Hayleys Fibre PLC	65	65	65	65	15,600,000	-	15,600,000
Dipped Products PLC	56	56	42	42	252,109,380	-	252,109,380
Hayleys Fabric PLC	63	63	59	59	244,974,046	-	244,974,046
Amaya Leisure PLC	67	67	43	43	46,690,587	-	46,690,587
Alumex PLC	57	57	53	53	314,826,064	-	314,826,064
Singer (Sri Lanka) PLC	86	86	67	67	783,801,111	-	783,801,111
The Kingsbury PLC	58	58	36	36	174,614,114	-	174,614,114
Kelani Valley Plantations PLC	3	-	3	-	1,751,306	1,751,306	-
Unquoted Investments							
Chas P. Hayley & Company (Pvt) Ltd.	100	100	100	100	999,920	-	999,920
Ravi Industries (Pvt) Ltd.	100	100	86	86	10,853,727	-	10,853,727
Hayleys Group Services Ltd.	100	100	100	100	10,000	-	10,000
Dean Foster (Pvt) Ltd.	99	99	98	98	11,764,706	-	11,764,706
Hayleys Advantis Ltd.	94	93	92	92	33,580,946	156,754	33,424,192
Volanka Exports (Pvt) Ltd.	100	100	5	5	138,288	-	138,288
Sunfrost (Pvt) Ltd.	99	98	5	5	423,300	-	423,300
Rileys (Pvt) Ltd.	96	96	4	4	5,000,000	-	5,000,000
Volanka (Pvt) Ltd.	100	100	62	62	6,440	-	6,440
Toyo Cushion Lanka (Pvt) Ltd.	51	51	19	19	1,244,194	-	1,244,194
Hayleys Produce Marketing Ltd.	28	100	-	100	-	(250,000)	250,000
Carbotels (Pvt) Ltd.	92	92	75	75	27,578,769	-	27,578,769
HJS Condiments Ltd.	65	65	10	10	1,327,566	13,819	1,313,747
Hayleys Agriculture Holdings Ltd.	99	98	98	98	23,430,537	46,145	23,384,392
Hayleys Consumer Products Ltd.	100	100	99	99	19,548,708	58,966	19,489,742
Hayleys Aventura (Pvt) Ltd.	100	100	100	100	131,098,400	-	131,098,400
Hayleys Business Solutions International (Pvt) Ltd.	100	100	100	100	15,000,000	-	15,000,000
Nirmalapura Wind Power (Pvt) Ltd.	51	51	30	30	29,900,000	-	29,900,000
Hayleys Fentons Limited	100	100	100	100	481,770,514	361,327,884	120,442,630
Hayleys Tours (Pvt) Ltd.	100	100	100	100	500,000	-	500,000
Luxury Resort (Pvt) Ltd.	100	100	100	100	24,517,800	3,084,000	21,433,800
World Export Center Ltd.	100	100	100	100	1,055,641,700	-	1,055,641,700
Hayleys Fabric Solutions Ltd.	100	100	100	100	6	-	6
MIT Global Solutions (Pvt) Ltd.	94	93	2	2	25,500	-	25,500
Haylex BV	100	100	100	100	1,000	-	1,000
Darley Property Holdings (Pvt) Ltd.	100	100	100	100	394,630,388	-	394,630,388

Notes to the Financial Statements

As at 31st March	Value			Market Value
	2026	Movement	2025	2026
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investee				
Quoted investments				
Haycarb PLC	47,204	-	47,204	22,036,987
Hayleys Fibre PLC	3,575	-	3,575	1,731,600
Dipped Products PLC	408,490	-	408,490	12,454,203
Hayleys Fabric PLC	1,355,791	-	1,355,791	7,471,708
Amaya Leisure PLC	2,302,080	-	2,302,080	1,326,013
Alumex PLC	1,381,879	-	1,381,879	5,226,113
Singer (Sri Lanka) PLC	12,375,298	-	12,375,298	60,352,686
The Kingsbury PLC	1,449,123	-	1,449,123	2,636,673
Kelani Valley Plantations PLC	169,589	169,589	-	139,229
	19,493,029	169,589	19,323,440	113,375,212
Unquoted Investments				
Chas P. Hayley & Company (Pvt) Ltd.	698	-	698	
Ravi Industries (Pvt) Ltd.	18,456	-	18,456	
Hayleys Group Services Ltd.	100	-	100	
Dean Foster (Pvt) Ltd.	104,620	-	104,620	
Hayleys Advantis Ltd.	609,137	74,159	534,978	
Volanka Exports (Pvt) Ltd.	2,312	-	2,312	
Sunfrost (Pvt) Ltd.	4,233	-	4,233	
Rileys (Pvt) Ltd.	10,333	-	10,333	
Volanka (Pvt) Ltd.	23,107	-	23,107	
Toyo Cushion Lanka (Pvt) Ltd.	14,389	-	14,389	
Hayleys Produce Marketing Ltd.	-	(2,532)	2,532	
Carbotels (Pvt) Ltd.	308,004	-	308,004	
HJS Condiments Ltd.	25,082	1,288	23,794	
Hayleys Agriculture Holdings Ltd.	835,049	14,912	820,137	
Hayleys Consumer Products Ltd.	252,811	104	252,707	
Hayleys Aventura (Pvt) Ltd.	1,310,984	-	1,310,984	
Hayleys Business Solutions International (Pvt) Ltd.	150,000	-	150,000	
Nirmalapura Wind Power (Pvt) Ltd.	154,204	-	154,204	
Hayleys Fentons Limited	1,420,953	-	1,420,953	
Hayleys Tours (Pvt) Ltd.	5,000	-	5,000	
Luxury Resort (Pvt) Ltd.	2,959,684	593,750	2,365,934	
World Export Center Ltd.	10,556,417	-	10,556,417	
Hayleys Fabric Solutions Ltd.	-	-	-	
MIT Global Solutions (Pvt) Ltd.	52	-	52	
Haylex BV	25,734	-	25,734	
Darley Property Holdings (Pvt) Ltd.	3,946,303	-	3,946,303	
	22,737,662	681,681	22,055,981	
Company investment in subsidiaries (at cost)	42,230,691	851,270	41,379,421	
Provision for impairement of investment made by the Company (Note 18.1.1)				
Luxury Resort (Pvt) Ltd.	(2,959,684)	(2,959,684)	-	
Company investment in subsidiaries	39,271,007	(2,108,414)	41,379,421	

18.1.1 Provision for impairement of investment made by the Company

During the year, the Company assessed the recoverable amount of its investment in Luxury Resort (Pvt) Ltd in accordance with LKAS 36 Impairment of Assets. Based on management's assessment and commitment to transfer the head lease and the operating assets of Luxury Resort (Pvt) Ltd, an full impairment loss of Rs. 2.96 bn has been recognized against the carrying value of the investment.

The recoverable amount was determined based on the estimated fair value less costs to dispose, taking into consideration current negotiations, indicative market values and other available information relating to the proposed disposal of the subsidiary. Management expects that the proceeds from the disposal of the investment will be lower than the net asset value of the subsidiary and, accordingly, the carrying amount of the investment has been written down to its estimated recoverable amount.

The impairment loss has been recognized in the Statement of Profit or Loss under "Impairment of investment in subsidiary".

18.2 Investment in Equity Accounted Investees

Investor	Investee	CONSOLIDATED							
		% Holding		No. of Shares			Value Rs.'000		
As at 31st March		2026	2025	2026	Movement	2025	2026	Movement	2025
Hayleys Advantis Group	Yusen Logistics & Kusuhara (Pvt) Ltd.	30	30	195,000	-	195,000	1,950	-	1,950
Hayleys Advantis Group	Harbour Services Lanka (Pvt) Ltd.	50	50	5,000	-	5,000	100	-	100
Puritas (Pvt) Ltd.	Lakdiyatha (Pvt) Ltd.	49	49	2,450,000	-	2,450,000	24,500	-	24,500
Hayleys Aventura (Pvt) Ltd.	Joule Power (Pvt) Ltd.	25	25	26,250,000	-	26,250,000	262,500	-	262,500
Hayleys Aventura (Pvt) Ltd.	Beta Power (Pvt) Ltd.	25	25	26,250,000	-	26,250,000	262,500	-	262,500
Kelani Valley Plantations PLC	Martin Bauer Hayleys (Pvt) Ltd.	10	10	39,091,550	-	39,091,550	390,920	-	390,920
Hayleys PLC	Martin Bauer Hayleys (Pvt) Ltd.	39	39	150,484,550	-	150,484,550	1,504,863	-	1,504,863
Mabroc Teas (Pvt) Ltd.	Livee Polska SP. Z O. O.	24	24	564	-	564	131,721	-	131,721
Group investments in equity accounted investees (at cost)				244,726,664	-	244,726,664	2,579,054	-	2,579,054

Investor	Investee	COMPANY							
		% Holding		No. of Shares			Value Rs.'000		
As at 31st March		2026	2025	2026	Movement	2025	2026	Movement	2025
Unquoted Investments									
Hayleys PLC	Martin Bauer Hayleys (Pvt) Ltd.	39	39	150,484,550	-	150,484,550	1,504,863	-	1,504,863
Company Investment in equity accounted investees (at cost)				150,484,550	-	150,484,550	1,504,863	-	1,504,863

Notes to the Financial Statements

18.2.1 Net assets of Equity Accounted Investees are as follows

For the year ended 31st March	2026					2025				
	Net asset value at the beginning of the year	Share of Profit/ (Loss)	Share of Other comprehensive income	Dividend received	Net asset value at the end of the year	Net asset value at the beginning of the year	Share of Profit/ (Loss)	Share of Other comprehensive income	Dividend received	Net asset value at the end of the year
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Yusen Logistics & Kusuhara (Pvt) Ltd.	49,306	2,677	23	(5,138)	46,868	47,487	1,827	(8)	-	49,306
Harbour Services Lanka Pvt Ltd	-	-	-	-	-	100	(100)	-	-	-
Advantis Leo Thailand (Pvt) Ltd	-	-	-	-	-	13,899	(14,634)	735	-	-
Lakdiyatha (Pvt) Ltd.	1,609	12,979	-	-	14,588	1,101	508	-	-	1,609
Joule Power (Pvt) Ltd.	416,105	10,488	-	(57,488)	369,105	435,880	76,038	-	(95,813)	416,105
Beta Power (Pvt) Ltd.	377,109	12,778	-	(34,912)	354,975	393,770	62,089	-	(78,750)	377,109
Martin Bauer Hayleys (Pvt) Ltd.	1,756,451	319,317	121,792	(265,962)	1,931,598	1,682,806	104,164	20,486	(51,005)	1,756,451
Livee Polska SP. Z.O.O	147,040	20,881	-	-	167,921	139,858	7,182	-	-	147,040
Group Investments in equity accounted investees	2,747,620	379,120	121,815	(363,500)	2,885,055	2,714,901	237,074	21,213	(225,568)	2,747,620

18.2.2 Summarised financial information of equity accounted investees which has not been adjusted for the Group's share.

As at 31st March	CONSOLIDATED	
	2026	2025
	Rs.'000	Rs.'000
Assets and Liabilities		
Current Assets	6,243,039	3,206,032
Non-current Assets	7,689,785	6,372,617
Current Liabilities	2,588,988	1,109,510
Non-current Liabilities	2,369,664	1,396,949

As at 31st March	CONSOLIDATED	
	2026	2025
	Rs.'000	Rs.'000
Revenue and Profit		
Revenue from contracts with customers	12,535,949	4,716,883
Profit after tax	1,246,545	786,334
Total comprehensive income	1,520,040	835,683

As at 31st March	CONSOLIDATED	
	2026	2025
	Rs.'000	Rs.'000
Cash flows		
Cash flows from operating activities	443,215	959,471
Cash flows from Investing activities	(662,563)	(85,333)
Cash flows from financing activities	(116,914)	(854,835)

18.2.3 The Company has neither contingent liabilities nor capital commitments in respect of its equity accounted investees.

18.3 Livee Polska SP. Z O. O. is the only equity accounted investees incoporated outside of Sri Lanka.

18.4 Inter-Company Shareholdings

Investor As at 31st March	Investee	% Holding		No. of Shares	
		2026	2025	2026	2025
Agro Technica Ltd.	Sunfrost (Pvt) Ltd.	<1	<1	75,001	75,001
Chas P. Hayley & Co. (Pvt) Ltd.	Toyo Cushion Lanka (Pvt) Ltd.	3	3	169,267	169,267
	Volanka Exports Ltd.	100	100	2,900,000	2,900,000
	Charles Fibre (Pvt) Ltd.	50	50	10,000	10,000
Dean Foster (Pvt) Ltd.	Volanka (Pvt) Ltd.	38	38	3,920	3,920
	Hayleys Advantis Ltd.	1	1	488,369	488,369
	Chas P. Hayley & Company (Pvt) Ltd.	<1	<1	80	80
	Alumex PLC	5	5	28,427,800	28,427,800
	Hayleys Fabric Solutions Limited	33	33	2	2
	Hayelys Leisure PLC	21	21	23,049,088	23,049,088
Dipped Products PLC	Venigros (Pvt) Ltd.	100	100	8,000,000	8,000,000
	Feltex (Pvt) Ltd.	100	100	1,500,000	1,500,000
	DPL Plantations (Pvt) Ltd.	100	100	55,000,000	55,000,000
	Dipped Products (Thailand) Ltd. (100 Bhat)	99	99	3,722,184	3,722,184
	ICOGUANTI S.p.A (Italy) (€1 - each)	100	100	3,150,000	3,150,000
	Hanwella Rubber Products Ltd.	73	73	18,152,000	18,152,000
	D P L Premier Gloves Ltd.	-	100	-	145,000,000
	D P L Universal Gloves Ltd.	100	100	500,000,000	500,000,000
	D P L International Ltd.	100	100	1,080,900	1,080,900
ICOGUANTI S.p.A (Italy)	DPL France SAS (€ 1 - each)	97	97	5,800,000	5,800,000
	ROZENBAL POLSKA Sp. z.o.o. (PLN 500 - each)	97	97	1,779	1,779
Dipped Products (Thailand) Ltd	Hi Care Thai Gloves Co. Ltd (THB 100 - each)	100	100	3,350,000	3,350,000
DPL Plantations Ltd	Kelani Valley Plantations PLC	72	72	49,253,800	49,253,800
	Hayleys Plantation Services (Pvt) Ltd.	67	67	13,400,000	13,400,000

Notes to the Financial Statements

Investor As at 31st March	Investee	% Holding		No. of Shares	
		2026	2025	2026	2025
Haycarb PLC	Dipped Products PLC	7	7	40,687,460	40,687,460
	Eurocarb Products Ltd.(UK) (£1 - each)	100	100	100,000	100,000
	Haycarb Holdings Australia (Pty) Ltd. (Aus $1 - each)	100	100	150,000	150,000
	Carbotels (Pvt) Ltd.	25	25	9,290,341	9,290,341
	Carbokarn Co. Ltd.(100 Bhat, 100% paid-up)	50	50	250,000	250,000
	Puritas (Pvt) Ltd.	100	100	699,995	699,995
	Recogen (Pvt) Ltd.	100	100	36,999,995	36,999,995
	Haycarb USA Inc. ($1 - each)	100	100	1,285,000	1,285,000
	Haycarb Holdings Bitung Ltd. ($1 - each)	100	100	1,400,000	1,400,000
	PT Mapalus Makawanua Charcoal Industry (IDR 1,000,000)	2	2	707	707
	Ultracarb (Pvt) Ltd.	-	100	-	25,000,000
	Quality Seed Company (Pvt) Ltd.	6	6	147,000	147,000
	Haycarb Singapore Pte. Ltd ($1 - each)	100	100	10,000	10,000
	PT Haycarb Palu Mitra (IDR 9,539 - each)	60	60	1,290,000	1,290,000
Carbokarn Co. Ltd.	CK Regen Systems Co. Ltd. (TBH 100 - each)	50	50	75,000	75,000
	Shizuka Co. Ltd. (TBH 100 - each)	50	50	137,500	137,500
Puricarb Pte Ltd	Haycarb Philippines Corporation (PESO 10.57 - each)	100	100	300,000	300,000
Puritas (Pvt) Ltd.	Lakdiyatha (Pvt) Ltd.	49	49	2,450,000	2,450,000
	Puricarb Pte Ltd. (€ 0.88 - each)	100	100	50,000	50,000
Haycarb Singapore Pte. Ltd	Eurocarb Germany GmbH (€ 1 - each)	100	100	25,000	25,000
Haycarb Holdings Bitung Ltd .	PT Mapalus Makawanua Charcoal Industry (IDR 1,000,000)	98	98	36,935	36,935
Hayleys Agriculture Holdings Ltd.	Agro Technica Ltd.	100	100	2,499,994	2,499,994
	Hayleys Agro Fertilizers (Pvt) Ltd.	100	100	14,999,999	14,999,999
	Hayleys Agro Farms (Pvt) Ltd.	100	100	1,500,000	1,500,000
	Hayleys Agro Bio-Tech (Pvt) Ltd.	100	100	7,499,999	7,499,999
	HJS Condiments Ltd.	59	59	7,399,343	7,399,343
	Sunfrost (Pvt) Ltd.	100	100	167,445,000	167,445,000
	Haychem (Bangladesh) Ltd. (Taka 100 - each)	100	100	340,703	340,703
	Hayleys Nature Nest (Pvt) Ltd.	50	50	69,000,000	30,000,000
	Hayleys Fabric PLC	2	2	6,944,514	6,944,514
	Singer (Sri Lanka) PLC	2	2	28,404,255	28,404,255
	Quality Seed Company (Pvt) Ltd.	94	94	2,378,000	2,378,000

Investor As at 31st March	Investee	% Holding		No. of Shares	
		2026	2025	2026	2025
Hayleys Fibre PLC	Toyo Cushion Lanka (Pvt) Ltd.	16	16	1,015,602	1,015,602
	Bonterra Ltd.	50	50	803,394	803,394
	Creative Polymats (Pvt) Ltd.	74	74	22,500,001	22,500,001
	Rileys (Pvt) Ltd.	12	12	15,500,000	15,500,000
Hayleys Aventura (Pvt) Ltd.	Celonex (Pvt) Ltd (Previously Haycolour (Pvt) Ltd)	100	100	2,000,000	59,999
	Hayleys Lifesciences (Pvt) Ltd.	100	100	9,999,999	9,999,999
	Innovative Solutions Lanka (Pvt) Ltd.	100	100	320,001	320,001
	Nirmalapura Wind Power (Pvt) Ltd.	21	21	21,100,000	21,100,000
	Hayleys Power Ltd.	100	100	46,767,241	46,767,241
	Joule Power (Pvt) Ltd.	25	25	26,250,000	26,250,000
	Beta Power (Pvt) Ltd.	25	25	26,250,000	26,250,000
	Singer (Sri Lanka) PLC	3	3	31,595,745	31,595,745
	Solar One Ceylon (Pvt) Ltd.	50	50	35,085,952	35,085,952
	Innovative Health Solutions (Pvt) Ltd.	100	-	100,002	-
	Hayleys Aventura BD Limited (Taka 100 - each)	100	100	4,182	4,182
	Hayleys Aventura Singapore Pte Ltd. ($1 - each)	100	100	5,000	5,000
Hayleys Hydro Energy (Pvt) Ltd.	Neluwa Cascade Hydro Power (Pvt) Ltd.	100	100	11,910,001	11,910,001
Hayleys Plantation Services (Pvt) Ltd.	Talawakelle Tea Estates PLC	75	75	35,500,000	35,500,000
	Horana Plantations PLC	51	51	12,750,000	12,750,000
Talawakelle Tea Estates PLC	TTEL Hydro Power Company (Pvt) Ltd.	100	100	6,885,300	6,885,300
	TTEL Somerset Hydro Power (Pvt) Ltd.	100	100	6,000,000	6,000,000
Hayleys Advantis Group	Sunfrost (Pvt) Ltd.	1	1	50,000	50,000
	Singer (Sri Lanka) PLC	10	10	111,382,980	111,382,980
	Hayleys Fabric PLC	2	2	10,073,700	10,073,700
Ravi Industries Ltd.	Rileys (Pvt) Ltd.	19	19	24,500,000	24,500,000
	Dipped Products PLC	1	1	5,670,000	5,670,000
	Ravi Marketing Services (Pvt) Ltd.	100	100	9,994	9,994
Rileys (Pvt) Ltd.	Haymat (Pvt) Ltd.	54	54	215,998	215,998
	Creative Polymats (Pvt) Ltd.	26	26	8,034,098	8,034,098
Toyo Cushion Lanka (Pvt) Ltd.	Dean Foster (Pvt) Ltd.	2	2	235,294	235,294
	Hayelys Leisure PLC	2	2	1,835,420	1,835,420

Notes to the Financial Statements

Investor	Investee	% Holding		No. of Shares	
As at 31st March		2026	2025	2026	2025
Volanka (Pvt) Ltd.	Dipped Products PLC	8	8	48,736,400	48,736,400
	Toyo Cushion Lanka (Pvt) Ltd.	22	22	1,455,832	1,455,832
	Volanka Insurance Brokers (Pvt) Ltd.	100	100	62,808	62,802
	Singer (Sri Lanka) PLC	3	3	34,787,235	34,787,235
	Ravi Industries Ltd.	14	14	1,732,720	1,732,720
	Rileys (Pvt) Ltd.	65	65	85,000,000	85,000,000
Carbotels (Pvt) Ltd.	Eastern Hotel (Pvt) Ltd.	96	96	894,304	894,304
	Singer (Sri Lanka) PLC	3	3	29,042,553	29,042,553
	The Kingsbury PLC	23	23	113,250,000	113,250,000
Volanka Exports Ltd.	Hayelys Leisure PLC	1	1	1,445,358	1,445,358
Kelani Valley Plantations PLC	Kalupahana Power Company (Pvt) Ltd.	60	60	1,800,000	1,800,000
	Mabroc Teas (Pvt) Ltd.	100	100	11,000,000	11,000,000
	Kelani Valley Resorts (Pvt) Ltd.	100	100	5,000,000	5,000,000
	Martin Bauer Hayleys (Pvt) Ltd.	10	10	39,091,550	39,091,550
Mabroc Teas (Pvt) Ltd.	Merdian Exports	100	100	110,000	110,000
	Blue mountain tea Exports	100	100	5	5
	Mabroc East Africa (Pvt) Ltd. (Ksh 100 - each)	70	70	101,500	101,500
Hayleys Aviation and Projects (Pvt) Ltd.	Air Global (Pvt) Ltd.	100	100	999,996	999,996
	Millennium Transportation (Pvt) Ltd.	100	100	99,999	99,999
	North South Lines (Pvt) Ltd.	100	100	134,999	134,999
	Hayleys Travels (Pvt) Ltd.	100	100	1,779,999	1,779,999
	S & T Interiors (Pvt) Ltd.	53	53	1,560,000	1,560,000
Hayleys Electronics Ltd.	Global Consumer Brands (Pvt) Ltd.	100	100	17,599,999	17,599,999
	Hayleys Mobility Limited (Previoisly Hayleys Electronics Manufacturing (Pvt) Ltd)	13	100	7,245,697	7,232,974
Hayleys Consumer Products Ltd.	International Consumer Brands (Pvt) Ltd.	100	100	3,000,000	3,000,000
Hayleys Leisure PLC	Kandyan Resorts (Pvt) Ltd.	100	100	23,215,547	23,215,547
	Culture Club Resorts (Pvt) Ltd.	100	100	23,822,393	23,822,393
	Hayleys Holidays (Pvt) Ltd.	100	100	100,003	100,003
	Sun Tan Beach Resorts Ltd.	84	82	822,982,185	366,734,905
	Hayleys Hotel Management Services (Pvt) Ltd.	100	100	1,200,002	1,200,002
	C D C Convensions (Pvt) Ltd.	100	100	1,000,002	1,000,002

Investor As at 31st March	Investee	% Holding		No. of Shares	
		2026	2025	2026	2025
Hayleys Power Ltd.	Bhagya Hydro (Pvt) Ltd.	100	100	3,499,999	3,499,999
	Hayleys Hydro Energy (Pvt) Ltd.	51	51	6,120,001	6,120,001
	Hayleys Neluwa Hydro Power (Pvt) Ltd.	100	100	29,700,000	29,700,000
	Solar Two (Pvt) Ltd.	100	100	25,000,010	10
	Neluwa Upper Hydro Power (Pvt) Ltd.	-	100	-	100,000
Hayleys Fentons Ltd	Fentons Smart Facilities (Pvt) Ltd.	100	100	19,000,001	1
	Energynet (Pvt) Ltd.	100	100	10,900,344	10,900,344
	Nex-Gen Engineering Pte ($1 - each)	100	100	400,000	400,000
	Nex-Gen Engineering Studio Limited (Previously Nex-Gen Asia (Pvt) Ltd)	100	100	16,000,100	100
	Fentech Brands Ltd.	48	-	16,012,722	12,722
	Hayleys Mobility Limited (Previoisly Hayleys Electronics Manufacturing (Pvt) Ltd)	87	<1	50,012,722	12,722
	Haywind One Limited	93	99	7,750,099	1
	Air Power Energy Solutions (Pvt) Ltd.	51	-	510,510	-
	Karaitivu Windycity Energy Park (Pvt) Ltd.	51	-	510,510	-
	Northgate Wind Power (Pvt) Ltd.	51	-	510,510	-
	Northwest Wind Power Solutions (Pvt) Ltd.	51	-	510,510	-
	Wind Will Energy (Pvt) Ltd.	51	-	510,510	-
	Westgate Wind Power Solutions (Pvt) Ltd.	51	-	510,510	-
	Ceylon Electric Power Development (Pvt) Ltd	19	-	5,403,538	-
	3W Power Management Limited	70	-	70	-
	Hayleys Electronics (Pvt) Ltd.	100	100	16,966,850	966,852
Nex-Gen Engineering Studio Limited	Haywind One Limited	7	-	600,000	-
Singer (Sri Lanka) PLC	Singer Finance (Lanka) PLC	80	80	222,080,423	161,513,035
	Regnis Appliances (Pvt) Ltd.	100	100	15,000,000	15,000,000
	Reality & Distributiors Ltd.	100	100	18,215,083	18,215,083
Hayleys Fabric PLC	South Asia Textiles Ltd.	100	100	357,361,456	357,361,456
	Hayleys Fabric Solutions Limited	67	67	4	4

Notes to the Financial Statements

19. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

19.1 Other Non-Current Financial Assets

As at 31st March	CONSOLIDATED							COMPANY			
	Fair value through OCI		Fair value through Profi or Loss	Amortised cost		Total 2026	Total 2025	Fair value through OCI	Fair value through P&L	Total 2026	Total 2025
	Unquoted equity shares	Quoted equity shares	Quoted equity shares	Treasury Bonds	Fixed Deposits			Unquoted shares	Unquoted shares		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	83,598	10,080	-	318,164	50,362	462,204	395,960	42,000	-	42,000	42,000
Additions	-	-	3,683,245	-	550,000	4,233,245	51,757	-	3,683,245	3,683,245	-
Transfers	-	-	-	-	-	-	(282)	-	-	-	-
Disposals	-	-	(341,674)	(387,834)	(43,815)	(773,323)	(74,669)	-	(341,674)	(341,674)	-
Effect of movement in exchange rate	47	-	-	-	1,516	1,563	(1,395)	-	-	-	-
Change in fair value	2,190	4,158	1,671,607	69,670	-	1,747,625	90,833	-	1,671,607	1,671,607	-
At the end of the year	85,835	14,238	5,013,178	-	558,063	5,671,314	462,204	42,000	5,013,178	5,055,178	42,000

19.1.1 Investment Details

Investor	Investee	Number of shares		Value	
As at 31st March		2026	2025	2026 Rs.'000	2025 Rs.'000
Unquoted equity shares - at fair value through OCI					
Hayleys PLC	Sri Lanka Institute of Nanotechnology (Pvt) Ltd.	4,200,000	4,200,000	42,000	42,000
Hayleys Aventura (Pvt) Ltd.	Hydro Trust lanka (Pvt) Ltd.	350,000	350,000	3,500	3,500
Dipped Products PLC	Wellassa Rubber Company Ltd	255,000	255,000	2,550	2,550
	Impairment in Wellassa Rubber Company Ltd.	-	-	(2,550)	(2,550)
Haycarb Group	Barrik Gold Corporation (Aus 27.20 each)	3,456	3,456	334	288
Hayleys Advantis Group	SLAFFA Cargo Services Ltd.	120,901	120,901	18,013	15,317
	CMA Ships Lanka (Pvt) Ltd.	2	2	25	25
Singer (Sri Lanka) PLC	Equity Investment Lanka Ltd.	1,665,000	1,665,000	19,778	20,283
	Credit Information Bureau of Sri Lanka	100	100	2,185	2,185
				85,835	83,598

Investor	Investee	Number of shares		Value	
As at 31st March		2026	2025	2026 Rs.'000	2025 Rs.'000
Quoted equity shares - at fair value through OCI					
Dipped Products PLC	Royal Ceramics Lanka PLC	220	220	94	80
Hayleys Advantis Group	Comtrust Equity Fund	200,000	206,452	12,854	9,050
	Union Bank PLC	100,000	100,000	1,290	950
				14,238	10,080
Quoted equity shares - at fair value through Profit or Loss					
Hayleys PLC	Harischandra Mills PLC	780,026	-	3,953,737	-
	Diesel & Motor Engineering PLC	875,291	-	1,059,441	-
				5,013,178	-

Investor	Investee	Value	
As at 31st March		2026 Rs.'000	2025 Rs.'000
Investments at amortized cost			
Hayleys Agro Fertilizers (Pvt) Ltd.	Treasury bonds	-	318,164
Talawakelle Tea Estates PLC	Long-Term Fixed Deposit	550,000	-
Haychem (Bangladesh) Ltd	Long-Term Fixed Deposit	8,063	50,362
		558,063	368,526

19.1.2 Quoted equity shares - at fair value through Profit or Loss

Harischandra Mills PLC

Hayleys PLC acquired 778,946 shares of Harischandra Mills PLC on 17 October 2025, resulting in a 40.58% shareholding. Subsequently, an additional 1,080 shares were acquired pursuant to the mandatory offer.

Following an assessment of the relevant facts and circumstances, management concluded that Hayleys PLC does not have control or significant influence over Harischandra Mills PLC. Accordingly, the investment has been classified as a non-current financial asset and measured at fair value through profit or loss (FVTPL) as at 31 March 2026. The fair value gain of Rs. 1,365 mn (Note 9) arising from the remeasurement of the investment has been recognized in profit or loss for the year.

Diesel & Motor Engineering PLC

On 7 and 24 April 2025, Hayleys PLC acquired 1,040,291 shares of Diesel and Motor Engineering PLC, increasing its equity interest to 11.27% as part of the Group's business strategy. Subsequently, 165,000 shares were disposed of, reducing the holding to 9.48%.

As at 31 March 2026, management reassessed the investment and concluded that it was no longer intended to be held for long-term strategic purposes. Accordingly, the investment was classified as a non-current financial asset and measured at fair value through profit or loss (FVTPL).

Furthermore, a gain of Rs.306 mn (Note 9) arising from the remeasurement of the investment to fair value was recognized in profit or loss for the year ended 31 March 2026.

Notes to the Financial Statements

19.2 Other Current Financial Assets

As at 31st March	CONSOLIDATED				COMPANY			
	Fair value through profit or loss		Total 2026	Total 2025	Financial instruments at fair value through profit or loss		Total 2026	Total 2025
	Quoted equity shares	Unit trust			Quoted equity shares	Unit trust		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	27,983	1,474,328	1,502,311	2,176,135	15,287	10,865	26,152	19,960
Additions	41	12,408,113	12,408,154	3,291,340	-	-	-	-
Disposals	-	(12,430,120)	(12,430,120)	(4,086,599)	-	(10,865)	(10,865)	-
Transfers	-	-	-	282	-	-	-	-
Change in fair value	8,121	95,089	103,210	121,153	4,756	-	4,756	6,192
At the end of the year	36,145	1,547,410	1,583,555	1,502,311	20,043	-	20,043	26,152

19.2.1 Investment details

Investor	Investee	Number of shares		Value	
As at 31st March		2026	2025	2026 Rs.'000	2025 Rs.'000
Quoted equity shares - Fair value through profit or loss					
Hayleys PLC	Central Industries PLC	19,478	19,478	3,993	2,853
	Kelani Tyres PLC	17,200	17,200	1,387	1,392
	Lanka Orix Leasing Company PLC	1,404	1,404	744	835
	National Development Bank PLC	29,235	29,235	3,800	3,128
	Three Acre Farms PLC	1,840	1,840	1,060	551
	Hatton National Bank PLC - Non Voting	25,574	24,964	9,059	6,527
Dean Foster (Pvt) Ltd.	ACL Cables PLC	49,440	16,480	4,202	2,011
	Blue Diamonds Jewellery Worldwide PLC	13	13	-	-
	Lanka Orix Leasing Company PLC	3,280	3,280	1,737	1,951
	Three Acre Farms PLC	2,000	2,000	1,152	600
Hayleys Advantis Ltd.	DFCC Bank PLC	9,416	8,816	1,297	971
	Hatton National Bank PLC	9,416	9,224	3,867	2,871
	National Development Bank PLC	3,449	3,243	449	369
	Beruwala Resort PLC	344,474	344,474	1,034	1,275
	Union Bank PLC	400	400	5	4
Amaya Leisure PLC	The Fortress Resorts PLC	90,075	90,075	1,946	2,207
	LB Finance PLC	160	160	22	14
Fentons Ltd	Hotel Sigiriya PLC	5,500	5,500	391	424
				36,145	27,983

Investor	Investee	Number of shares		Value	
As at 31st March		2026	2025	2026 Rs.'000	2025 Rs.'000
Unit trust - Fair value through profit or loss					
Hayleys PLC	NDB Wealth Money Fund	-	303,116	-	10,865
Carbotels (Pvt) Ltd.	NDB Wealth Money Fund	179,678	179,678	4,891	4,890
	NDB Wealth Money plus Fund	3,179,499	3,671,999	137,304	146,443
Bhagya Hydro (Private) Limited	NDB Wealth Money Fund	868,504	999,283	33,507	35,816
Hayleys Power Limited	NDB Wealth Money Fund	10,782	1,836,433	416	65,821
Hayleys Neluwa Hydro Power (Private) Limited	NDB Wealth Money Fund	5,768,647	6,775,694	222,554	242,853
Neluwa Cascade Hydro Power (Private) Limited	NDB Wealth Money Fund	2,602,783	3,310,303	100,415	118,648
Hayleys Advantis Ltd	NDB Wealth Money Fund	8,340,786	8,340,786	918,029	302,097
Singer (Sri Lanka) PLC	NDB Wealth Money Fund	4,563	9,486,598	189	340,160
	NDB Money Plus Fund	4,227	4,227	167	167
Hayleys Aventura (Private) Limited	NDB Wealth Money Fund	381,153	4,646,341	14,705	166,534
Hayleys Lifesciences (Private) Limited	NDB Wealth Money Fund	6,843,637	-	114,866	-
Solar One Ceylon (Private) Limited	NDB Wealth Money Fund	9,504	1,116,960	367	40,034
				1,547,410	1,474,328

19.3 Other Financial Liabilities

As at 31st March	Financial liabilities at amortised cost - Customer Deposits	CONSOLIDATED	
		Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000
At beginning of the year	28,314,140	28,314,140	22,179,511
Incurred	22,416,763	22,416,763	16,283,417
Settlements	(11,009,791)	(11,009,791)	(10,727,784)
Charge/ capitalization of interest	1,457,421	1,457,421	578,996
At end of the year	41,178,533	41,178,533	28,314,140
Other Current Financial Liabilities	27,433,542	27,433,542	21,907,141
Other Non Current Financial Liabilities	13,744,991	13,744,991	6,406,999
At end of the year	41,178,533	41,178,533	28,314,140

Notes to the Financial Statements

19.3.1 Customer Deposit Classification

As at 31st March	CONSOLIDATED 2026 Rs.'000	2025 Rs.'000
Fixed deposits	39,953,521	27,460,319
Savings	1,225,012	853,821
	41,178,533	28,314,140

19.4 Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2026, the Group held the following financial instruments carried at fair value in the Statement of Financial Position:

Assets measured at fair value

As at 31st March	Notes	2026 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair value through OCI					
Quoted equity shares	19.1.1	14,238	14,238	-	-
Unquoted equity shares	19.1.1	85,835	-	-	85,835
Financial assets at fair value through profit or loss					
Non-Current Financial Assets - Quoted equity shares	19.1	5,013,178	5,013,178	-	-
Current Financial Assets - Quoted equity shares	19.2	36,145	36,145	-	-
Unit trust	19.2	1,547,410	-	1,547,410	-
Property, plant & equipment					
Freehold land	13	45,596,884	-	-	45,596,884
Investment Properties					
Land and buildings	15	1,463,410	-	-	1,463,410

As at 31st March	Notes	2025 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair value through OCI					
Quoted equity shares	19.1.1	10,080	10,080	-	-
Unquoted equity shares	19.1.1	83,598	-	-	83,598
Financial assets at fair value through profit or loss					
Quoted equity shares	19.2	27,983	27,983	-	-
Unit trust	19.2	1,474,328	-	1,474,328	-
Property, plant & equipment					
Freehold land	13	43,734,033	-	-	43,734,033
Investment Properties					
Land and buildings	15	2,192,662	-	-	2,192,662

During the reporting period ended 31 March 2026 and 31 March 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair Values

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the Financial Statements.

As at 31st March	Notes	CONSOLIDATED		COMPANY	
		Carrying value	Fair value	Carrying value	Fair value
		2026		2026	
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets					
Other non- current financial assets					
Fair value through OCI	19.1	100,073	100,073	42,000	42,000
Fair value through profit or loss	19.1	5,013,178	5,013,178	5,013,178	5,013,178
Amortised cost	19.1	558,063	558,063	-	-
Non- current trade and other receivables	22	30,447,534	30,447,534	107,000	107,000
Other current financial assets					
Financial instruments at fair value through profit or loss	19.2	1,583,555	1,583,555	20,043	20,043
Trade and other receivables	22	204,688,335	204,688,335	9,247,070	9,247,070
Amounts due from subsidiaries	38.4	-	-	6,014,410	6,014,410
Amounts due from equity accounted investees	38.5	203,755	203,755	109,279	109,279
Short term deposits		27,002,950	27,002,950	1,463,637	1,463,637
Cash and cash equivalents		26,947,637	26,947,637	442,662	442,662
		296,545,080	296,545,080	22,459,279	22,459,279

Notes to the Financial Statements

As at 31st March	Notes	CONSOLIDATED		COMPANY	
		Carrying value	Fair value	Carrying value	Fair value
		2026		2026	
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Liabilities					
Interest-bearing borrowings*	25	136,795,902	136,795,902	34,847,054	34,847,054
Other financial liabilities					
Financial liabilities at amortised cost	19.3	41,178,533	41,178,533	-	-
Trade and other payables	29	85,664,564	85,664,564	921,887	921,887
Amounts due to subsidiaries	38.4	-	-	832,549	832,549
Short-term interest-bearing borrowings	31	152,860,811	152,860,811	14,461,337	14,461,337
		416,499,810	416,499,810	51,062,827	51,062,827

* Include fixed interest loans carried at amortised cost.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The following methods and assumptions were used to estimate the fair values:

- The carrying value of available for sale financial instruments at fair value through OCI and financial instruments at fair value through profit or loss at fair value.
- Cash and cash equivalents, short term deposits, trade and other, amounts due to/ from subsidiaries, amounts due from equity accounted investees and trade and other payables approximate their carrying values largely due to the short term maturities of these instruments.
- The Fair value of financial assets at amortised cost and financial liabilities at amortised cost is not significantly different from the value based on amortised cost methodology.

20. OTHER NON CURRENT ASSETS

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Prepayments	5,766,485	5,772,037	112,874	35,790
Formers	2,261,283	1,881,007	-	-
Pre paid staff benefit	340,880	200,055	-	-
VAT receivable	3,683,589	1,992,345	-	-
Other tax receivables	239,384	292,158	-	-
Provision for impairment	(1,209,906)	(969,377)	-	-
	11,081,715	9,168,225	112,874	35,790
Other Current Assets	9,831,293	8,125,669	112,874	35,790
Other Non Current Assets	1,250,422	1,042,556	-	-
	11,081,715	9,168,225	112,874	35,790

21. INVENTORIES

As at 31st March	Notes	CONSOLIDATED		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Raw materials & consumables		43,533,469	34,799,061	34,085	32,756
Produce stocks		1,401,554	2,127,178	-	-
Produce on bearer biological assets		55,676	71,734	-	-
Nurseries		42,917	64,779	-	-
Work-in-progress		16,141,238	15,776,332	-	-
Finished goods		63,610,253	45,571,436	-	-
Goods-in-transit		1,934,366	1,858,352	-	-
		126,719,473	100,268,872	34,085	32,756
Provision for slow moving and obsolete inventories	21.1	(8,691,973)	(6,660,268)	-	-
Provision for unrealised profit and write-off of inventories	21.2	(1,655,133)	(1,668,296)	-	-
		116,372,367	91,940,308	34,085	32,756

21.1 Movement in the Provision for Slow Moving and Obsolete Inventories

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	6,660,268	6,176,800	-	-
Movement during the year	2,031,705	483,468	-	-
At the end of the year	8,691,973	6,660,268	-	-

Notes to the Financial Statements

21.2 Movement in the Provision for Unrealised Profit and Write-off of Inventories

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	1,668,296	1,247,745	-	-
Movement during the year	(13,163)	420,551	-	-
At the end of the year	1,655,133	1,668,296	-	-

22. TRADE AND OTHER RECEIVABLES

As at 31st March	Notes	CONSOLIDATED		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Trade receivables		83,990,770	69,531,959	-	-
Bills receivables		16,636,810	12,013,917	-	-
Hire purchase debtors		17,533,368	12,577,973	-	-
Lease rental receivable	22.1	21,283,488	17,703,574	-	-
Loan debtors		68,242,510	31,203,856	-	-
		207,686,946	143,031,279	-	-
Payments in advance, deposits and other receivables		22,028,862	15,751,338	383,978	92,687
Duty rebate receivables		3,974,428	6,681,777	-	-
Employee loans		1,140,390	491,836	1,018	1,252
Provision for impairment	22.2	(8,693,598)	(7,237,788)	(29,767)	(32,182)
		226,137,028	158,718,442	355,229	61,757
Current Trade and Other Receivables		195,689,494	139,429,685	248,229	61,757
Non- Current Trade and Other Receivables		30,447,534	19,288,757	107,000	-

22.1 Nature of the Lessor's Leasing Activities

The Company acts as a lessor under finance lease arrangements relating to [Motor Vehicles ,Machineries & equipment]. Lease terms generally range from 1 year to 5 years, with lease rentals payable in accordance with contractual payment schedules. The lease receivable represents amounts due from lessees under these agreements.

The Company manages its exposure to credit and residual value risks through credit assessments of lessees, ongoing monitoring of lease receivables and, where applicable, obtaining security deposits or other forms of collateral.

22.2 Movement in the Provision for Impairment

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	7,237,778	7,147,180	32,182	32,182
Movement during the year	1,455,810	90,598	(2,415)	-
At the end of the year	8,693,588	7,237,778	29,767	32,182

22.1.1 The Aging Analysis of trade and bills receivable is as follows;

As at 31st March Consolidated	Total Rs.'000	Neither past due nor impaired Rs.'000	0-60 days Rs.'000	61-120 days Rs.'000	121-180 days Rs.'000	181-365 days Rs.'000	1-2 years Rs.'000	2-5 years Rs.'000
Balance as at 31st March 2026	207,686,946	62,698,943	62,283,342	18,509,533	10,353,626	24,036,556	12,286,269	17,518,677
Balance as at 31st March 2025	143,031,279	26,643,446	48,418,046	12,605,449	8,932,101	25,530,485	9,751,534	11,150,218

22.1.2 Currency-wise Analysis of Trade and Other Receivables

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sri Lankan Rupees	163,142,827	110,147,561	355,229	61,757
Australian Dollars	507,363	225,814	-	-
Pounds Sterling	183,734	177,621	-	-
United States Dollars	47,496,176	33,032,922	-	-
Euro	7,461,261	8,608,990	-	-
Thai Baht	1,570,464	795,611	-	-
Indian Rupees	473,205	318,185	-	-
Maldivian Rufiyaa	1,092,915	1,464,389	-	-
Bangladesh Taka	3,521,621	2,946,047	-	-
Others	687,462	1,001,302	-	-
	226,137,028	158,718,442	355,229	61,757

23. STATED CAPITAL

As at 31st March	COMPANY			
	2026 No of Shares	2025 No of Shares	2026 Rs. '000	2025 Rs. '000
Issued & fully paid - ordinary shares				
At the beginning of the year	750,000,000	750,000,000	1,575,000	1,575,000
At the end of the year	750,000,000	750,000,000	1,575,000	1,575,000

The holders of ordinay shaes are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Rights issue proceeds pending allotment

On 21st January 2026, the Board of Directors resolved to increase the Company's stated capital through a rights issue amounting to Rs. 9.0 bn. Although the rights issue was approved during the year, the share allotment was completed subsequent to the reporting date on 27th April 2026. Accordingly, as at 31 March 2026, the rights issue amount of Rs.9.0 bn was presented separately within the equity as Shares Pending Allotment, reflecting the fact that the shares had not yet been formally allotted at the reporting date, despite the capital has been committed.

Notes to the Financial Statements

23.1 Other Capital Reserves & Retained Earnings

23.1.1 Other capital reserves

As at 31st March Consolidated	Capital profit on redemption of debentures Rs.'000	Fixed asset replacement reserve Rs.'000	Capital reserve on sale of property, plant & equipment Rs.'000	Capital redemption reserve fund Rs.'000	Statutory reserve fund Rs.'000 (Note 23.1.2)	Debenture redemption reserve fund Rs.'000	Reserve on amalgamation Rs.'000	Total Rs.'000
Balance as at 1st April 2024	109	11,750	37,833	69,043	256,600	1,047	317,992	694,374
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	(16,105)	-	-	(16,105)
Transfers	-	-	-	-	119,251	-	-	119,251
Balance as at 31st March 2025	109	11,750	37,833	69,043	359,746	1,047	317,992	797,520
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	(42,032)	-	-	(42,032)
Transfers	-	-	-	-	315,031	-	-	315,031
Balance as at 31st March 2026	109	11,750	37,833	69,043	632,745	1,047	317,992	1,070,519

As at 31st March Company	Capital profit on redemption of debentures Rs.'000	Fixed asset replacement reserve Rs.'000	Capital reserve on sale of property, plant & equipment Rs.'000	Debenture redemption reserve fund Rs.'000	Total Rs.'000
Balance as at 31st March 2026	109	11,750	320	1,047	13,226
Balance as at 31st March 2025	109	11,750	320	1,047	13,226

23.1.2 Statutory reserves

As at 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000
Reserve Fund	23.1.2.1.	632,745	359,746

23.1.2.1 Statutory reserve fund

As at 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000
Balance as at the beginning of the year	359,746	256,600
Transfer made during the year	315,031	119,251
Statutory reserve attributable to non-controlling interest	(42,032)	(16,105)
Balance as at the end of the year	632,745	359,746

The balance in the statutory reserve fund will be used only for the purposes specified in the Central Bank Direction No.1 of 2003.

The statutory reserve fund is maintained in compliance with direction No 1 of 2003 Central Bank of Sri Lanka (Capital Funds) issued to Finance Companies.

As per the said Direction , every Licensed Finance Company shall maintain a Reserve Fund and transfer to such reserve fund out of the net profits of the each year after due provisions have been made for taxation and bad and doubtful debts on following basis.

Capital Funds to Deposit Liabilities	Transfer to Reserve Fund
Not less than 25%	5%
Less than 25% and not less than 10%	20%
Less than 10%	50%

Accordingly, Singer Finance (Lanka) PLC has transferred 20% of its net profit after taxation to the Reserve Fund as Company's Capital Funds to Deposit Liabilities, belongs to less than 25% and not less than 10%.

23.1.3 Retained earnings

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Balance as at the beginning of the year	53,876,258	45,379,601	9,164,795	9,797,213
Profit for the period attributable to Parent	14,051,822	13,449,129	(1,435,851)	3,991,560
Trasnfer to bearer biological reserve and timber reserve	(5,887)	(37,166)	-	-
Total other comprehensive income	(298,337)	(247,959)	(81,110)	(163,226)
Dividends to equity holders	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
Unclaimed dividend-write back	-	79,450	-	39,248
Transfers	(293,836)	(120,224)	-	-
Acquisition of non-controlling interest in subsidiaries	70,202	(126,573)	-	-
Balance as at the end of the year	62,900,222	53,876,258	3,147,834	9,164,795

23.1.4 Cash-flow hedge reserve

As at 31st March	CONSOLIDATED	
	2026 Rs.'000	2025 Rs.'000
Balance as at the beginning of the year	(753,428)	(1,310,768)
Net gain / (loss) on cash flow hedge	(452,540)	(7,138)
Adjustment on changes to non-controlling interest in subsidiaries	(9,417)	(7,842)
Transfer of cash flow hedge reserve to revenue	572,320	572,320
Balance as at the end of the year	(643,065)	(753,428)

Several entities within the Group have borrowed in foreign currencies, the settlements of which are naturally hedged against foreign currency remittances through sales generated by the respective entities.

Notes to the Financial Statements

Subsidiaries are elected to use their USD remittances to mitigate the exchange risk and said transactions have treated as a "Cash flow Hedge" in the Financial Statements of the Group as mentioned below;

Sector	Borrowings hedged USD '000	Year of final repayment	Amount deferred as at 31 March 2026 Rs. '000
Transportation and Logistics	7,520	2029 / 2032	672,414
Eco Solutions	1,000	2025/2030	316,000

24. SECURITY DEPOSITS

As at 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000
At the beginning of the year	1,894,630	1,560,728
Contribution	379,620	340,568
Interest charges	195,458	163,116
Shortages recovered	(47,985)	(81,471)
Security deposits released	(130,289)	(88,311)
At the end of the year	2,291,434	1,894,630

25. INTEREST BEARING BORROWINGS

25.1 Total Non-Current Portion of Interest Bearing Borrowings

As at 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Lease obligations	25.3	12,910,901	11,950,250	3,135,223	-
Debentures	25.5	12,897,707	1,980,295	12,882,820	-
Long-term loans	25.8	67,136,940	57,728,554	12,454,317	19,313,834
Total non- current interest-bearing borrowings		92,945,548	71,659,099	28,472,360	19,313,834

25.2 Current Portion of Interest Bearing Borrowings

As at 31st March	Notes	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Lease obligations	25.3	2,983,128	2,040,872	112,161	-
Debentures	25.5	4,409,738	153,733	-	-
Long-term loans	25.8	36,457,488	28,729,979	6,262,533	6,899,333
Total current interest-bearing borrowings		43,850,354	30,924,584	6,374,694	6,899,333

25.3 Lease Obligations

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	13,991,122	10,284,722	-	80,604
New leases obtained	5,342,621	5,833,864	3,348,914	-
Interest charged	1,537,277	1,447,243	330,322	5,562
Increase to recognised assets	11,812	34,316	-	-
Exchange differences	155,437	4,697	-	-
De-recognition	(265,182)	(224,082)	-	-
Transfer to Liabilities directly associated with assets classified as held for sale	(609,266)	-	-	-
Repayments	(4,269,792)	(3,389,638)	(431,851)	(86,166)
At end of the year	15,894,029	13,991,122	3,247,385	-
Repayable within one year	2,983,128	2,040,872	112,162	-
Repayable after one year	12,910,901	11,950,250	3,135,223	-

25.4 Currency wise Analysis of Lease Obligations

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sri Lankan Rupees	13,830,714	11,498,481	3,247,385	-
United States Dollars	687,283	1,123,984	-	-
Maldivian Rufiyaa	19,625	19,625	-	-
Bangladesh Taka	332,022	254,783	-	-
Indonesian Rupiah	13,223	13,223	-	-
Philippine Peso	1,011,162	1,081,026	-	-
	15,894,029	13,991,122	3,247,385	-

25.5 Debentures

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	2,134,027	5,227,688	-	3,000,000
Issued during the year	14,882,820	-	12,882,820	-
Redemptions during the year	-	(3,093,661)	-	(3,000,000)
At the end of the year	17,016,847	2,134,027	12,882,820	-
Amortisation of debenture issue expense	290,598	-	-	-
Net Debenture	17,307,445	2,134,027	12,882,820	-
Repayable within one year	4,409,738	153,733	-	-
Repayable after one year	12,897,707	1,980,295	12,882,820	-

Notes to the Financial Statements

25.5.1 Details of the debentures

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Hayleys PLC :				
Debenture 1 - Listed, rated, senior, unsecured, redeemable debentures				
Type A - 3 year fixed interest rate of 10.50% p.a. payable semi-annually and redeemable on 14th May 2028.	885,020	-	885,020	-
Type B - 5 year fixed interest rate of 11.15% p.a. payable semi-annually and redeemable on 14th May 2030.	4,926,495	-	4,926,495	-
Type C - 5 year floating rate of 1 year Treasury Bill + 2.00% p.a. [with a floor of 8.50% p.a. and a cap of 12.50% p.a.] payable and repriced semi-annually and redeemable on 14th May 2030. Interest rate of comparable Government Securities as at 31st March 2026 was 9.68%.	1,188,485	-	1,188,485	-
Debenture 2 - Listed, rated, senior, unsecured, redeemable debentures				
Type A - 5 year fixed coupon rate of 10.60% p.a. (AER 10.88%), payable semi-annually and redeemable on 23rd March 2031.	1,016,580	-	1,016,580	-
Type B - 5 year floating coupon rate of One Year Treasury Bill Rate + 2.00% p.a. [With a floor of 9.50% p.a. and a cap of 11.50% p.a.], payable semi-annually and redeemable on 23rd March 2031. Interest rate of comparable Government Securities as at 31st March 2026 was 9.93%.	201,010	-	201,010	-
Type C - 7 year fixed coupon rate of 11.15% p.a. (AER 11.46%), payable semi-annually and redeemable on 23rd March 2033. Interest rate of comparable Government Securities as at 31st March 2026 was 10.45%.	4,665,230	-	4,665,230	-
Singer Finance (Lanka) PLC : Fixed rate 9.25% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	624,074	623,054	-	-
Singer Finance (Lanka) PLC : 1 Year T-Bill Rate + 3.75% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	1,588,753	1,505,405	-	-
Singer Finance (Lanka) PLC : Fixed rate 13.25% Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 19th May 2025	-	5,568	-	-
Singer Finance (Lanka) PLC : Fixed rate 12.30%. Unlisted, Unrated, Unsecured, Subordinated Debt redeemable on 08 May 2030	385,795	-	-	-
Singer Finance (Lanka) PLC : Fixed rate 12.30%. Unlisted, Unrated, Unsecured, Subordinated Debt redeemable on 21 May 2030	1,811,114	-	-	-
Singer Finance (Lanka) PLC : Fixed rate 13.75%. Unlisted, Unrated, Unsecured, Subordinated Debt redeemable on 09 March 2031	2,014,889	-	-	-
	19,307,445	2,134,027	12,882,820	-
Less: Debentures Held by Group Companies	(2,000,000)	-	-	-
	17,307,445	2,134,027	12,882,820	-

*Details regarding the listed debentures are given in page 504 to the Financial Statements.

25.6 Currency wise Analysis of Debentures

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sri Lankan Rupees	17,307,445	2,134,027	12,882,820	-
	17,307,445	2,134,027	12,882,820	-

25.7 Analysis of Long-term Debentures by Year of Repayment

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Long term debentures repayable between 1 and 2 years from year-end	-	1,980,295	-	-
Long term debentures repayable between 2 and 5 years from year-end	7,000,000	-	7,000,000	-
Long term debentures repayable later than 5 years from year-end	5,897,707	-	5,882,820	-
	12,897,707	1,980,295	12,882,820	-

25.8 Long-term Borrowings

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	86,458,533	68,301,837	26,213,167	21,300,000
Effect of movements in exchange rates	(333,912)	(283,237)	50,850	-
New loans obtained*	50,274,909	43,830,495	4,000,000	12,713,167
	136,399,530	111,849,095	30,264,017	34,013,167
Repayments	(32,805,102)	(25,390,562)	(11,547,167)	(7,800,000)
At the end of the year	103,594,428	86,458,533	18,716,850	26,213,167
Repayable within one year	36,457,488	28,729,979	6,262,533	6,899,333
Repayable after one year	67,136,940	57,728,554	12,454,317	19,313,834

*Loans obtained consist of Consumer & Retails sector (Rs. 25.5 bn), Projects, Energy and Mobility Sector (Rs. 8.9 bn), Hand Protection sector (Rs. 4.5 bn), Transportation sector (Rs. 3.2 bn), Purification Sector (Rs. 2.1 bn) and Others sectors (Rs. 9.4 bn) during the year.

Notes to the Financial Statements

25.9 Currency wise Analysis of Long-term Borrowings

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sri Lankan Rupees	86,848,753	70,852,458	17,560,100	25,056,417
United States Dollars	13,029,176	13,659,347	1,156,750	1,156,750
Euro	1,575,059	817,543	-	-
Bangladesh Taka	77,149	73,098	-	-
Thai Baht	2,056,722	1,026,904	-	-
Myanmar Kyat	-	19,033	-	-
Austrailian Dollar	7,569	10,150	-	-
	103,594,428	86,458,533	18,716,850	26,213,167

25.10 Analysis of Long-term Borrowings by Year of Repayment

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Long term loans repayable between 1 and 2 years from year-end	29,339,094	30,810,853	9,485,334	13,878,376
Long term loans repayable between 2 and 5 years from year-end	32,492,580	24,594,651	2,968,983	5,435,458
Long term loans repayable later than 5 years from year-end	5,305,266	2,323,050	-	-
	67,136,940	57,728,554	12,454,317	19,313,834

25.11 Long-term Borrowings Repayable After One Year

As at 31st March	Notes	CONSOLIDATED		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Long term loans	25.11.1	53,298,216	50,860,365	12,454,317	19,313,834
Securitization loans	25.11.2	13,838,724	6,868,189	-	-
		67,136,940	57,728,554	12,454,317	19,313,834

25.11.1 Details of long-term loans

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
Hayleys PLC	Commercial Bank of Ceylon PLC	-	600,000	To be paid bi-annualy in equal Installments of Rs.300 mn	None
	Hatton National Bank PLC	800,000	2,000,000	To be paid bi-annualy in equal Installments of Rs.400 mn	None
	Commercial Bank Ceylon PLC	1,200,000	2,000,000	To be paid bi-annualy in equal Installments of Rs.400 mn	None
	Commercial Bank Ceylon PLC	1,200,000	2,275,000	To be paid bi-annualy in equal Installments of Rs.400 mn	None
	Bank of Ceylon	1,600,000	2,400,000	To be paid bi-annualy in equal Installments of Rs.400 mn	None
	Sampath Bank PLC	2,000,000	2,800,000	To be paid bi-annually in equal installments of Rs. 400 mn	None
	People's Bank	1,950,000	3,200,000	To be paid in quarterly installments of Rs. 200 mn	None
	Hatton National Bank PLC	3,250,000	3,200,000	To be paid bi-annually in equal installments of Rs. 400 mn	None
	Standard Chartered Bank	454,317	838,833	To be paid bi-annually in equal installments of USD 0.67 mn	None
ICOGUANTI S.p.A	BANCO DESIO	31,233	-	Monthly repayments over 2 years	None
	BANCO BPM	-	75,238	Repayment over 2 years	None
	CREDEM	121,071	38,358	Repayment over 3 years	None
	UNICREDIT	-	47,948	Repayment over 3 years	None
Dipped Products Thailand Ltd	TMBThanachart Bank	87,761	48,511	as per schedule	Pledged the land, buildings, and machinery of Dipped Products Thailand Ltd and Hi-Care Thai Gloves Co. Ltd as collateral for loans and credit facilities. Additionally shares in Hi-Care Thai Gloves Co. Ltd have also been pledged.
	TMBThanachart Bank	1,651,852	604,034	as per schedule	
Dipped Products PLC	The Hongkong & Shanghai Banking Corporation Ltd	-	34,203	36 monthly installments	None
	Bank of China	1,833,333	-	24monthly installments after a one year grace period	None
DPL Frances SAS	Hatton National Bank PLC	308,775	-	as per schedule	Corporate Guarantee from Dipped Products PLC For USD 1mn

Notes to the Financial Statements

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
Mabroc Teas (Pvt) Ltd.	The Hongkong & Shanghai Banking Corporation Ltd	-	12,364	36 monthly installments	None
Haycarb PLC	The Hongkong & ShanghaiBanking Corporation Ltd	-	9,444	16 monthly installments	None
	Pan Asia Banking Corporation PLC	83,526	324,408	35 monthly equal capital repayment	None
	Bank of China	919,917	-	12 quarterly installments	None
	The Hongkong & Shanghai Banking Corporation Ltd (Singapore Branch)	473,100	-	20 quarterly instalments	None
	Nations Trust Bank PLC	355,000	498,153	53 monthly equal capital repayment with 6 month grace period from the date of loan granted	None
Ultracarb (Pvt) Ltd	The Hongkong & Shanghai Banking Corporation Ltd	-	25,278	46 equal monthly installments commencing from March 2022 and a final payment of AUD 27,279 commencing from June 2023	None
Haycarb Holding Australia Pte Ltd.	Power Torque Finance	-	1,319	48 equal monthly installments commencing from March 2022	None
	Chattel Mortgage	5,870	6,384	48 equal monthly installments and a final payment of AUD 27,279 commencing from June 2023	None
Recogen (Pvt) Ltd	Nations Trust Bank PLC	367,000	495,400	53 monthly equal capital repayment with 6 month grace period from the date of loan granted	None
Hayleys Agriculture Holdings Ltd.	Sampath Bank PLC	332,000	532,400	32 monthly installments	None
	Hatton National Bank PLC	-	49,981	3 monthly installments	None
	Hatton National Bank PLC	833,240	1,333,280	32 monthly installments	None
Haychem	Commercial Bank of Ceylon PLC	47,285	73,097	Maturity 23/10/2028	None
Hayleys Advantis Ltd.	The Hongkong & Shanghai Banking Corporation Ltd	1,366,667	-	60 monthly installments	None

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
Logiwiz (Pvt) Ltd.	People's Bank	707,547	869,811	96 monthly installments, commencing after 24 months grace period	Mortgage over project assets (ALC Phase II)
	Commercial Bank of Ceylon PLC	124,879	253,879	72 monthly installments	None
	DFCC Bank PLC	20,455	47,727	66 monthly installments	None
	Hatton National Bank PLC	966,000	1,179,600	59 installments	Mortgage over project assets including Building
	DFCC Bank PLC USD Loan	1,214,393	1,349,330	120 monthly installments	None
	The Hongkong & Shanghai Banking Corporation Ltd	133,333	-	48 Monthly installments	Corporate guarantee from Advantis Ltd.
Hayleylines Limited	Commercial Bank of Ceylon PLC	-	283,808	60 Monthly installments	Vessel
Sri Lanka Shipping Company Limited	Bank of Ceylon	720,480	1,032,593	60 monthly installments	Joint mortgage over vessel
	Commercial Bank of Ceylon PLC	2,054,342	2,648,695	72 monthly installments	Mortgage over Tugs
	Commercial Bank of Ceylon PLC	38,262	136,678	36 monthly installments	Mortgage over Tugs
Moceti International (Pvt) Limited	Bank of Ceylon	608,265	-	60 Monthly installments	Mortgage over Bunker Barge
Logistics International Ltd.	The Hongkong & Shanghai Banking Corporation Ltd	2,563	-	20 Monthly installments	None
IML Delivery Systems (Pvt) Limited	Commercial Bank of Ceylon PLC	41,000	62,000	60 monthly installments, commencing after January 2024.	Corporate guarantee from Advantis Ltd.
Haycolour (Pvt) Ltd.	Commercial Bank of Ceylon PLC	139,600		60 monthly installments	None
Hayleys Fabric PLC	Bank of China	919,916	-	12 quaterly in equal installments of USD 416,667	None
	Sampath Bank PLC	-	88,875	60 monthly installments	Mortgage over Solar Equipments
	Seylan Bank PLC	82,319	103,821	48 monthly in equal installments after a grace period of 3 months	Mortgage over machinery
	DFCC Bank PLC	217,897	551,152	72 monthly installments	Negative pledge over all immovable asset of Hayleys Fabric PLC & over the shares of South Asia Textiles Ltd
	Sampath Bank PLC	-	654,533	84 monthly installments	Negative pledge over shares of South Asia Textiles Ltd owened by Hayleys Fabric
	The Bank of China	-	449,678	12 quaterly installments	None
	Nations Trust Bank PLC	186,686	83,768	60 monthly in equal installments with 6 months grace period & equal installments of USD 6,016	Mortgage over machinery

Notes to the Financial Statements

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
South Asia Textiles Ltd	Seylan Bank PLC	-	108,423	Amalgamated existing 10 loans to Rs. 261.76 mn thus 27 equal monthly installments of Rs. 9.6 mn each and a final installment of Rs. 1.7 mn should be paid commencing from 04/12/2025.	Mortgage over machinery
	Seylan Bank PLC	430,225	855,952	Amalgamated existing 15 loans to Rs. 1,438.83 mn thus 39 equal monthly installments of Rs. 36.16 mn each and a final installment of rs. 28.71 mn commencing from 04/12/2025.	Mortgage over machinery
	Seylan Bank PLC	30,939	55,441	42 equal monthly installments of Rs. 2.08 mn each and a final installment of Rs. 2.08 mn, commencing from 04/12/2025.	Mortgage over machinery
	Hatton National Bank PLC	367,757	-	35 equal monthly Installments of USD 55,600 each, followed by a final installment of USD 54,000, commencing from 19/01/2026.	None
	Pan Asia Banking Corporation PLC	-	14,072	35 equal monthly installments of USD 41,500 and a final installment of USD 47,500, commencing from 31/05/2023	None
	Bank of Ceylon	-	22,905	18 equal monthly installments of USD 41,667 and a final installment of USD 35,650, commencing from 25/11/2024.	None
	Commercial Bank PLC	59,098	62,531	22 equal monthly installments of USD 22,225 and a final installment of USD 11,050, commencing from 20/03/2025.	None

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
Horana Plantations PLC	Hatton National Bank PLC	11,420	80,180	72 /48 monthly installments, after a grace period of 12/24 months	Primary Floating Mortgage for Rs.550 mn, over leasehold rights of Frocester Estate. Primary Floating Mortgage for Rs.400 mn, over leasehold rights of Bambrakelly Estate.
	Amana Bank PLC	291,667	-	24 monthly installments, after a grace period twenty four (24) months	Leasehold right of the facility.
	Commercial Bank of Ceylon PLC	2,896	11,592	60 monthly installments, after a grace period of six (06) months	Primary mortgage bond over Solar Panels and related equipment of Alton, Fairlawn, Stockholm, Gouravilla & Mahanilu Estates.
	Hatton National Bank PLC	85,500	142,500	48 monthly installments, after a grace period twenty four (24) months	Primary Floating Mortgage for Rs.550 mn, over leasehold rights of Frocester Estate. Primary Floating Mortgage for Rs.400 mn, over leasehold rights of Bambrakelly Estate.
	Hatton National Bank PLC	64,600	105,640	72 monthly installments, after a grace period of twenty four (24) months	Primary Floating Mortgage for Rs.550 mn, over leasehold rights of Frocester Estate. Primary Floating Mortgage for Rs.400 mn, over leasehold rights of Bambrakelly Estate.
	Sampath Bank PLC	265,600	366,400	48 monthly installments, after a grace period of twenty four (24) months	Existing Primary Mortgage of Rs. 150 mn and additional Mortgage for Rs.158.75 mn, over the leasehold rights of land and buildings of Gouravilla Estate. Existing Primary Mortgage of Rs. 150 mn and additional Mortgage for Rs.118.45 mn, over the leasehold rights of land and buildings of Alton Estate. Lien Over funds lying to the Fixed Deposit.
	People's Bank	56,250	71,250	72 monthly installments	Monthly buildup margin of Rs.250,000 per month & Negative pledge over solar panels and other accessories related to the project.

Notes to the Financial Statements

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
Hayleys Fibre PLC	The Hongkong & Shanghai Banking Corporation Ltd	80,916	-	48 monthly installments, after a grace period of 12 months from 2025	Letter of negative pledge over the land ,building and machinery together with a board resolution
	The Hongkong & Shanghai Banking Corporation Ltd	316,000		48 monthly installments, after a grace period of 12 months from 2025	Letter of negative pledge over the land ,building and machinery together with a board resolution
Ravi Industries (Pvt) Ltd.	Hatton National Bank PLC	10,000	10,000	9 monthly installments	None
	Hatton National Bank PLC	76,667	126,667	60 monthly installments	None
Rileys (Pvt) Ltd.	Hatton National Bank PLC	180,500	10,000	48 monthly installments	Corporate guarantee from Volanka Ltd.
Alumex PLC	Commercial Bank of Ceylon PLC	93,737	218,741	48 monthly installments	Working Capital
	Commercial Bank of Ceylon PLC	93,737	218,741	48 monthly installments	Working Capital
	Hatton National Bank	664,000	-	48 monthly installments	Working Capital
	Commercial Bank of Ceylon PLC	83,105	208,109	48 monthly installments	Plant and fixed assets at factory premises in Ekala and Makola
	Hatton National Bank PLC	-	19,000	60 monthly installments	Plant and fixed assets at factory premises in Ekala and Makola
The Kingsbury PLC	Bank of Ceylon	-	77,733	36 monthly installement	None
	Bank of Ceylon	595,100	833,140	66 monthly installments with 6 months grace period	
Sun Tan Beach Resorts Ltd.	DFCC Bank PLC	-	6,734	36 monthly installments, commencing from February 2024	None
	DFCC Bank PLC	-	55,369	36 monthly installments, after 11 months grace period	
	DFCC Bank PLC	1,567	7,835	36 monthly installments, after 12 months grace period	
	DFCC Bank PLC	-	27,307	36 monthly installments, after 7 months grace period	
	Hatton National Bank PLC	474,945	656,865	84 monthly installments	Leasehold Right of the land and Hotel building.
	Hatton National Bank PLC	-	153,067	54 monthly installments	
Kandyan Resorts (Pvt) Ltd	Sampath Bank PLC	85,000	121,000	24 monthly installments including 6 months grace period	Corporate Guarantee of Hayleys Leisure PLC
Hayleys Fentons Limited	Bank of Ceylon	481,000	-	60 monthly installements after 2 years grace period	None
	Hatton National Bank PLC	1,500,000	-	48 monthly installements after 1 year grace period	Letter of comfort from Hayleys PLC
	The Hongkong & Shanghai Banking Corporation Ltd	5,998,994	-	48 monthly installments	None

Company	Lender	2026 Rs. '000	2025 Rs. '000	Repayment	Security
	Bank of Ceylon	-	60,000	60 monthly installments	Letter of comfort from Hayleys PLC
	Commercial Bank of Ceylon PLC	333,333	516,670	54 monthly installements, after 6 months grace period	Floating primary mortage bond for LKR 750 mn over solar panels inclusive of inverters, mounting structures, Transformer and Cable asstets held at Ocean Lanka (Pvt) Ltd
	Commercial Bank of Ceylon PLC	111,109	166,665	54 monthly installements, after 6 months grace period	Floating primary mortage bond for LKR 750 mn over solar panels inclusive of inverters, mounting structures, Transformer and Cable asstets held at South Asia Textile Ltd
Hayleys Electronics Ltd	Hatton National Bank PLC	699,940	899,980	60 monthly Installements, 1 year grace period	Corporate Guarantee for Rs. 1,000 mn from Hayleys Fentons Ltd.
	Seylan Bank	464,000	-	60 installements, after 6 month grace period	None
Solar One Ceylon (Pvt) Ltd.	Sampath Bank PLC	41,300	41,300	33 equal monthly installments	Mortgage over land of the project
Luxury Resort (Pvt) Ltd.	Sampath Bank PLC	4,731,000	4,886,878	90 equal monthly installments	Leasehold Right of the land and Hotel building
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC	-	600,000	Quarterly installments commenced in June 2022	Negative Pledge
	Commercial Bank of Ceylon PLC	-	300,000	Semi annually installments commenced in January 2022	Negative Pledge
	Hatton National Bank PLC	1,250,000	-	Quarterly	Negative Pledge
	Hatton National Bank PLC PLC	900,000	1,500,000	Quarterly installments commencing April 2022	None
	Commercial Bank of Ceylon PLC	248,950	582,750	Quarterly installments commencing March 2025	None
	Commercial Bank of Ceylon PLC	1,500,600	2,167,000	Quarterly installments commencing March 2025	None
Singer Finance (Lanka) PLC	Pan Asia Banking Corporation PLC	166,880	297,345	Monthly repayment	Mortgage over lease
	Nations Trust Bank PLC	500,000	875,002	Quarterly installments commenced in March 2021	Mortgage over lease
	Seylan Bank PLC	500,000	-	Quarterly installments commenced in March 2021	Mortgage over lease
		53,298,216	50,860,365		

Notes to the Financial Statements

25.11.2 Securitization loans

Company	Lender	Trustee	2026 Rs. '000	2025 Rs. '000	Repayment	Security
Singer Finance (Lanka) PLC	Securitization 10 NDB Trust 01 (Fixed Rate)	National Development Bank	161,400	1,581,851	Structure Payment commenced in 2024	Mortgage over lease
	Securitization 11 NDB Trust 02 (Fixed Rate)	National Development Bank	70,000	529,000	Structure Payment commenced in 2024	Mortgage over lease
	Securitization 12 NDB Trust 03 (Fixed Rate)	National Development Bank	316,400	1,702,890	Structure Payment commenced in 2024	Mortgage over lease
	Securitization 13 HNB Trust 09 (Fixed Rate)	Hatton National Bank PLC	230,000	1,023,000	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 14 NDB Trust 04 (Fixed Rate)	National Development Bank	785,766	2,031,448	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 15 NDB Trust 05 (Fixed Rate)	National Development Bank	810,000	-	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 16 HNB Trust 10 (Fixed Rate)	Hatton National Bank PLC	5,200,000	-	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 17 NDB Trust 06 (Fixed Rate)	National Development Bank	2,175,000	-	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 18 NDB Trust 07 (Fixed Rate)	National Development Bank	782,256	-	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 19 HNB Trust 11 (Fixed Rate)	Hatton National Bank PLC	2,430,110	-	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 20 HNB Trust 12 (Fixed Rate)	Hatton National Bank PLC	447,792	-	Structure Payment commenced in 2025	Mortgage over lease
	Securitization 21 HNB Trust 13 (Fixed Rate)	Hatton National Bank PLC	430,000	-	Structure Payment commenced in 2025	Mortgage over lease
		-	13,838,724	6,868,189		

26. GRANTS

As at 31st March	CONSOLIDATED 2026 Rs.'000	CONSOLIDATED 2025 Rs.'000
At the beginning of the year	874,113	913,021
Grants received	19,288	24,715
Amortisation	(50,805)	(63,623)
At the end of the year	842,596	874,113

26.1 Grants Received for the Group is as follows:

Talawakelle Tea Estates PLC - Grants were received from the Tea Board during the year. The receipt of funding in prior years are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies.

Kelani Valley Plantations PLC - Grants were received from the Rubber Development Board during the year for Rubber Plantations.

Horana Plantations PLC - Grants were received from Sri Lanka Tea Board for Tea replanting during the year.

26.2 There are no conditions or contingencies attached to these grants.

27. DEFERRED TAXATION

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Deferred tax assets	(4,503,030)	(4,037,389)	(382,292)	(21,497)
Deferred tax liabilities	15,137,783	14,079,676	-	-
Net Deferred Tax Liabilities	10,634,753	10,042,287	(382,292)	(21,497)

27.1 Net Deferred Tax Liabilities

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	10,042,287	8,095,872	(21,497)	(66,335)
Amounts originated/ (reversed) during the year- Income Statement	599,512	68,244	(326,034)	52,529
Amounts originated/ (reversed) during the year- Other Comprehensive Income	(159,634)	1,876,526	(34,761)	(7,691)
Effect of movements in exchange rates	152,588	1,645	-	-
At the end of the year	10,634,753	10,042,287	(382,292)	(21,497)

Notes to the Financial Statements

27.2 Net Deferred Tax Liabilities/ Assets are attributable to the following as at the year end

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Deferred tax assets				
Tax effect of employee benefit obligations	(4,741,280)	(4,252,714)	(461,044)	(55,013)
Tax effect of tax losses carried forward	(2,039,227)	(2,376,852)	-	-
Tax effect of lease liability	-	-	(12,336)	-
Tax effect of provisions	(3,912,727)	(2,785,702)	(14,619)	(16,374)
	(10,693,234)	(9,415,268)	(487,999)	(71,387)
Deferred tax liabilities				
Tax effect of property, plant & equipment	19,751,138	17,943,812	90,497	35,340
Tax effect of unrealized exchange differences	970,925	685,145	-	-
Tax effect of investment properties	605,924	828,598	15,210	14,550
	21,327,987	19,457,555	105,707	49,890
Net deferred tax liabilities	10,634,753	10,042,287	(382,292)	(21,497)

No deferred tax has been recognised on fair value gains and losses relating to quoted equity investments classified as fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), as such gains are exempt from taxation under the Inland Revenue Act No. 24 of 2017 and will not give rise to taxable amounts upon realisation.

28. EMPLOYEE BENEFIT OBLIGATIONS

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Present value of unfunded gratuity	18,109,484	16,103,974	1,536,812	1,222,508
At the beginning of the year	16,103,974	15,262,465	1,222,508	1,896,112
Acquisition through business combinations	-	21,613	-	-
Transfers	-	-	(30)	4,239
Effect of movements in exchange rates	66,181	10,139	-	-
Benefits paid during the year	(1,392,313)	(2,499,011)	(13,510)	(1,077,680)
Current Service costs	1,280,714	1,205,458	78,242	65,793
Past Service costs	(21,997)	-	-	-
Interest cost	1,573,162	1,528,711	133,731	163,127
Actuarial loss	499,763	574,599	115,871	170,917
At the end of the year	18,109,484	16,103,974	1,536,812	1,222,508

For the year ended 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
The expense is recognised in the following line items in the Statement of Profit or Loss				
Cost of sales	567,852	506,017	133,731	65,793
Administrative expenses	2,271,968	2,215,944	78,242	163,127
Distribution expenses	14,056	12,208	-	-
	2,853,876	2,734,169	211,973	228,920

An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2026 by Mr K Arumugam, AIA, of Messrs. Actuarial & Management Consultants (Pvt) Ltd., a firm of professional Actuaries. The valuation method used by the actuaries to value the liability is the "Projected Unit Credit Method (PUC)", the method recommended by the Sri Lanka Accounting Standard - LKAS 19 on "Employee Benefits".

28.1 ACTUARIAL ASSUMPTIONS

The following key assumptions were made in arriving at the above figure.

As at 31st March	Company & Local Subsidiaries		Plantations		Overseas Subsidiaries	
	2026	2025	2026	2025	2026	2025
Rate of discount	10.0%	11.0%	10%	10% - 11%	2% - 7%	3% - 7%
Salary increase	9.0%	10.0%	8% - 9%	9% - 10%	2% - 9%	1% - 9%

Assumptions regarding future mortality are based on the A1967/70 for Staff/ Executive and A1949/52 for Worker, issued by the Institute of Actuaries, London.

The demographic assumptions underlying the valuation are with respect to retirement age early withdrawals from service and retirement on medical grounds.

28.2 The Group's and Company employee benefit obligations would have been Rs. 15,920 mn (2025 - Rs. 14,577 mn) and Rs. 1,251 mn (2025 - Rs. 1,042 mn) respectively, as at the reporting date had the Group calculated its retirement benefit obligation as per the requirements of the Payments of Gratuity Act no 12 of 1983, applying the basis of computation given in page 386 to the Financial Statements.

Notes to the Financial Statements

28.3 Sensitivity Analysis - Salary Escalation Rate/ Discount Rate

Values appearing in the Financial Statements are very sensitive to the changes in financial and non financial assumptions used.

A Sensitivity was carried out as follows,

A one percentage point change in the salary escalation rate

	CONSOLIDATED		COMPANY	
	+1%	-1%	+1%	-1%
The present value of defined benefit obligation (Rs.'000)	15,869,398	13,860,365	1,596,534	1,482,014

A one percentage point change in the discount rate

	CONSOLIDATED		COMPANY	
	+1%	-1%	+1%	-1%
The present value of defined benefit obligation (Rs.'000)	14,033,023	15,818,135	1,491,437	1,482,014

28.4 Distribution of Employee Benefit Obligation over Future Working Lifetime

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Less than or equal 1 year	2,594,364	2,065,607	791,356	323,720
Over 1 year and less than or equal 5 years	6,663,820	6,174,197	429,571	666,112
Over 5 year and less than or equal 10 years	5,057,053	4,475,112	160,982	118,597
Over 10 years	3,794,247	3,389,058	154,903	114,079
	18,109,484	16,103,974	1,536,812	1,222,508

29. TRADE AND OTHER LIABILITIES

29.1 Trade and Other Payables

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Trade payables	42,538,818	36,584,018	10,400	137
Bills payables	868,244	425,369	-	-
Other payables including accrued expenses	33,510,730	40,001,769	579,134	4,594,498
Unclaimed dividends	1,891,803	1,449,661	332,353	215,372
Provisions (Note 29.1.1)	6,854,969	5,896,461	-	-
	85,664,564	84,357,278	921,887	4,810,007

29.1.1 Provisions

As at 31st March	CONSOLIDATED			
	Maintenance warranties*	Other	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	794,880	5,101,581	5,896,461	7,328,496
Arising during the year	561,709	17,101,872	17,663,581	14,708,458
Transfer from accruals	991,013	160,647	1,151,660	271,650
Utilized	(1,150,914)	(16,705,819)	(17,856,733)	(16,412,143)
At the end of the year	1,196,688	5,658,281	6,854,969	5,896,461

*Maintenance warranties

A provision for maintenance warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighing of possible outcomes against their associated probabilities.

Alumex PLC - Provision is recognised for expected warranty claims on wood finished product sold.

Singer (Sri Lanka) PLC - Warranty provision has cover both manufacturing defects and defects of imported Products.

Hayleys Lifesciences (Pvt) Ltd - Provision is recognised for equipment sold.

Hayleys Aventura (Pvt) Ltd - Provision for warranty for capital equipments sold.

Hayleys Fentons Limited - Provision is recognised for expected warranty claims on projects and services completed.

Hayleys Agriculture Holdings Ltd - Provision on dealer incentives and commission.

Hayleys Agro Fertilizers (Pvt) Ltd - Provision on dealer incentives and commission.

29.2 Currency wise Analysis of Trade and Other Payables

As at 31st March	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sri Lankan Rupees	49,261,309	44,069,561	921,887	4,810,007
Pounds Sterling	360,753	115,799	-	-
United States Dollars	26,086,679	30,187,767	-	-
Euro	2,710,996	2,710,444	-	-
Thai Baht	4,589,012	4,734,979	-	-
Bangladesh Taka	690,267	1,292,641	-	-
Maldivian Rufiyaa	441,300	120,816	-	-
Others	1,524,248	1,125,271	-	-
	85,664,564	84,357,278	921,887	4,810,007

Notes to the Financial Statements

29.3 Other Liabilities

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Other tax payable	2,640,113	1,826,934	240,130	85,680
Other payable	4,406,594	2,836,122	1,459,920	-
Payments received in advance	5,721,542	4,857,058	-	-
At the end of the year	12,768,249	9,520,114	1,700,050	85,680
Other Current Liabilities	12,409,961	7,815,062	1,700,050	85,680
Other Non Current Liabilities	358,288	1,705,052	-	-

29.4 Deferred Revenue

As at 31st March	CONSOLIDATED	
	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	2,122,739	3,625,769
Amounts recognised during the year	1,221,355	31,497,312
Amounts transferred during the year	(804,724)	(33,000,342)
At the end of the year	2,539,370	2,122,739

Deffered Revenue includes maintainance service agreements for Industrial Products & Services, Health Equipment, and ITO & Software services.

30. INCOME TAX

30.1 Income Tax Recoverable

As at 31st March	Notes	CONSOLIDATED		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the end of the year	30.2	1,445,089	1,336,907	-	-

30.2 Income Tax Payable

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	3,565,315	2,919,381	113,218	112,102
Taxation on current year's profit	12,610,768	10,791,564	175,029	199,998
Under/ (over) provision in respect of previous years	(100,544)	875,320	3,051	65,571
Tax on dividend	604,439	459,178	-	-
Acquisition through business combinations	4,726	-	-	-
Tax credits received	(579,939)	(497,067)	(48,481)	-
Effect of movements in exchange rates	2,551	(31,798)	-	-
Payments made during the year	(11,027,379)	(10,951,263)	(161,904)	(264,453)
Net Income Tax payable/(recoverable)	5,079,937	3,565,315	80,913	113,218
Income tax recoverable	1,445,089	1,336,907	-	-
At the end of the year	6,525,026	4,902,222	80,913	113,218

31. SHORT-TERM INTEREST BEARING BORROWINGS

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Bank Overdraft	18,364,383	14,593,050	1,205,167	218,422
Short-term loans	134,496,428	87,233,496	13,256,170	8,853,000
	152,860,811	101,826,546	14,461,337	9,071,422

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sri Lankan Rupees	131,171,988	82,564,767	14,461,337	9,071,422
Pounds Sterling	4,381	22,367	-	-
United States Dollars	15,402,414	14,098,037	-	-
Euro	1,596,480	2,623,075	-	-
Thai Baht	578,446	5	-	-
Indonesian Rupiah	2,311,473	539,863	-	-
Bangladesh Taka	1,745,597	1,860,776	-	-
Others	50,032	117,656	-	-
	152,860,811	101,826,546	14,461,337	9,071,422

Notes to the Financial Statements

32 CONTINGENT LIABILITIES AND COMMITMENTS

32.1 Contingent Liabilities

Company

The Company has received income tax assessments from the Department of Inland Revenue relating to the financial years 2018/19, 2019/20 and 2020/21 amounting to Rs. 257.5 mn, Rs. 629 mn and Rs. 9.6 mn respectively, inclusive of interest and penalties. The Company has lodged appeals against these assessments and is currently contesting the matters under the applicable appellate procedures. Based on the available information and expert advice received, the Board of Directors is of the opinion that no provision is required in the Financial Statements as it is not probable that an outflow of economic resources will be required to settle the obligations.

Group

Dipped Products PLC

- The contingent liabilities as at March 31, 2026 amounting to Rs. 128.06 mn (2025- Rs. 128.06 mn). This include Letter of Credit outstanding of Rs. 557.05 mn (2025- Rs. 112.60 mn), bank guarantees provided on behalf of the companies within the group of Rs. 57.19 mn (2024 - Rs. 15.46 mn).

Haycarb PLC

- Contingent liabilities as at 31st March 2025 on guarantees given by Haycarb Group to third parties amounted to Rs. 7.8 bn (2024/25 – Rs. 8.0) of this sum, Rs. 5.9 bn (2024/25 – Rs. 6.4 bn) relates to facilities obtained by subsidiaries.

Singer (Sri Lanka) PLC

- Commissioner General of Inland Revenue has issued assessment notices on Singer (Sri Lanka) PLC pertaining to an additional VAT Liability/ Payment on account of Deemed VAT for seven quarters during the period 1st January 2014 to 30th September 2015. The assessments were for a Deemed VAT payment of Rs. 1,076 mn and penalty of Rs. 423 Mn, totalling to Rs. 1,499 Mn. The assessments were appealed against and in due course the Commissioner General of Inland Revenue issued the determination on the appeal. In terms of the same, Rs. 791 mn of Deemed VAT liability and penalty of Rs. 395 mn totalling to Rs.1,186 mn was held to be the Deemed VAT liability for the seven quarters for the period from 1st January 2014 to 30th September 2015. The Company after carefully reviewing the situation and based on the advice of tax consultants, was of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly the Company decided to appeal to the Tax Appeals Commission against the determination. Further, the Company had previously provided bank guarantees amounting to Rs. 297 mn to the Commissioner General of Inland Revenue - Tax Appeals Commission.

  The Tax Appeals Commission hearings were concluded on 28th February 2023, and the determinations were consequently issued on the 17th of May 2023 and 23rd May 2023 for all seven quarters for the period from 1st January 2014 to 30th September 2015 – Though the Company was not informed of such determinations for a period of approximately one month from such dates. The Tax Appeals Commission in determining the case has confirmed the purported determinations made by the Commissioner General of Inland Revenue for all seven quarters. Accordingly at the time of receiving the said determinations on the 20th of June 2023, the company deposited 10% of the pending assessed value amounting to Rs. 108 mn in lieu of renewing the bank guarantees which were previously given. The Rs. 108 mn. has by now been transferred by the Tax Appeals Commission to the Department of Inland revenue.

  The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly, the Company has decided to seek the judicial review in the Appellate Court against the determination issued by the Tax Appeals Commission by making an application for a case stated,which was submitted to the Court of Appeal in August 2023. Hence, no provision has been made in the Financial Statements until the matter has been determined by the Court.

- Singer (Sri Lanka) PLC has provided bank guarantees amounting to Rs.807 mn to Director General of Customs to clear imports during the years 2008 to March 2026. The bank guarantee related to alleged additional duty payable on imports, claimed by the customs and is being contested by the Company in courts. The Court of Appeal ordered that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision has filed an appeal, which is pending before the Supreme Court. The Company lawyers are of the opinion that there is no basis that the Company is liable for the additional duty. Based on assessment the probability is higher that the Company would not be required to settle the liability. Hence, no provision is made in the Financial Statements.

- Inland Revenue Department has issued assessment notices on Singer (Sri Lanka) PLC pertaining to VAT for 17 quarters from 1st Quarter 2017 to 1st Quarter 2022. The assessment is for a VAT payment of Rs. 662.44Mn and penalties thereon amounting to Rs. 847.46Mn. The reason for these assessments is due to a mismatch between the tax invoice numbers/values associated with third-party input VAT claims (as reported in Customer VAT Schedule 02) and those recorded and declared by the company in VAT Schedule 01 of Singer (Sri Lanka) PLC.

  The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for VAT. Accordingly, the Company has decided to appeal against the assessments issued by the Senior Deputy Commissioner of the Inland Revenue Department.

- Inland Revenue Department has raised assessment notices on Singer (Sri Lanka) PLC pertaining to an additional Income Tax Liability for the Years of Assessment 2017/2018, 2018/2019, 2019/2020 and 2020/2021. These assessments were for income tax payments of Rs. 596 mn and interest and penalty of Rs. 575 mn and Rs. 205 mn respectively, totalling to Rs. 1,376 mn. The reason for these assessments is due to mismatches between the tax invoice numbers/values associated with third-party input VAT claims (as reported in Customer VAT Schedule 02) and those recorded and declared by the company in VAT Schedule 01 of Singer (Sri Lanka) PLC. Thus, the Inland Revenue Department arguing that there is an undeclared revenue, thereby resulting in an understatment of the taxable profit.

  The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Income Tax. Accordingly, the Company has decided to appeal against the assessments issued by the Senior Deputy Commissioner of the Inland Revenue Department.

- The Commissioner General of Inland Revenue has issued an assessment notice to Singer Finance (Lanka) PLC regarding an additional surcharge tax liability for the taxable period from 1st April 2020 to 31st March 2021. The assessment includes a surcharge tax of Rs. 333.5 mn and interest of Rs. 49.7 mn, totaling to Rs. 383.2 mn.

  Following a comprehensive review of the relevant facts and applicable tax legislation, management concluded that there were reasonable grounds to challenge the assessment. Accordingly, the Company submitted a request for an administrative review on 31 December 2024. Subsequent to this review, the Department of Inland Revenue issued its Determination on 19 January 2026. As per the Determination, the surcharge tax was revised to Rs. 300.2 mn, with interest of Rs. 166.2 mn and a penalty of Rs. 49.4 mn, prior to adjusting for payments already made. The Company had previously settled Rs. 53 mn in 2022 and Rs. 100.3 mn in September 2024. After accounting for these payments, the outstanding amounts were a surcharge tax of Rs. 247.2 mn, interest of Rs. 65.9 mn, and a penalty of Rs. 49.4 mn.

  Upon careful consideration of the Determination and based on professional advice obtained from tax consultants, management determined that there are sufficient grounds to further contest the position taken by the Department of Inland Revenue. Accordingly, an appeal was filed with the Tax Appeals Commission on 11 February 2026.

Notes to the Financial Statements

32.2 Commitments

In terms of the operating lease agreements entered in to, minimum future lease payments payable by the Group is as follows;

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Repayable within one year	2,983,128	2,040,872	112,162	-
Repayable after one year less than 5 years	6,623,022	6,894,962	763,587	-
Repayable after 5 years	6,287,879	5,055,288	2,371,636	-
	15,894,029	13,991,122	3,247,385	-

33. FOREIGN CURRENCY TRANSLATION

The principal exchange rates used for translation purposes were:

As at 31st March	Average		As at 31st March	
	2026	2025	2026	2025
United States Dollar	305.19	297.61	315.40	296.25
Australian Dollar	202.57	193.53	216.65	186.16
Pound Sterling	409.76	380.75	418.73	383.44
Thai Baht	9.49	8.59	9.63	8.73
Bangladesh Taka	2.50	2.51	2.57	2.44
Euro	354.75	319.08	363.21	319.65
Indian Rupee	3.45	3.52	3.34	3.46
Indonesian Rupiah	0.02	0.02	0.02	0.02
Maldivian Rufiyaa	19.80	19.32	20.45	19.24

34. FUNCTIONAL CURRENCY

The Group's functional currency is Sri Lankan Rupee, except in the following subsidiaries and equity accounted investees where the functional currency is different as they operate in different economic environments.

Company	Functional Currency
Charles Fibre (Pvt) Ltd	Indian Rupees
Dipped Products (Thailand) Ltd	Thai Baht
Hi Care Thai Gloves Co. Ltd	Thai Baht
ICOGUANTI S.p.A	Euro
DPL France SAS	Euro
ROZENBAL POLSKA Sp. ZOO	Polish Zloty
Dipped Products India (Pvt) Ltd	Indian Rupees
Haycarb Holdings Bitung Ltd	USD
Haycarb USA Inc.	USD
Carbokarn Co. Ltd	Thai Baht
CK Regen Systems Co. Ltd	Thai Baht

Company	Functional Currency
Shizuka Co. Ltd	Thai Baht
Eurocarb Products Ltd	Pounds Sterling
Eurocarb Germany GmbH	Euro
Haycarb Holdings Australia (Pty) Ltd	Australian Dollars
PT Mapalus Makawanua Charcoal Industry	Indonesion Rupiah
PT Haycarb Palu Mitra	Indonesion Rupiah
Puricarb Pte Ltd	Euro
Haycarb Activated Carbon (Pvt) Ltd	Indian Rupees
Haycarb Philippines Corporation	Philippine Peso
Haycarb Singapore Pte Ltd	Singapore Dollars
Hayleys Fabric PLC	USD
South Asia Textile Ltd	USD
Martin Bauer Hayleys (Pvt) Ltd	USD
Haychem (Bangladesh) Ltd	Taka
Hayleys Aventura BD Limited	Taka
Hayleys Aventura Singapore Pte. Ltd	USD
Nautical Maldives (Pvt) Ltd	Maldivian Rufiyaa
One World Logistics Maldives (Pvt) Ltd	Maldivian Rufiyaa
Super Logistics (Pvt) Ltd	Maldivian Rufiyaa
Total Transport Solutions Maldives (Pvt) Ltd	Maldivian Rufiyaa
Advantis Singapore Pte Ltd	USD
Advantis Kusuhara Sedate Myanmar (Pvt) Ltd	Kyat
Luxury Resort (Pvt) Ltd	USD
Hayleys Hotels Maldives (Pvt) Ltd	USD
Advantis Sedate Myanmar (Pvt) Ltd	Kyat
Advantis Intasl Bangladesh (Pvt) Ltd	Taka
PT Advantis Akaza Indonesia	Indonesion Rupiah
Hayleylines Limited	USD
Logiwiz Logistics India (Pvt) Ltd	Indian Rupees
Moceti International (Pvt) Ltd	USD
Lanka Maritime Services (Pvt) Ltd	USD
Lanka Bunkering Services (Pvt) Ltd	USD
Advnatis Sabang Raya Lines (Pvt) Ltd	USD
PT Advantis Mithra Logistics	Indonesian Rupiah
Advantis Leo Thailand Limited	Thai Baht
K&A Logistics Limited	Bangladesh Taka
Haylex BV Group	Euro, Yen & USD
Haylex USA	USD
Livee Polska SP. Z O. O.	Euro
Mabroc East Africa Limited	Kenyan Shilling
Hayleys Fentons East Africa Limited	USD
Next-Gen Engineering Pte. Ltd	USD

Notes to the Financial Statements

35 EVENTS OCCURRING AFTER THE REPORTING DATE

Other than what is mentioned below, there are no other circumstances have arisen since the reporting date, which would require adjustments to, or disclosure in the Financial Statements.

Rights Issue and Subsequent Allotment

On 21st January 2026 it was resolved to increase the Company's Stated Capital by way of a Rights Issue amounting to Rs 9.0 bn. Accordingly, the Board approved the issuance of three (3) new Ordinary Voting Shares for every fifty (50) existing ordinary voting shares held by the shareholders in the register of shareholders as at end of the date of entitlement at a price of Rs. 200 per share.

As at 31 March 2026, subscription monies amounting to Rs. 9.0 bn relating to the rights issue has been recognized by the Company, of which Rs. 8.99 bn was recognized as receivables from shares pending allotment and Rs. 0.01 bn as cash at bank. The corresponding amount was recognized within equity under shares pending allotment.

The share allotment was completed on 27th April 2026, upon which the balance recognized under shares pending allotment was transferred to stated capital.

Singer (Sri Lanka) PLC

Singer (Sri Lanka) PLC executed a Sale and purchase agreement with ACME Printing and Packaging PLC on 28th April 2026 to purchase the premises bearing Assessment No. 345, Gonamaditha Road, Piliyandala at a price of Rs. 630 Mn for the purpose of expanding the local manufacturing business of the Company.

36 COMPANIES WITH DIFFERENT ACCOUNTING YEARS

The Financial Statements of Haylex BV Group have been prepared for the year ended 31 December 2025, whilst the Financial Statements of ICOGUANTI S.p.A., DPL France SAS and ROZENBAL POLSKA Sp. z o.o. have been prepared for the year ended 28 February 2026 in accordance with their respective statutory reporting requirements.

For the purpose of consolidation, management-prepared financial information of these subsidiaries has been used up to their respective reporting dates. The Board of Directors is of the view that the impact arising from the difference in reporting dates is not material to the Group Financial Statements and accordingly no adjustments have been made for the intervening period.

37 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

As at the reporting date, the Group was committed to transfer the head lease and the operating assets of Luxury Resort (Pvt) Ltd, a wholly owned subsidiary of Hayleys PLC, by entering into a binding offer (Contract) by way of a Letter of Intent dated 03rd February 2026 and an addendum to the binding offer dated 11th April 2026 and an Asset Purchase Agreement signed on 16th May 2026, which comprises the transfer of property, plant & equipment, leasehold rights, intangible assets, and inventories relating to its hotel operations in the Maldives.

Accordingly, the respective assets and corresponding liabilities directly associated with Luxury Resort (Pvt) Ltd have been classified as held for sale, resulting in the operation of the subsidiary being presented as a discontinued operation in the Consolidated Financial Statements in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The loss after tax of the discontinued operation has been presented separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Comparative information in the Consolidated Statement of Profit or Loss and Other Comprehensive Income has also been restated to present the operation as a discontinued operation in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

37.1 Loss After Tax for the Period from Discontinued Operations

For the period ended 31st March	CONSOLIDATED	
	31.03.2026	31.03.2025
	Rs.'000	Rs.'000
Revenue	1,681,031	1,642,997
Cost of sales	(785,759)	(651,852)
Gross profit	895,272	991,145
Other income	2,480,990	-
Distribution expenses	(189,647)	(78,944)
Administrative expenses	(3,387,541)	(1,543,705)
Other expenses	(392,926)	-
Net finance cost	(634,125)	(705,162)
Loss before tax from discontinued operations	(1,227,977)	(1,336,666)
Tax expense	-	-
Loss after tax for the year from discontinued operations	(1,227,977)	(1,336,666)
Loss for the year from discontinued operations attributable to:		
Owners of the parent	(1,227,977)	(1,336,666)
Non-controlling interest	-	-
Loss for the year from discontinued operations	(1,227,977)	(1,336,666)

37.2 Assets Held for Sale

31st March 2026	Rs.'000
Property, plant & equipment	4,443,852
Right-of-use assets / Lease assets	1,516,028
Intangible assets	15,531
Inventories	74,504
Assets classified as held for sale	6,049,915
Non current lease liability	608,730
Current Lease liability	536
Liabilities directly associated with assets classified as held for sale	609,266

Notes to the Financial Statements

37.3 Losses on impairement of subsidiaries and amounts due from subsidraies recognized in Hayleys PLC

As a result of the committed transfer of head lease and the operating assets of Luxury Resort (Pvt) Ltd, a wholly owned subsidiary of Hayleys PLC, management has assessed that there is uncertainty over the recoverability of its investment and related receivables as at 31 March 2026. Accordingly, Hayleys PLC has recognised an impairment loss of Rs. 6.88 bn in the Statement of Profit or Loss, which includes impairment of investments in Luxury Resort (Pvt) Ltd amounting to Rs. 2.96 bn and impairment of balances receivable from Luxury Resort (Pvt) Ltd amounting to Rs. 3.92 bn.

38 RELATED PARTY TRANSACTIONS

38.1 Parent and Ultimate Controlling Party

Company does not have an identifiable parent of its own.

38.2 Transactions with Key Management Personnel

38.2.1 Loans to Directors

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

38.2.2 Key Management Personnel Compensation

Key management personnel comprise the Directors of Hayleys PLC and its subsidiary companies the company and details of compensation are given in Note 10 to the Financial Statements.

For the year ended 31st March	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Short term employee benefit	5,483,817	5,169,281	1,156,150	939,839
	5,483,817	5,169,281	1,156,150	939,839

38.2.3 Other Transactions With Key Management Personnel

38.2.3.1 The names of Directors of Hayleys PLC, who are also directors of subsidiaries, joint ventures and equity accounted investees companies are stated on pages 332 to 336 to the Financial Statements.

38.2.3.2 Details of directors and their spouses' share holdings are given on page 503. There were no other transactions with key management personnel other than those disclosed in Note 38 to the Financial Statements.

38.3 Transactions with Subsidiaries, Equity Accounted Investees & Other Related Companies

Relationships with subsidiaries and equity accounted investees are explained in Note 18 and also under Group Companies in pages 511 and 522. Business segment classification is also given under Group Companies.

38.3.1 Companies within the Group engage in trading transactions under relevant commercial terms and condition.

38.3.2 Hayleys PLC provides office space to its subsidiary and equity accounted investees and charges rent. In addition, the Company incurs common expenses such as on finance, export shipping, secretarial, data processing, personnel and administration functions. Such costs are allocated to subsidiary and equity accounted investees. Details are given below.

38.3.2.1 Transactions with Subsidiary Companies

For the year ended 31st March	COMPANY						
	2026				2025		
	Rs.'000				Rs.'000		
Business segment	Rent	Common expenses	Write-offs and impairment	Purchase of goods and services	Rent	Common expenses	Purchase of goods and services
Eco solutions	28,110	696,359	-	27,515	28,110	627,540	20,227
Hand protection	38,069	879,273	-	-	38,069	734,010	-
Purification	82,538	782,059	-	704	80,682	640,060	327
Textiles	-	754,233	-	-	-	441,877	-
Construction materials	-	406,538	-	-	-	319,029	-
Agriculture	38,840	515,819	-	12,422	32,525	505,564	8,384
Plantations	44,358	442,606	-	3,846	52,755	436,226	463
Industry inputs	58,502	224,838	-	32,861	53,887	200,889	3,308
Power & energy	-	46,712	-	-	-	45,383	-
Transportation & logistics	169,397	1,054,591	-	46,377	171,625	933,375	30,261
Consumer & retail	19,007	765,335	-	37,809	17,907	670,602	38,697
Leisure	731	762,703	3,917,836	113,573	731	768,700	207,575
Energy, mobility & projects	300	506,803	-	-	-	429,600	231,923
Tea Exports	-	204,111	-	-	-	199,695	2,798
Others	21,346	172,705	-	934,646	21,169	143,064	371,511
	501,198	8,214,685	3,917,836	1,209,753	497,460	7,095,614	915,474

38.3.2.2 Transactions with Equity Accounted Investees

For the year ended 31st March	COMPANY					
	2026			2025		
	Rs.'000			Rs.'000		
Business segment	Rent	Common expenses	Purchase of goods and services	Rent	Common expenses	Purchase of goods and services
Tea exports	8,846	35,527	-	8,846	36,572	-
	8,846	35,527	-	8,846	36,572	-

Notes to the Financial Statements

38.3.2.3 Transactions with Other Related Companies

Company	Relationship	Name	Nature of transaction	Amount Rs.000
LB Finance PLC	Significant Share holder	K.D.D. Perera	Interest received/(paid)	545
Pan Asia Banking Corporation PLC	Significant Share holder	K.D.D. Perera	Facility amount	250,406
			Interest received/(paid)	6,636
			Sale/(Purchase) of goods and services	13,717
Royal Ceremics Lanka PLC	Significant Share holder	K.D.D. Perera	Amount Receivable/(Payable)	256
			Interest received/(paid)	11,242
			Sale/(Purchase) of goods and services	59,200
Vallibel Finance PLC	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	2,283
Vallibel One PLC	Significant Share holder	K.D.D. Perera	Interest received/(paid)	5,874
			Sale/(Purchase) of goods and services	2,874
Uni-Dil Packaging Limited	Significant Share holder	K.D.D. Perera	Amount Receivable/(Payable)	573
			Sale/(Purchase) of goods and services	(45,113)
Delmege Limited	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	15
Delmege Forsyth & Company Limited	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	192,201
			Interest received/(paid)	611
Delmege Forsyth & Co. (Exports) (Pvt) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	33
Delmege Forsyth Energy (Pvt) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	411
Delmege Air Services (Pvt) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	13
Lanka Tiles PLC	Significant Share holder	K.D.D. Perera	Amount Receivable/(Payable)	117
			Sale/(Purchase) of goods and services	17,175
			Interest received/(paid)	69
Delmege Insurance Brokers (Pvt) Ltd.	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	92
Swisstek (Ceylon) PLC	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	1,548
Grip Delmege (Pvt) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	3,345
Uni-Dil Packaging Solutions Limited	Significant Share holder	K.D.D. Perera	Amount Receivable/(Payable)	2,718
			Sale/(Purchase) of goods and services	(38,744)
Rocell Barthware Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	42,115
Delmege Forsyth & Co (Shipping) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	63,563
Eden Pharmaceuticals (Pvt) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	19
Lanka Walltiles PLC	Significant Share holder	K.D.D. Perera	Amount Receivable/(Payable)	97
			Sale/(Purchase) of goods and services	6,912
			Interest received/(paid)	2,051
Swisstek Aluminium Ltd	Significant Share holder	K.D.D. Perera	Amount Receivable/(Payable)	18,908
Grip Nordic (Pvt) Limited	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	169
Delair Travels (Pvt) Limited	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	404
Delshipping & Logistics (Pvt) Ltd	Significant Share holder	K.D.D. Perera	Sale/(Purchase) of goods and services	93,543

38.4 Amount Due from/ Due to Subsidiaries

As at 31st March	COMPANY					
	2026			2025		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Business segment	Receivable - Non-Current	Receivable- Current	Payables	Receivable - Non-Current	Receivable- current	Payables
Eco solutions	-	669,382	(68)	-	221,783	(2,368)
Hand protection	-	299,249	(1,107)	-	316,089	(1,107)
Purification	-	399,994	(476)	-	370,944	-
Textiles	-	111,595	-	-	111,346	-
Construction materials	-	235,604	-	-	179,060	-
Agriculture	-	810,902	(550)	-	685,004	(1,588)
Plantations	-	68,734	-	-	43,856	-
Industry inputs	-	422,027	(1,505)	-	352,888	(726)
Power & energy	-	12,001	-	-	8,025	-
Transportation & logistics	-	610,180	(33,315)	-	595,320	(65,377)
Consumer & retail	-	775,976	(945)	-	401,668	(2,549)
Leisure	828,836	468,059	(4,995)	1,283,847	1,372,825	(6,842)
Energy, mobility & projects	-	245,290	(54,508)	-	73,984	(77,954)
Tea Exports	-	24,330	(178)	-	18,436	(109)
Others	-	32,251	(734,902)	-	27,077	(461,002)
Total	828,836	5,185,574	(832,549)	1,283,847	4,778,305	(619,622)

38.5 Amount Due from/ Due to Equity Accounted Investees

As at 31st March	CONSOLIDATED				COMPANY			
	2026		2025		2026		2025	
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable
Business segment	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Purification	90,209	-	84,948	-	143	-	465	-
Transportation & logistics	4,268	-	1,240	-	694	-	500	-
Plantations	-	-	61,811	(21,068)	107,652	-	42,631	-
Tea Exports	109,278	-	-	-	790	-	-	-
	203,755	-	147,999	(21,068)	109,279	-	43,596	-

Notes to the Financial Statements

38.6 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 Group as per the audited Financial Statements ending 31 March 2025, which require additional disclosures in the 2025/26 annual report under the Colombo Stock Exchange Listing Rule 9.14.8 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission directive issued under section 13 (c) of the securities and exchange commission act.

38.7 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 the audited Financial Statements ending 31 March 2025, which require additional disclosures in the 2025/26 annual report under the Colombo Stock Exchange Listing Rule 9.14.8 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission directive issued under section 13 (c) of the securities and exchange commission act.

38.8 Details of guarantees given in respect of related parties are given in Note 32 to the Financial Statements.

38.10 No provision was made in respect of related party receivables, except the impairment losses disclosed in note 8.

38.11 No security has been obtained for related party receivables and all related party dues are payable on demand.

38.12 Interest on related party dues are decided based on the Average weighted prime lending rated (AWPLR) , associated risk and purpose for which funds are used.

38.13 There are no related parties or related party transactions other than those disclosed in Note 38 to the Financial Statements.

39. PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Summarised financial information in respect of Hayleys PLC's subsidiaries that have material non-controlling interest, reflecting amounts before inter-company eliminations, is set out below.

	COMPANY							
	Dipped Products PLC	Haycarb PLC	Hayleys Advantis Ltd	Singer (Sri Lanka) PLC	Hayleys Fabric PLC	Amaya Leisure PLC	Alumex PLC	The Kingsbury PLC
Business segment	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
As at 31st March								
Non-controlling interest in %	44.22%	32.27%	5.96%	13.55%	36.96%	33.41%	42.70%	42.43%
Non-current assets	45,090,979	20,980,575	37,821,288	47,732,534	18,219,883	4,465,059	6,655,558	5,131,982
Current assets	40,921,041	42,887,318	49,560,055	134,226,641	17,768,459	606,918	10,873,839	1,109,258
Total assets	86,012,020	63,867,893	87,381,343	181,959,175	35,988,342	5,071,977	17,529,397	6,241,240
Non-current liabilities	16,451,527	5,944,366	16,885,005	44,519,971	6,350,405	1,959,373	2,257,579	1,721,761
Current liabilities	26,048,280	24,577,587	48,880,465	115,574,846	17,332,423	1,875,055	10,041,914	1,828,087
Total liabilities	42,499,807	30,521,953	65,765,470	160,094,817	23,682,828	3,834,428	12,299,493	3,549,848
Equity attributable to the owners of the company	34,826,992	29,366,106	18,565,423	19,929,958	12,305,502	1,245,210	5,229,904	2,691,393
Non-controlling interests	8,685,221	3,979,834	3,050,450	1,934,400	12	(7,661)	-	-

	COMPANY							
Business segment	Dipped Products PLC Rs'000	Haycarb PLC Rs'000	Hayleys Advantis Ltd Rs'000	Singer (Sri Lanka) PLC Rs'000	Hayleys Fabric PLC Rs'000	Amaya Leisure PLC Rs'000	Alumex PLC Rs'000	The Kingsbury PLC Rs'000
For the year ended 31st March								
Revenue	82,044,127	67,083,695	117,791,011	128,575,891	37,787,219	3,555,235	16,936,486	5,562,090
Profit after tax	4,623,110	4,340,626	3,119,822	7,658,132	633,870	(240,957)	863,424	364,792
Profit attributable to the owners of the company	3,520,907	3,618,876	1,885,845	7,341,997	633,870	(239,295)	863,424	364,792
Profit attributable to the non-controlling interests	1,102,203	721,750	1,233,977	316,133	(22)	(1,662)	-	-
Total comprehensive income	5,434,782	5,034,753	3,435,145	7,648,915	642,643	(240,957)	865,060	776,228
Dividend paid to non controlling interests	(278,739)	(156,169)	(1,845,129)	-		-	-	-
Net cash (outflow)/ inflow from operating activities	3,813,252	(6,573,608)	4,883,679	(41,580,231)	1,285,296	775,224	1,204,234	990,115
Net cash (outflow) from investing activities	(10,101,361)	(3,960,003)	(5,026,325)	(3,933,722)	(1,018,349)	(188,648)	(893,600)	(320,406)
Net cash (outflow)/ inflow from financing activities	2,463,855	(279,807)	(3,041,911)	42,480,167	(1,629,632)	(334,548)	961,554	349,503
Total net cash (outflow)/ inflow	(3,824,254)	(10,813,418)	(3,184,557)	(3,033,786)	(1,362,685)	252,028	1,272,188	1,019,212

Notes to the Financial Statements

40. SEGMENT ANALYSIS

The segment information is based on two segmental formats. The business segment is considered as the primary format and based on the management structure of the Group. The management are of the view that the Chairman is considered the Chief Operating decision maker and resources are allocated and performance assessed based on the sectors, Therefore each sector which falls under the purview of a different GMC member is considered a separate segment.

In Rs '000	Eco Solutions		Hand Protection		Purification		Textiles		Construction Materials	
For the year ended 31st March	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenue										
Total	19,005,418	14,994,386	51,090,409	46,396,483	67,083,695	43,201,785	38,582,316	44,603,227	16,936,487	14,338,260
Intra Group	(3,893,677)	(2,147,654)	(29,129)	(46,224)	(310,914)	(367,270)	(795,464)	(1,141,870)	(820,208)	(1,230,231)
External	15,111,741	12,846,732	51,061,280	46,350,259	66,772,781	42,834,515	37,786,851	43,461,357	16,116,278	13,108,030
Segment results										
Results from operating activities	247,512	(333,213)	4,126,069	3,812,663	6,337,251	5,753,600	1,767,636	4,178,908	1,769,906	1,910,934
Finance income	435,740	340,213	1,534,616	1,224,005	977,635	970,367	153,360	187,992	155,414	217,053
Finance cost	(623,969)	(590,537)	(1,318,557)	(1,186,556)	(1,437,408)	(1,222,498)	(883,179)	(1,292,205)	(887,213)	(987,294)
Share of profit of equity accounted investees (net of tax)	-	-	20,881	7,181	12,979	508	-	-	-	-
Change in fair value of Investment Properties	39,646	59,618	-	-	-	-	-	-	-	-
Value added tax on financial services	-	-	-	-	-	-	-	-	-	-
Profit before tax from continuing operation	98,929	(523,918)	4,363,010	3,857,294	5,890,458	5,501,976	1,037,817	3,074,695	1,038,108	1,140,693
Tax	253,185	(3,885)	1,217,282	602,918	1,546,714	1,246,127	400,001	963,434	226,941	273,539
Loss for the year from discontinued operation	-	-	-	-	-	-	-	-	-	-
Depreciation on property, plant & equipment	358,979	310,124	1,781,019	1,032,294	1,056,980	1,005,757	1,260,115	1,267,876	407,220	349,740
Charge/Reversal of Impairment of property, plant & equipment	-	-	-	-	-	-	-	9,180	-	-
Amortisation of intangible assets	12,426	18,512	81,080	44,689	39,504	25,661	39,034	40,307	17,055	18,860
Total assets (excl. equity accounted investees)	23,407,651	20,762,699	49,965,489	41,650,538	61,216,221	42,933,219	36,476,218	35,857,919	17,529,396	16,555,133
Investment in equity accounted investees	-	-	390,983	390,982	14,587	1,607	-	-	-	-
Additions to Property Plant & equipment	933,752	1,768,769	3,237,506	1,109,235	2,996,287	2,602,991	1,203,094	1,583,830	1,021,405	1,725,486
Improvements to Biological assets	-	-	-	-	-	-	-	-	-	-
Additions to Intangible assets	-	28,658	17,641	80,173	125,634	99,691	2,205	-	2,015	3,677
Assets classified as held for sale**	-	-	-	-	-	-	-	-	-	-
Current portion of interest bearing borrowings	227,026	438,605	1,440,616	1,446,843	1,257,588	670,972	2,506,578	2,574,044	691,615	662,562
Non-current portion of interest bearing borrowings	668,852	151,492	5,695,962	2,278,786	3,283,327	2,537,332	2,349,547	3,109,827	1,284,689	1,052,814
Goodwill	-	-	33,308	33,308	202,041	202,041	2,103,885	2,103,885	-	-
Non Interest bearing liabilities										
Deferred tax Liability	937,897	841,394	128,785	184,941	385,264	246,779	2,549,283	2,476,987	737,458	744,192
Employee benefit obligations	508,878	500,138	1,732,524	1,555,120	2,126,914	1,833,504	1,405,111	1,285,398	287,691	261,902
Trade and other payables	1,771,683	1,576,310	8,014,231	8,051,724	8,024,598	5,154,914	7,585,741	7,479,620	2,344,983	1,747,342
Cash Flow										
Segment cash flows from Operating Activities	(1,226,714)	386,891	1,067,291	2,545,895	(5,578,390)	(354,107)	1,340,379	1,966,206	1,204,234	27,779
Segment cash flows from Investment Activities	(195,781)	(839,928)	(5,307,348)	(3,151,152)	(3,960,003)	(2,310,420)	(1,057,342)	(1,601,230)	(893,600)	(1,724,643)
Segment cash flows from Financing Activities	127,215	13,079	2,911,621	(2,000,294)	(1,232,225)	(32,378)	(1,645,723)	(543,608)	961,554	(655,633)

The transactions between the segments are conducted under arm's length.

*Non-segment adjustments relate to the intercompany transactions which includes intercompany eliminations and reclassifications done at the Hayleys PLC group level.

Plantations		Agriculture		Consumer & Retail		Leisure		Industry Inputs		Power and Renewable Energy		Transportation & Logistics	
2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
20,502,974	19,612,428	44,690,544	38,167,819	157,353,408	108,849,078	9,166,708	8,709,897	10,227,391	10,057,232	1,088,595	1,570,388	118,453,761	108,702,292
(532,931)	(430,093)	(411,600)	(657,593)	(618,402)	(367,744)	(483,445)	(701,926)	(805,825)	(525,596)	-	-	(948,800)	(1,858,539)
19,970,043	19,182,334	44,278,944	37,510,227	156,735,006	108,481,334	8,683,263	9,650,968	9,421,566	9,531,636	1,088,595	1,570,388	117,504,961	106,843,753
2,099,255	2,702,483	3,811,064	3,372,771	14,834,181	8,769,835	669,229	1,175,331	1,138,080	1,445,070	193,663	752,494	7,854,591	8,596,776
512,210	581,498	694,969	474,756	1,318,913	1,317,049	49,619	52,302	113,142	53,388	55,395	72,507	1,511,199	891,625
(397,436)	(371,060)	(1,687,871)	(1,246,423)	(3,692,703)	(2,958,415)	(307,270)	(411,615)	(280,569)	(284,923)	(20,822)	(16,340)	(3,385,134)	(2,957,280)
-	-	-	-	-	-	-	-	-	-	23,266	138,127	2,677	(12,907)
-	-	-	-	34,348	-	-	-	-	-	-	-	18,760	(3,509)
-	-	-	-	(1,036,182)	(600,530)	-	-	-	-	-	-	-	-
2,214,029	2,912,921	2,818,161	2,601,104	11,458,556	6,527,939	411,578	816,018	970,652	1,213,535	251,502	946,787	6,002,093	6,514,705
821,035	997,026	868,126	1,050,973	3,790,111	2,141,474	287,743	106,292	306,164	319,503	67,630	126,841	2,939,266	2,796,622
-	-	-	-	-	-	(1,227,977)	(1,336,666)	-	-	-	-	-	-
867,987	968,939	428,779	302,605	872,328	637,515	437,342	380,887	96,669	76,166	246,889	270,543	2,850,623	2,206,904
-	-	-	-	-	-	1,658,707	-	-	-	-	-	-	-
2,826	2,347	570	487	59,144	61,872	10,251	10,954	-	-	8,885	9,716	240,866	70,021
29,152,925	27,278,987	36,327,893	29,330,529	183,554,376	124,473,980	16,609,912	19,676,490	12,744,110	11,161,446	6,270,323	5,098,542	87,678,837	82,366,296
-	-	-	-	-	-	-	-	525,000	525,000	199,068	268,202	47,446	49,884
1,921,712	2,682,957	618,471	676,390	1,528,724	827,248	587,614	424,681	698,999	181,626	704,355	95,073	3,122,063	6,779,626
17,840	33,103	-	-	-	-	-	-	-	-	-	-	-	-
800	4,600	6,500	-	50,703	22,297	56	2,002	-	-	114,808	-	307,571	130,108
-	-	-	-	-	-	6,049,915	-	-	-	-	-	-	-
511,663	328,301	940,378	1,030,724	23,318,738	10,661,334	768,825	1,855,081	89,590	738	498,576	65,401	4,081,576	3,777,739
1,538,398	1,507,075	1,675,282	2,479,874	26,286,036	20,013,050	5,911,270	7,435,990	153,267	3,855	113,832	48,923	9,575,744	9,044,095
498,063	498,063	-	-	-	-	-	-	-	-	-	-	658,711	658,711
2,755,428	(80,575,642)	158,272	128,902	67,135	64,563	1,052,479	1,040,272	23,759	18,555	42,132	18,755	3,867,270	3,626,392
3,406,111	3,240,796	1,040,570	911,231	1,660,580	1,466,239	249,579	205,038	245,440	225,336	14,280	11,992	3,429,547	2,977,311
2,756,222	2,605,809	3,593,775	3,996,273	20,328,228	16,351,033	2,290,218	3,614,430	2,573,853	1,469,940	216,193	266,491	15,641,413	17,093,362
3,372,228	4,176,231	(4,183,477)	1,211,186	(41,382,542)	(14,290,152)	1,765,338	954,287	452,201	(958,703)	134,537	1,022,999	4,961,727	7,946,605
(4,272,538)	(2,075,839)	(310,333)	(489,463)	(3,937,444)	(258,698)	(509,054)	(307,813)	(833,291)	1,260,240	(551,712)	(25,163)	(5,104,372)	(6,709,908)
(903,333)	(1,384,341)	86,827	(696,728)	42,193,173	16,291,025	(684,051)	(957,337)	(14,817)	(670,961)	400,785	(828,634)	(3,041,913)	839,757

Notes to the Financial Statements

In Rs '000	Energy, Mobility and Projects		Tea Exports		Others		Non Segment Adjustments*		Total	
For the year ended 31st March	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenue										
Total	31,866,258	28,900,932	10,900,854	13,603,578	3,091,207	2,240,668	-	-	600,040,021	503,948,453
Intra Group	(3,553,695)	(2,277,871)	(346,812)	(444,642)	(1,468,017)	(1,193,105)	-	-	(15,018,919)	(13,390,358)
External	28,312,564	26,623,061	10,554,042	13,158,936	1,623,190	1,047,563	-	-	585,021,102	490,558,095
Segment results										
Results from operating activities	3,128,323	3,666,731	557,507	608,677	1,298,533	7,987,583	(466,118)	(6,002,201)	49,366,682	48,398,441
Finance income	317,578	983,948	192,315	160,731	2,132,556	321,518	(1,024,125)	(886,150)	9,130,535	6,962,801
Finance cost	(1,112,568)	(1,317,825)	(180,665)	(264,530)	(4,162,569)	(3,320,745)	443,121	27,148	(19,934,812)	(18,401,098)
Share of profit of equity accounted investees (net of tax)	-	-	319,317	104,164	-	-	-	-	379,120	237,074
Change in fair value of Investment Properties	-	-	-	-	39,640	56,890	-	-	132,394	112,999
Value added tax on financial services	-	-	-	-	-	-	-	-	(1,036,182)	(600,530)
Profit before tax from continuing operation	2,333,333	3,332,854	888,474	609,043	(691,840)	5,045,246	(1,047,123)	(6,861,203)	38,037,737	36,709,687
Tax	667,797	963,617	184,459	147,938	137,671	461,886	872,662	666,123	14,586,788	12,860,429
Loss for the year from discontinued operation	-	-	-	-	-	-	-	-	(1,227,977)	(1,336,666)
Depreciation on property, plant & equipment	346,725	237,422	123,020	111,139	235,737	171,405	-	-	11,370,412	9,329,317
Charge/Reversal of Impairment of property, plant & equipment	-	-	-	-	-	-	-	-	1,658,707	9,180
Amortisation of intangible assets	4,939	5,065	1,209	2,200	19,591	14,727	-	-	537,380	325,418
Total assets (excl. equity accounted investees)	45,663,575	27,378,292	6,623,162	5,587,019	91,450,444	78,884,434	(61,731,822)	(61,050,617)	642,938,708	507,944,905
Investment in equity accounted investees	-	-	203,110	7,082	1,504,863	1,504,863	-	-	2,885,056	2,747,620
Additions to Property Plant & equipment	1,691,118	794,510	80,793	301,607	692,520	476,186	-	(2)	21,038,412	22,030,215
Improvements to Biological assets	-	-	-	-	-	-	-	-	17,840	33,103
Additions to Intangible assets	2,064,330	2,854	-	-	7,135	33,581	-	-	2,699,398	407,642
Assets classified as held for sale**	-	-	-	-	-	-	-	-	6,049,915	-
Current portion of interest bearing borrowings	1,241,886	463,449	13,167	49,458	6,262,533	6,899,333	-	-	43,850,354	30,924,584
Non-current portion of interest bearing borrowings	11,072,206	2,669,787	-	12,365	25,337,137	19,313,833	(2,000,000)	-	92,945,548	71,659,099
Goodwill	-	-	-	-	10,955,149	10,955,149	-	-	14,451,157	14,451,157
Non Interest bearing liabilities		-	-	-						
Deferred tax Liability	473,375	322,931	113,964	83,149,095	1,845,284	1,791,559	-	-	15,137,783	14,079,676
Employee benefit obligations	274,417	240,300	77,589	78,792	1,650,253	1,310,878	-	-	18,109,484	16,103,974
Trade and other payables	8,153,023	9,254,717	832,211	452,570	1,283,322	5,171,517	254,871	71,227	85,664,564	84,357,278
Cash Flow										
Segment cash flows from Operating Activities	2,196,291	865,529	(626,267)	539,182	6,381,858	5,733,124	12,996,395	6,217,520	(17,124,910)	17,990,473
Segment cash flows from Investment Activities	(22,489,076)	(3,339,636)	(185,975)	(301,746)	(4,825,679)	(1,013,217)	22,640,494	3,216,174	(31,793,054)	(19,672,443)
Segment cash flows from Financing Activities	21,434,300	2,346,675	120,067	61,194	(7,987,780)	(5,422,875)	(52,542,649)	(16,315,090)	183,051	(9,956,150)

The transactions between the segments are conducted under arm's length.

*Non-segment adjustments relate to the intercompany transactions which includes intercompany eliminations and reclassifications done at the Hayleys PLC group level.

41 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risk from financial instruments:

1 Credit risk
2 Liquidity risk
3 Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's financial risk management framework which includes developing and monitoring the Group's Financial risk management policies.

The Group's Financial risk management policies are established to identify, quantify and analyse the financial risks faced by the Group, to set appropriate risk limits and controls, and to monitor Financial risks and adherence to limits. Financial Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All derivative activities for risk management purposes are carried out by Group Treasury that have the appropriate skills and experience.

The Group Audit Committee oversees how management monitors compliance with the Group's financial risk management policies and procedures, and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by the Management Audit System Review Department(MASRD). MASRD undertakes both regular and ad hoc reviews of Financial risk management policies and procedures, the results of which are reported to the Group Audit Committee.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, investments in Government Securities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment, delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. Outstanding customer receivables are regularly monitored at the individual sector and Group Management Committee (GMC) level. Further SLECIC cover or other forms of credit insurance is obtained for most exports or in the instance this is not obtained, specific GMC approval is obtained prior to the export.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's wholesale customers. Customers that are considered as "high risk" are placed on a restricted customer list and future sales are made on a prepayment basis.

Notes to the Financial Statements

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The maximum exposure to credit risk for trade and other receivables at the reporting date is Rs. 226.14 bn (2025 - Rs. 158.72 bn) which is recorded at Note 22 to the Financial Statements.

Investments

Credit risk from invested balances with the financial institutions are managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty depending on its credit rating. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Treasury bills

Singer Finance (Lanka) PLC invests not less than 7.5% of the average of its month end total deposit liabilities and borrowings of the twelve months of the preceding financial year in Sri Lanka Government Treasury Bills and Bonds to comply with the Central Bank of Sri Lanka Direction No. 4 of 2013.

Cash and cash equivalents

The Group held cash in hand and at bank equivalents of Rs. 26.95 bn at 31 March 2026 (2025 -Rs. 24.29 bn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which group cash balances held are as follows;

- People's Bank – AA- (lka)
- Standard Chartered Bank – AAA (lka)
- Commercial Bank of Ceylon PLC – AA- (lka)
- Sampath Bank PLC – AA- (lka)
- Nations Trust Bank PLC – A (lka)
- HSBC Bank – AAA (lka)
- Deutsche Bank – A+ (lka)
- Pan Asia Banking Corporation PLC Bank – BBB (lka)
- Hatton National Bank PLC – AA- (lka)
- Bank of Ceylon – AA- (lka)
- DFCC Bank – A (lka)
- Citibank –AAA (lka)
- Seylan Bank PLC – A+(lka)
- National Development Bank PLC – A- (lka)
- Union Bank of Colombo PLC – BBB- (lka)

Source - http://www.fitchratings.lk

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Group Treasury receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The liquidity requirements of business units and subsidiaries are met through central cash management by Group Treasury to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements. The Group Treasury monitors the cash flows in subsidiary and Group level and obtains adequate bank facilities to meet the funding requirements. The Group does not concentrate on a single financial institution, thereby minimising the expose to liquidity risk through diversification of funding sources. The Group aims to fund investment activities of the individual and group level by funding the long term investment with long term financial sources in terms of equity, debenture or long term loans. Short term investments and working capital are funded using short term loans. Group has been successful in arranging long term funding from overseas lenders as a measure to diversify its funding sources which enabled reducing the sole dependency on domestic market for project financing. The Group also issues debentures in domestic market as a measure to reduce its dependency on local banking system for all its financing requirement and thereby freeing available banking lines for future projects.

The monthly liquidity position is monitored by the Group Treasury. All liquidity policies and procedures are subject to review and approval by Board of Directors. Daily reports cover the liquidity position of both the Group and operating subsidiaries.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31st March 2026	On demand	Less than 3 Months	3 to 12 Months	1 to 5 years	>5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Consolidated						
Interest-bearing loans and borrowings	17,747,738	11,305,381	167,658,046	75,454,696	17,490,852	289,656,713
Trade and other payables	21,197,545	51,990,030	9,134,706	3,154,145	188,138	85,664,564
Security deposit	-	-	-	-	2,291,434	2,291,434
Other financial liabilities	-	15,777,710	11,655,832	13,696,639	48,352	41,178,533
	38,945,283	79,073,121	188,448,584	92,305,480	20,018,776	418,791,244

As at 31st March 2026	On demand	Less than 3 Months	3 to 12 Months	1 to 5 years	>5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Company						
Interest-bearing loans and borrowings	1,232,169	9,645,837	9,958,025	17,248,921	11,223,439	49,308,391
Trade and other payables	83,149	199,845	376,311	166,764	95,818	921,887
	1,315,318	9,845,682	10,334,336	17,415,685	11,319,257	50,230,278

Notes to the Financial Statements

As at 31st March 2025	On demand	Less than 3 Months	3 to 12 Months	1 to 5 years	>5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Consolidated						
Interest-bearing loans and borrowings	15,121,700	80,350,501	37,278,927	64,280,761	7,378,340	204,410,229
Trade and other payables	20,515,356	46,669,582	12,471,582	4,302,196	398,562	84,357,278
Security deposit	-	-	-	-	1,894,630	1,894,630
Other financial liabilities	-	13,028,326	8,878,815	6,370,564	36,435	28,314,140
	35,637,056	140,048,409	58,629,324	74,953,521	9,707,967	318,976,277

As at 31st March 2025	On demand	Less than 3 Months	3 to 12 Months	1 to 5 years	>5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Company						
Interest-bearing loans and borrowings	-	3,211,213	12,759,542	13,878,376	5,435,458	35,284,589
Trade and other payables	-	3,897,075	-	912,932	-	4,810,007
	-	7,108,288	12,759,542	14,791,308	5,435,458	40,094,596

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, financial assets designated at fair value through OCI, financial assets at fair value through profit or loss and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The sensitivity analyses in the following sections relate to the position as at 31 March 2026 and 2025.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly borrows in the short term to fund its working capital requirement which are linked to floating interest rates. For other funding needs the Group maintains a proper mix of interest rate based on the basis of the predictability of future cash flows. Group Treasury closely monitors the interest rate fluctuations in the market and advices the sectors of the Group on a regular basis on risk mitigatory strategies. The Group hedges its exposure to interest rate risk by using Interest Rate Swaps as appropiate.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

For the year ended 31st March	Increase/ decrease in base point	CONSOLIDATED Effect on profit before tax Rs.'000	COMPANY Effect on profit before tax Rs.'000
2026	+ 200	(4,829,803)	(754,002)
	- 200	4,829,803	754,002
2025	+ 200	(3,490,848)	(602,543)
	- 200	3,490,848	602,543

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases and borrowings and net investments in foreign subsidiaries that are denominated in a currency other than the respective functional currencies of the Group. These currencies primarily are the Euro, US Dollars (USD), Bangladesh Taka, Chinese Yuan (CNY), Pound Sterling (GBP), Indonesia Rupiah and Thailand Baht.

The Group hedges its exposure to fluctuations on the translation of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps, forwards contracts and hedge accounting. Group Treasury closely monitors the exchange rate fluctuations and advices the sectors on a regular basis on hedging strategies and their timing.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar and Euro exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The Group's exposure to foreign currency changes for all other currencies is not material.

For the year ended 31st March		Increase/ decrease in base point	CONSOLIDATED Effect on profit before tax Rs.'000	CONSOLIDATED Effect on Foreign currency translation reserve Rs.'000	COMPANY Effect on profit before tax Rs.'000	COMPANY Effect on Foreign currency translation reserve Rs.'000
2026	USD	+10%	(770,938)	1,969,753	(45,432)	-
	Euro	+10%	157,873	470,480	-	-
	USD	-10%	770,938	(1,969,753)	45,432	-
	Euro	-10%	(157,873)	(470,480)	-	-
2025	USD	+10%	(2,603,621)	1,581,018	(115,675)	-
	Euro	+10%	245,793	469,233	-	-
	USD	-10%	2,603,621	(1,581,018)	115,675	-
	Euro	-10%	(245,793)	(469,233)	-	-

Notes to the Financial Statements

Commodity Risk

The Group is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase and manufacturing process. Due to the significantly increased volatility of the price of the underlying, the management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The sectors constantly monitor the Raw material price B204 of Charcoal, Rubber, Aluminum and Yarn for downwards trends and invest in bulk purchase when low prices are prevalent. Management may revise the selling price based on the commodity prices whenever possible.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the GMC. Equity price risk is not material to the Financial Statements.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves, retained earnings and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The gearing ratio at the reporting date was as follows

As at 31st March	CONSOLIDATED		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Interest Bearing borrowing	92,945,548	71,659,099	28,472,360	19,313,834
Current portion of Long term interest bearing borrowings	43,850,354	30,924,584	6,374,694	6,899,333
Short term interest bearing borrowings	152,860,811	101,826,546	14,461,337	9,071,422
	289,656,713	204,410,229	49,308,391	35,284,589
Equity	170,500,746	144,092,342	14,118,147	11,135,108
Equity and debts	460,157,459	348,502,571	63,426,538	46,419,697
Gearing ratio	63%	59%	78%	76%

The Regulatory Capital requirements for the Finance Companies are set by the Central Bank of Sri Lanka. The details of the computation of risk weighted assets, capital and the ratios of the Singer Finance PLC are given below:

Capital Adequacy of Singer Finance PLC

Capital adequacy is a measure of financial institutions financial strength and stability. This widely accepted concept tries to specify the limit to which a business can expand in terms of its risk-weighted assets. Finance companies in pursuit of business expansion, could engage themselves in activities in activities that regularly change their risk profile. In light of this, regulatory capital requirements have been established to avid undue expansion beyond specified limits, keeping a hold on companies' exposure to risk. Capital serves as a comfort to absorb unexpected losses,providing a degree of security to depositors and other key stakeholders.

This Measure has been intorduced by the Central Bnak of Sri Lanka to protect the interest of the various stakeholders of the Company.while ensuring the maintenance of confidence and stability of the financial system.

The capital adequacy ratio is calculated as a percentage on company's capital to its risk weighted assets as specified by the direction No 03 of 2018 with the effect from 1st July 2018 . Previously, Capital Adequacy ratio was computed based on the Direction No.02 of 2006 and by the circular issued by the Central Bank of Sri Lanka dated 15th March 2017.

Based on the Direction No. 03 of 2018 the Listed Finance Companies which are having asset base less than 100 bn need to be have minimum Core Capital Ratio (Tier-I) of 7% and 11% based on the Total Capital Ratio (Tier-II) . This minimum requirement will increase to 8.5% and 12.5% respectively with the effect from 1st July 2022.

The core capital represents the permanent shareholders, equity and reserves created or increse by appropriations of retained earnings or other surpluses and the total capital include, in addition to the core capital, the revaluation reserves, general provisions and other hybrid capital instruments and unsecured subordinated debts.

The risk-weighted Asstes have been calculated by multiplying the value of each category of asset using the risk-weight specified by the Central Bank of Sri Lanka.

Details of the computation and the resulting rations are given below:

Capital Adequacy Ratio

As at 31st March	2026 Rs. '000	2025 Rs. '000
Tier 1 Capital	9,182,966	5,772,256
Tier 2 Capital	12,982,966	6,903,392
Total Risk - Weighted Assets	84,125,869	52,555,337
Tier 1 Capital Ratio	10.92%	10.98%
Total Capital Ratio	15.43%	13.14%

Notes to the Financial Statements

42 COMPARATIVE INFORMATION AND RECLASSIFICATION DUE TO DISCONTINUED OPERATIONS

Comparative Information

Comparative figures have been reclassified, where necessary, to confirm with the presentation adopted in the current year's Financial Statements. These reclassifications have been made to improve comparability and do not affect previously reported total assets, total liabilities, total equity, or profit attributable to equity holders of the parent.

Discontinued Operations

During the current financial year, the Group classified certain operations as discontinued in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. As a result, the prior year's comparative information has been re-presented to separately disclose the results of discontinued operations from those of continuing operations.

The impact of the reclassification on the comparative information of prior year's Statement of Profit or Loss is summarized below:

For the year ended 31 March 2025	As previously reported	Reclassification	As re-presented
Revenue	492,201,092	(1,642,997)	490,558,095
Cost of sales	(369,711,417)	651,852	(369,059,565)
Direct interest cost	(4,177,595)	-	(4,177,595)
Gross profit	118,312,080	(991,145)	117,320,935
Group dividend	-	-	
Other income	5,063,926	-	5,063,926
Distribution expenses	(17,925,158)	78,944	(17,846,214)
Administrative expenses	(56,613,478)	1,543,705	(55,069,773)
Other expenses	(1,070,435)	-	(1,070,435)
Results from operating activities	47,766,935	631,504	48,398,439
Finance income	6,962,801	-	6,962,801
Finance cost	(19,106,258)	705,162	(18,401,096)
Net finance cost	(12,143,457)	705,162	(11,438,295)
Change in fair value of investment properties	112,999	-	112,999
Share of profit of equity accounted investees (net of tax)	237,074	-	237,074
Value added tax on financial services	(600,530)	-	(600,530)
Profit before tax	35,373,021	1,336,666	36,709,687
Tax expense	(12,860,429)	-	(12,860,429)
Profit for the year from continuing operations	22,512,592	-	23,849,258
Loss for the year from discontinued operations (net of tax)	-	(1,336,666)	(1,336,666)
Profit for the year	22,512,592	-	22,512,592

Quarterly Analysis

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2026 Rs.'000	2025 Rs.	2026 Rs.'000	2025 Rs.	2026 Rs.'000	2025 Rs.	2026 Rs.'000	2025 Rs.
Revenue	130,638,065	113,607,627	138,888,032	122,539,310	151,878,030	127,393,294	163,616,975	127,017,864
Profit before tax	5,830,880	5,734,473	7,494,557	6,997,840	9,399,279	9,791,461	15,313,021	14,185,913
Tax expense	(2,653,569)	(2,615,823)	(3,108,384)	(3,108,230)	(2,944,117)	(2,916,811)	(5,880,718)	(4,219,565)
Profit after tax	3,177,311	3,118,650	4,386,173	3,889,610	6,455,162	6,874,650	8,204,326	8,629,682
Profit attributable to owners of the parent	1,506,631	1,401,270	2,391,411	1,770,768	3,990,002	4,401,297	6,163,778	5,875,794
Profit attributable to non-controlling interest	1,670,680	1,717,380	1,994,762	2,118,842	2,465,160	2,473,353	2,040,548	2,753,888
Total comprehensive income for the period, net of tax	4,480,082	3,253,163	5,655,337	4,395,790	7,373,696	5,542,251	7,333,337	13,779,659
Non Current Assets	221,459,391	187,161,239	230,023,947	194,398,882	241,660,841	201,527,268	251,698,868	216,558,411
Current Assets	320,679,303	265,522,089	329,530,450	280,219,463	363,780,096	294,145,572	394,124,896	294,134,114
Non current liabilities	121,311,940	92,406,654	122,032,219	96,991,276	132,264,799	108,385,079	143,430,124	112,723,543
Current liabilities	272,482,076	231,814,834	284,423,332	245,751,930	313,208,232	250,702,556	331,892,894	253,876,640

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Market Value of Shares								
Closing share price	173.50	106.25	186.00	99.80	195.75	131.25	215.00	137.00
Basic earnings per share	2.01	1.87	3.19	2.36	5.32	5.87	8.19	7.83
Diluted earnings per share	2.01	1.87	3.19	2.36	5.32	5.87	8.19	7.83
Highest price recorded for the three months ending	174.75	109.00	198.00	106.50	200.00	132.00	260.00	149.25
Lowest price recorded for the three months ending	127.00	80.00	164.50	86.00	178.00	98.00	196.00	122.25
Market capitalisation (Rs. mn)	130,125	79,688	139,500	74,850	146,813	98,438	161,250	102,750
Share Trading Information								
No. of transactions	16,627	22,247	15,619	10,284	13,705	15,484	22,616	14,082
No. of shares traded	33,658,417	65,019,638	24,365,066	24,826,974	20,482,265	41,550,443	22,096,855	22,744,254
Value of shares traded (Rs.)	5,172,956,446	6,293,062,377	4,337,917,888	2,415,675,511	3,950,422,702	4,543,282,535	5,010,225,668	3,104,534,147

Ten Year Summary

As at 31st March	10-Year Compound Growth (%)	2026 Rs '000	2025 **** Rs '000	2024 **** Rs '000	2023 Rs '000	2022 Rs '000	2021 Rs '000	2020 Rs '000	2019 Rs '000	2018 Rs. '000	2017 Rs. '000
Results											
Revenue	18%	585,021,102	490,558,095	435,251,109	487,430,881	338,009,580	241,275,661	210,307,003	219,181,960	163,249,467	111,383,076
Profit before taxation	19%	38,037,737	36,709,687	27,387,556	42,749,068	35,716,745	19,233,789	5,504,052	5,475,513	5,763,498	7,025,162
Taxation	24%	(14,586,788)	(12,860,429)	(10,488,984)	(15,076,768)	(7,617,844)	(5,187,582)	(2,609,260)	(2,725,596)	(2,491,060)	(1,976,840)
Profit after tax	17%	22,222,972	22,512,592	14,846,723	27,672,300	28,098,901	14,046,207	2,894,792	2,749,917	3,272,438	5,048,322
Non-controlling Interest	15%	(8,171,150)	(9,063,463)	(7,957,953)	(11,320,455)	(9,842,374)	(6,408,976)	(2,522,360)	(2,484,532)	(2,248,546)	(2,264,389)
Profit attributable to owners of the parent	18%	14,051,822	13,449,129	6,888,770	16,351,845	18,256,527	7,637,231	372,432	265,385	1,023,892	2,783,933
Funds Employed											
Stated capital***	0%	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000
Capital reserves	-3%	1,234,908	975,906	870,062	760,344	711,396	688,411	676,104	636,039	887,340	943,608
Other component of equity	11%	35,943,547	34,166,542	29,821,606	31,464,513	30,077,359	24,734,483	23,644,932	23,072,120	20,978,486	19,013,131
Revenue reserves	14%	65,461,184	56,424,777	47,896,325	45,130,447	35,026,096	20,620,432	13,808,523	14,958,752	16,208,311	19,333,998
Equity attributable to equity holders of the parent	12%	113,214,639	93,142,225	80,162,993	78,930,304	67,389,851	47,618,326	39,704,559	40,241,911	39,649,137	40,865,737
Non-controlling Interest	13%	57,286,107	50,950,117	45,367,092	43,776,353	37,896,875	27,580,255	23,151,943	21,636,556	20,158,629	17,173,230
Borrowings (short-and long-term)	22%	289,656,713	204,410,229	171,882,853	159,695,621	171,934,335	114,462,349	123,555,392	113,283,872	92,641,002	44,747,594
Assets Employed											
Non-current assets	14%	251,698,868	216,558,411	184,718,439	175,162,982	159,697,107	133,825,255	130,678,344	120,767,143	114,202,537	78,161,061
Current assets	23%	394,124,896	294,134,114	257,326,053	237,578,991	243,378,685	145,558,205	117,630,744	110,979,551	95,564,364	51,840,953
Current liabilities net of borrowings	25%	(135,181,729)	(121,125,510)	(110,434,606)	(94,571,637)	(100,957,255)	(68,627,373)	(41,644,452)	(38,474,385)	(40,159,237)	(19,010,302)
Security deposit	100%	(2,291,434)	(1,894,630)	(1,560,728)	(1,468,392)	(1,462,347)	(1,366,565)	(1,394,611)	(1,388,434)	(1,199,128)	-
Other non current liabilities	100%	(358,288)	(1,705,052)	(1,750,010)	(2,083,838)	(1,637,526)	(1,666,017)	(1,730,000)	(1,448,000)	(2,717,541)	-
Other non current financial liabilities	100%	(13,744,991)	(6,406,999)	(3,252,235)	(5,844,248)	(2,317,848)	(2,091,132)	(1,979,089)	(804,556)	(403,056)	-
Provisions	17%	(33,247,267)	(30,183,650)	(26,720,954)	(25,447,442)	(18,641,594)	(15,134,825)	(14,361,049)	(13,691,130)	(12,067,024)	(7,461,764)
Grants	2%	(842,596)	(874,113)	(913,021)	(924,138)	(838,161)	(836,618)	787,993	(777,850)	(772,147)	(743,387)
Capital Employed	17%	460,157,459	348,502,571	297,412,938	282,402,279	277,221,061	189,660,930	186,411,894	175,162,339	152,448,769	102,786,562
Cash Flow											
Net cash inflow/(outflow) from operating activities		(10,500,101)	11,855,844	30,426,524	56,793,678	9,536,355	32,928,432	18,848,308	1,187,067	7,451,001	7,441,702
Net cash inflow/(outflow) from investing activities		(32,658,546)	(19,672,443)	(11,460,535)	(12,055,481)	(17,674,379)	(4,492,620)	(8,062,517)	(5,260,764)	(18,291,318)	(11,051,489)
Net cash inflow/(outflow) from financing activities		473,649	(3,821,521)	(32,496,945)	(36,256,472)	(7,859,190)	(13,293,929)	(8,265,370)	(7,989,127)	(1,126,681)	1,311,974
Increase/(decrease) in cash and cash equivalents		(42,684,998)	(11,638,120)	(13,530,956)	8,481,725	(15,997,214)	15,141,883	2,520,421	(12,062,824)	(11,966,998)	(2,297,813)
Key Indicators											
Earnings per share (basic) (Rs.) ***		18.71	17.91	9.19	21.80	24.34	10.18	0.50	0.35	1.37	3.71
Dividend per share (basic) (Rs.) ***		6.00	6	5.35	5.35	4.00	1.30	-	0.50	0.50	0.75
Net assets per share (Rs.) ***		150.95	124.19	106.88	105.24	89.85	63.49	52.94	53.66	52.87	54.49
Market price per share (Rs.)		215.00**	137.00**	82.10**	72.00**	76.90**	60.80**	123.60*	168.00*	200.70*	265.00*
% change in All Share Price Index		33.21	38.19	23.04	4.46	2.72	89.61	(17.74)	(14.20)	6.84	(0.16)
Return on average shareholders' funds (%)		12.41	14.44	8.59	20.72	27.09	16.04	0.94	0.66	2.58	6.81
Return on average capital employed (%)		10.73	13.71	14.36	21.63	14.85	13.80	9.04	9.76	8.94	10.58
Price earnings ratio (times)		11.49	7.65	8.94	3.30	3.12	5.97	24.89	47.48	14.70	7.14
Interest cover (times covered)		2.88	3.33	2.08	2.15	3.37	3.00	1.39	1.47	1.77	3.05
Dividend payout Ratio (%)		32.07	33.46	58.25	24.54	16.43	12.77	-	141.30	36.63	20.21

*Market price before share split of 10 shares for every one ordinary share held.

**Market price after share split of 10 shares for every one ordinary share held.

***Earning per share, Dividend per share and Net asset per share in all reporting periods were adjusted based on post sub-division of 10 shares for every one ordinary share held.

****The results of the year 2025 has been restated to reflect the Maldives hotel operation being classified as a discontinued operations as described in Note 37 to the Financial Statements.

Indicative US Dollar Financial Statements

Statement of Profit or Loss (information purposes only)

For the year ended 31st March	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
Continuing operations	USD '000	USD '000	USD '000	USD '000
Revenue	1,914,524	1,648,325	2,218	2,140
Cost of sales	(1,447,371)	(1,240,078)	(2,168)	(1,937)
Direct Interest Cost	(21,505)	(14,037)	-	-
Gross profit	445,648	394,210	50	203
Group dividend	-	-	21,179	19,318
Other income	12,068	17,015	273	3
Distribution expenses	(77,684)	(59,965)	-	-
Administrative expenses	(214,756)	(185,040)	3,345	5,587
Other expenses	(3,720)	(3,597)	(22,556)	-
Results from operating activities	161,556	162,623	2,291	25,111
Finance income	29,880	23,396	6,100	417
Finance cost	(65,238)	(61,830)	(13,582)	(11,049)
Net finance cost	(35,358)	(38,434)	(7,482)	(10,632)
Change in fair value of investment property	433	380	7	2
Share of profit of equity accounted investees (net of tax)	1,241	797	-	-
Value added tax on financial service	(3,391)	(2,018)	-	-
Profit before tax from Continuing operations	124,481	123,348	(5,184)	14,481
Tax expense	(47,736)	(43,212)	484	(1,069)
Profit for the year Continuing operations	76,745	80,136	(4,700)	13,412
Discontinued operations				
Loss for the year from discontinued operations (net of tax)	(4,019)	(4,491)	-	-
Profit for the year	72,726	75,645	(4,700)	13,412
Profit for the period attributable to:				
Owners of the parent	45,985	45,191	(4,699)	13,412
Non-controlling interest	26,741	30,454	-	-
Profit for the year	72,726	75,645	(4,699)	13,412
Average exchange rate	305.57	297.61	305.57	297.61

This information does not constitute a full set of Financial Statements in compliance with SLFRS/ LKAS.

The above should be read together with the Auditors' opinion and the notes to the Financial Statements.

Indicative US Dollar Financial Statements

Statement of Financial Position (information purpose only)

As at 31st March	CONSOLIDATED		COMPANY	
	2026 USD '000	2025 USD '000	2026 USD '000	2025 USD '000
Assets				
Non-current assets				
Property, plant & equipment	536,484	519,051	4,349	3,080
Right-of-use assets	51,361	51,131	10,166	-
Investment properties	4,640	7,401	321	334
Biological assets	5,379	5,573	-	-
Intangible assets	58,261	54,751	175	234
Investments in subsidiaries	-	-	124,512	139,677
Investments in equity accounted investees	9,147	9,275	4,771	5,080
Other non-current financial assets	17,981	1,560	16,028	142
Non- current trade and other receivables	96,536	65,110	339	-
Other non-current assets	3,965	3,519	-	-
Deferred tax assets	14,277	13,628	1,212	73
Amounts due from subsidiaries	-	-	2,628	4,334
Total non-current assets	798,031	730,999	164,501	152,954
Current assets				
Inventories	368,968	310,347	108	111
Amounts due from subsidiaries	-	-	16,441	16,129
Amounts due from equity accounted investees	646	500	346	147
Trade and other receivables	620,449	470,649	787	208
Receivables from pending allotment	28,532	-	28,532	-
Other current assets	31,171	27,428	358	121
Income tax recoverable	4,582	4,513	-	-
Other current financial assets	5,021	5,071	64	88
Short term deposits	85,615	92,349	4,641	6,294
Cash in hand and at bank	85,440	82,001	1,403	3,765
Assets classified as held for sale	19,182	-	-	-
Total current assets	1,249,606	992,858	52,680	26,863
Total assets	2,047,637	1,723,857	217,181	179,817
Equity and liabilities				
Stated capital	20,314	20,314	20,314	20,314
Shares pending allotment	28,535	-	28,535	-
Capital reserves	3,915	3,294	42	45
Other components of equity	98,643	100,335	(15,321)	(14,998)
Revenue reserves	207,550	190,463	11,192	32,226
Total equity attributable to equity holders of the company	358,957	314,406	44,762	37,587
Non-controlling interest	181,630	171,984	-	-
Total equity	540,587	486,390	44,762	37,587

As at 31st March	CONSOLIDATED		COMPANY	
	2026 USD '000	2025 USD '000	2026 USD '000	2025 USD '000
Non-current liabilities				
Interest-bearing borrowings	294,691	241,887	90,274	65,194
Grants	2,672	2,951	-	-
Deferred tax liabilities	47,996	47,526	-	-
Security deposits	7,265	6,395	-	-
Other non-current liabilities	1,136	5,755	-	-
Other non-current financial liabilities	43,580	21,627	-	-
Employee benefit obligations	57,418	54,359	4,873	4,127
Total non-current liabilities	454,758	380,500	95,147	69,321
Current liabilities				
Trade and other payables	271,606	284,750	2,923	16,236
Other current liabilities	39,347	26,380	5,390	289
Deferred revenue	8,051	7,165	-	-
Other current financial liabilities	86,980	73,948	-	-
Amounts due to subsidiaries	-	-	2,640	2,092
Amounts due to equity accounted investees	-	71	-	-
Income tax payable	20,688	16,548	257	382
Current portion of long term interest-bearing borrowings	139,031	104,387	20,211	23,289
Short-term interest-bearing borrowings	484,657	343,718	45,851	30,621
Liabilities directly associated with assets classified as held for sale	1,932	-	-	-
Total current liabilities	1,052,292	856,967	77,272	72,909
Total liabilities	1,507,050	1,237,467	172,419	142,230
Total equity and liabilities	2,047,637	1,723,857	217,181	179,817
Closing exchange rate	315.40	296.25	315.40	296.25

This information does not constitute a full set of Financial Statements in compliance with SLFRS/ LKAS.

The above should be read together with the Auditors' opinion and the notes to the Financial Statements.

Statement of Profit or Loss - Horizontal Analysis

For the year ended 31st March	YEAR									
	2026		2025		2024		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Revenue	585,021,102	19%	490,558,095	12%	436,732,127	-10%	487,430,881	44%	338,009,580	40%
Cost of sales	(442,273,171)	20%	(369,059,565)	14%	(322,427,055)	-11%	(363,772,324)	41%	(258,715,354)	45%
Direct interest cost	(6,571,295)	57%	(4,177,595)	-13%	(4,792,620)	8%	(4,424,524)	130%	(1,920,345)	3%
Gross profit	136,176,636	16%	117,320,935	7%	109,512,452	-8%	119,234,033	54%	77,373,881	27%
Other income	3,687,634	-27%	5,063,926	45%	3,495,439	-18%	4,279,601	114%	1,997,601	36%
Distribution expenses	(23,737,831)	33%	(17,846,215)	15%	(15,564,415)	13%	(13,764,885)	10%	(12,514,847)	14%
Administrative expenses	(65,622,944)	19%	(55,069,773)	1%	(54,651,133)	15%	(47,498,694)	45%	(32,842,133)	28%
Other expenses	(1,136,813)	6%	(1,070,432)	1441%	(69,483)	-94%	(1,177,308)	180%	(420,743)	160%
Results from operating activities	49,366,682	2%	48,398,441	13%	42,722,860	-30%	61,072,747	82%	33,593,759	29%
Finance income	9,130,535	31%	6,962,801	-30%	9,907,736	-52%	20,720,866	23%	16,831,989	430%
Finance cost	(19,934,812)	8%	(18,401,098)	-32%	(27,150,052)	-31%	(39,538,267)	166%	(14,882,770)	48%
Net finance cost	(10,804,277)	-6%	(11,438,297)	-34%	(17,242,316)	-8%	(18,817,401)	-1065%	1,949,219	-128%
Change in fair value of investment properties	132,394	17%	112,999	22%	92,813	-73%	347,457	6%	328,543	68%
Share of profit of equity accounted investees (net of tax)	379,120	60%	237,074	49%	159,205	-71%	540,978	139%	226,794	-10%
Value added tax on financial services	(1,036,182)	73%	(600,530)	51%	(396,855)	1%	(394,713)	3%	(381,570)	30%
Profit before tax	38,037,737	4%	36,709,687	45%	25,335,707	-41%	42,749,068	20%	35,716,745	86%
Tax expense	(14,586,788)	13%	(12,860,429)	23%	(10,488,984)	-30%	(15,076,768)	98%	(7,617,844)	47%
Profit for the year from continuing operations	23,450,949	-2%	23,849,258	61%	14,846,723	-46%	27,672,299	-2%	28,098,901	100%

Statement of Profit or Loss - Vertical Analysis

For the year ended 31st March	YEAR									
	2026		2025		2024		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Revenue	585,021,102	100%	490,558,095	100%	436,732,127	100%	487,430,881	100%	338,009,580	100%
Cost of sales	(442,273,171)	-76%	(369,059,565)	-75%	(322,427,055)	-74%	(363,772,324)	-75%	(258,715,354)	-77%
Direct interest cost	(6,571,295)	-1%	(4,177,595)	-1%	(4,792,620)	-1%	(4,424,524)	-1%	(1,920,345)	-1%
Gross profit	136,176,636	23%	117,320,935	24%	109,512,452	25%	119,234,033	24%	77,373,881	23%
Other income	3,687,634	1%	5,063,926	1%	3,495,439	1%	4,279,601	1%	1,997,601	1%
Distribution expenses	(23,737,831)	-4%	(17,846,215)	-4%	(15,564,415)	-4%	(13,764,885)	-3%	(12,514,847)	-4%
Administrative expenses	(65,622,944)	-11%	(55,069,773)	-11%	(54,651,133)	-13%	(47,498,694)	-10%	(32,842,133)	-10%
Other expenses	(1,136,813)	0%	(1,070,432)	0%	(69,483)	0%	(1,177,308)	0%	(420,743)	0%
Results from operating activities	49,366,682	8%	48,398,441	10%	42,722,860	10%	61,072,747	13%	33,593,759	10%
Finance income	9,130,535	2%	6,962,801	1%	9,907,736	2%	20,720,866	4%	16,831,989	5%
Finance cost	(19,934,812)	-3%	(18,401,098)	-4%	(27,150,052)	-6%	(39,538,267)	-8%	(14,882,770)	-4%
Net finance cost	(10,804,277)	-2%	(11,438,297)	-2%	(17,242,316)	-4%	(18,817,401)	-4%	1,949,219	1%
Change in fair value of investment properties	132,394	0%	112,999	0%	92,813	0%	347,457	0%	328,543	0%
Share of profit of equity accounted investees (net of tax)	379,120	0%	237,074	0%	159,205	0%	540,978	0%	226,794	0%
Value added tax on financial services	(1,036,182)	0%	(600,530)	0%	(396,855)	0%	(394,713)	0%	(381,570)	0%
Profit before tax	38,037,737	7%	36,709,687	7%	25,335,707	6%	42,749,068	9%	35,716,745	11%
Tax expense	(14,586,788)	-2%	(12,860,429)	-3%	(10,488,984)	-2%	(15,076,768)	-3%	(7,617,844)	-2%
Profit for the year from continuing operations	23,450,949	4%	23,849,258	5%	14,846,723	3%	27,672,299	6%	28,098,901	8%

Statement of Financial Position - Horizontal Analysis

As at 31st March	YEAR									
	2026		2025		2024		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Assets										
Non-current assets										
Property, plant & equipment	169,206,900	10%	153,768,783	15%	133,789,861	6%	126,472,089	14%	111,189,851	24%
Right-of-use assets	16,199,183	7%	15,147,537	29%	11,733,876	-4%	12,190,393	7%	11,389,087	15%
Investment properties	1,463,410	-33%	2,192,662	7%	2,041,561	5%	1,948,326	-25%	2,601,101	-8%
Biological assets	1,696,526	3%	1,651,025	10%	1,506,271	15%	1,313,069	119%	599,064	13%
Intangible assets	18,375,493	13%	16,219,878	0%	16,165,508	0%	16,210,948	4%	15,544,031	17%
Investments in equity accounted investees	2,885,056	5%	2,747,620	1%	2,718,502	-19%	3,364,373	55%	2,164,377	3%
Other non- current financial assets	5,671,314	1127%	462,204	17%	395,960	-58%	941,292	932%	91,199	-63%
Non- current trade and other receivables	30,447,534	58%	19,288,757	60%	12,052,092	44%	8,359,072	-32%	12,331,710	4%
Other non-current assets	1,250,422	20%	1,042,556	9%	952,191	0%	951,608	-3%	983,043	-2%
Deferred tax assets	4,503,030	12%	4,037,389	20%	3,362,617	-1%	3,411,813	22%	2,803,644	21%
Total non-current assets	251,698,868	16%	216,558,411	17%	184,718,439	5%	175,162,982	10%	159,697,107	19%
Current assets										
Inventories	116,372,367	27%	91,940,308	8%	85,202,934	-3%	87,502,323	6%	82,397,947	55%
Amounts due from equity accounted investees	203,755	38%	147,999	-13%	169,803	6%	159,463	12%	142,891	-55%
Trade and other receivables	195,689,494	40%	139,429,685	24%	112,832,350	14%	98,651,672	-8%	107,082,528	59%
Receivables from shares pending allotment	8,998,841	-	-	-	-	-	-	-	-	-
Other current assets	9,831,293	21%	8,125,669	30%	6,269,054	14%	5,508,223	32%	4,179,463	44%
Income tax recoverable	1,445,089	8%	1,336,907	17%	1,144,362	21%	944,281	13%	837,838	10%
Other current financial assets	1,583,555	5%	1,502,311	-31%	2,176,135	154%	855,239	-39%	1,400,423	202%
Short term deposits	27,002,950	-1%	27,358,471	28%	21,356,037	8%	19,780,454	-1%	19,927,939	153%
Cash in hand and at bank	26,947,637	11%	24,292,764	-14%	28,175,378	17%	24,177,336	-12%	27,409,656	112%
Assets classified as held for sale	6,049,915		-		-		-		-	-100%
Total current assets	394,124,896	34%	294,134,114	14%	257,326,053	8%	237,578,991	-2%	243,378,685	67%
Total assets	645,823,764	26%	510,692,525	16%	442,044,492	7%	412,741,973	2%	403,075,792	44%
Equity and liabilities										
Stated capital	1,575,000	0%	1,575,000	0%	1,575,000	0%	1,575,000	0%	1,575,000	0%
Shares pending allotment	9,000,000	-	-	-	-	-	-	-	-	-
Capital reserves	1,234,908	27%	975,906	12%	870,062	14%	760,344	7%	711,396	3%
Other components of equity	35,943,547	5%	34,166,542	15%	29,821,606	-5%	31,464,513	5%	30,077,359	22%
Revenue reserves	65,461,184	16%	56,424,777	18%	47,896,325	6%	45,130,447	29%	35,026,096	70%
Total equity attributable to equity holders of the company	113,214,639	22%	93,142,225	16%	80,162,993	2%	78,930,304	17%	67,389,851	42%
Non-controlling interest	57,286,107	12%	50,950,117	12%	45,367,092	4%	43,776,353	16%	37,896,875	37%
Total equity	170,500,746	18%	144,092,342	15%	125,530,085	2%	122,706,657	17%	105,286,726	40%

As at 31st March	YEAR									
	2026		2025		2024		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Non-current liabilities										
Interest-bearing borrowings	92,945,548	30%	71,659,099	26%	56,654,168	-4%	59,158,207	-7%	63,540,193	23%
Grants	842,596	-4%	874,113	-4%	913,021	-1%	924,138	10%	838,161	0%
Deferred tax liabilities	15,137,783	8%	14,079,676	23%	11,458,489	-9%	12,602,194	70%	7,433,449	39%
Security deposits	2,291,434	21%	1,894,630	21%	1,560,728	6%	1,468,392	0%	1,462,347	7%
Other non-current liabilities	358,288	-79%	1,705,052	-3%	1,750,010	-16%	2,083,838	27%	1,637,526	-2%
Other non-current financial liabilities	13,744,991	115%	6,406,999	97%	3,252,235	-44%	5,844,248	152%	2,317,848	11%
Employee benefit obligations	18,109,484	12%	16,103,974	6%	15,262,465	19%	12,845,248	15%	11,208,145	15%
Total non-current liabilities	143,430,124	27%	112,723,543	24%	90,851,116	-4%	94,926,265	7%	88,437,669	22%
Current liabilities										
Trade and other payables	85,664,564	2%	84,357,278	10%	76,689,226	15%	66,405,057	-16%	79,256,611	50%
Other current liabilities	12,409,961	59%	7,815,062	10%	7,128,127	-9%	7,815,736	1%	7,725,691	98%
Deferred revenue	2,539,370	20%	2,122,739	-41%	3,625,769	280%	954,310	54%	618,787	26%
Other current financial liabilities	27,433,542	25%	21,907,141	16%	18,927,276	42%	13,355,662	36%	9,828,666	17%
Amounts due to equity accounted investees	-	-100%	21,068	4431%	465	2%	456	42%	322	-96%
Income tax payable	6,525,026	33%	4,902,222	21%	4,063,743	-33%	6,040,416	71%	3,527,178	23%
Current portion of long term interest-bearing borrowings	43,850,354	42%	30,924,584	14%	27,160,079	-14%	31,573,389	15%	27,568,587	12%
Short-term interest-bearing borrowings	152,860,811	50%	101,826,546	16%	88,068,606	28%	68,964,025	-15%	80,825,555	111%
Liabilities directly associated with assets classified as held for sale	609,266	-	-	-	-	-	-	-	-	-100%
Total current liabilities	331,892,894	31%	253,876,640	13%	225,663,291	16%	195,109,051	-7%	209,351,397	59%
Total liabilities	475,323,018	30%	366,600,183	16%	316,514,407	9%	290,035,316	-3%	297,789,066	46%
Total equity and liabilities	645,823,764	26%	510,692,525	16%	442,044,492	7%	412,741,973	2%	403,075,792	44%

Statement of Financial Position - Vertical Analysis

As at 31st March	YEAR									
	2026		2025		2024		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Assets										
Non-current assets										
Property, plant & equipment	169,206,900	26%	153,768,783	30%	133,789,861	30%	126,472,089	31%	111,189,851	28%
Right-of-use assets	16,199,183	3%	15,147,537	3%	11,733,876	3%	12,190,393	3%	11,389,087	3%
Investment properties	1,463,410	0%	2,192,662	0%	2,041,561	0%	1,948,326	0%	2,601,101	1%
Biological assets	1,696,526	0%	1,651,025	0%	1,506,271	0%	1,313,069	0%	599,064	0%
Intangible assets	18,375,493	3%	16,219,878	3%	16,165,508	4%	16,210,948	4%	15,544,031	4%
Investments in equity accounted investees	2,885,056	0%	2,747,620	1%	2,718,502	1%	3,364,373	1%	2,164,377	1%
Other non- current financial assets	5,671,314	1%	462,204	0%	395,960	0%	941,292	0%	91,199	0%
Non- current trade and other receivables	30,447,534	5%	19,288,757	4%	12,052,092	3%	8,359,072	2%	12,331,710	3%
Other non-current assets	1,250,422	0%	1,042,556	0%	952,191	0%	951,608	0%	983,043	0%
Deferred tax assets	4,503,030	1%	4,037,389	1%	3,362,617	1%	3,411,813	1%	2,803,644	1%
Total non-current assets	251,698,868	39%	216,558,411	42%	184,718,439	42%	175,162,982	42%	159,697,107	40%
Current assets										
Inventories	116,372,367	18%	91,940,308	18%	85,202,934	19%	87,502,323	21%	82,397,947	20%
Amounts due from equity accounted investees	203,755	0%	147,999	0%	169,803	0%	159,463	0%	142,891	0%
Trade and other receivables	195,689,494	30%	139,429,685	27%	112,832,350	26%	98,651,672	24%	107,082,528	27%
Receivables from shares pending allotment	8,998,841	-	-	-	-	-	-	-	-	-
Other current assets	9,831,293	2%	8,125,669	2%	6,269,054	1%	5,508,223	1%	4,179,463	1%
Income tax recoverable	1,445,089	0%	1,336,907	0%	1,144,362	0%	944,281	0%	837,838	0%
Other current financial assets	1,583,555	0%	1,502,311	0%	2,176,135	0%	855,239	0%	1,400,423	0%
Short term deposits	27,002,950	4%	27,358,471	5%	21,356,037	5%	19,780,454	5%	19,927,939	5%
Cash in hand and at bank	26,947,637	4%	24,292,764	5%	28,175,378	6%	24,177,336	6%	27,409,656	7%
Assets classified as held for sale	6,049,915	1%	-	0%	-	0%	-	0%	-	0%
Total current assets	394,124,896	61%	294,134,114	58%	257,326,053	58%	237,578,991	58%	243,378,685	60%
Total assets	645,823,764	100%	510,692,525	100%	442,044,492	100%	412,741,973	100%	403,075,792	100%
Equity and liabilities										
Stated capital	1,575,000	0%	1,575,000	0%	1,575,000	0%	1,575,000	0%	1,575,000	0%
Shares pending allotment	9,000,000	-	-	-	-	-	-	-	-	-
Capital reserves	1,234,908	0%	975,906	0%	870,062	0%	760,344	0%	711,396	0%
Other components of equity	35,943,547	6%	34,166,542	7%	29,821,606	7%	31,464,513	8%	30,077,359	7%
Revenue reserves	65,461,184	10%	56,424,777	11%	47,896,325	11%	45,130,447	11%	35,026,096	9%
Total equity attributable to equity holders of the company	113,214,639	18%	93,142,225	18%	80,162,993	18%	78,930,304	19%	67,389,851	17%
Non-controlling interest	57,286,107	9%	50,950,117	10%	45,367,092	10%	43,776,353	11%	37,896,875	9%
Total equity	170,500,746	26%	144,092,342	28%	125,530,085	28%	122,706,657	30%	105,286,726	26%

As at 31st March	YEAR									
	2026		2025		2024		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Non-current liabilities										
Interest-bearing borrowings	92,945,548	14%	71,659,099	14%	56,654,168	13%	59,158,207	14%	63,540,193	16%
Grants	842,596	0%	874,113	0%	913,021	0%	924,138	0%	838,161	0%
Deferred tax liabilities	15,137,783	2%	14,079,676	3%	11,458,489	3%	12,602,194	3%	7,433,449	2%
Security deposits	2,291,434	0%	1,894,630	0%	1,560,728	0%	1,468,392	0%	1,462,347	0%
Other non-current liabilities	358,288	0%	1,705,052	0%	1,750,010	0%	2,083,838	1%	1,637,526	0%
Other non-current financial liabilities	13,744,991	2%	6,406,999	1%	3,252,235	1%	5,844,248	1%	2,317,848	1%
Employee benefit obligations	18,109,484	3%	16,103,974	3%	15,262,465	3%	12,845,248	3%	11,208,145	3%
Total non-current liabilities	143,430,124	22%	112,723,543	22%	90,851,116	21%	94,926,265	23%	88,437,669	22%
Current liabilities										
Trade and other payables	85,664,564	13%	84,357,278	17%	76,689,226	17%	66,405,057	16%	79,256,611	20%
Other current liabilities	12,409,961	2%	7,815,062	2%	7,128,127	2%	7,815,736	2%	7,725,691	2%
Deferred revenue	2,539,370	0%	2,122,739	0%	3,625,769	1%	954,310	0%	618,787	0%
Other current financial liabilities	27,433,542	4%	21,907,141	4%	18,927,276	4%	13,355,662	3%	9,828,666	2%
Amounts due to equity accounted investees	-	0%	21,068	0%	465	0%	456	0%	322	0%
Income tax payable	6,525,026	1%	4,902,222	1%	4,063,743	1%	6,040,416	1%	3,527,178	1%
Current portion of long term interest-bearing borrowings	43,850,354	7%	30,924,584	6%	27,160,079	6%	31,573,389	8%	27,568,587	7%
Short-term interest-bearing borrowings	152,860,811	24%	101,826,546	20%	88,068,606	20%	68,964,025	17%	80,825,555	20%
Liabilities directly associated with assets classified as held for sale	609,266	0%	-	0%	-	0%	-	0%	-	0%
Total current liabilities	331,892,894	51%	253,876,640	50%	225,663,291	51%	195,109,051	47%	209,351,397	52%
Total liabilities	475,323,018	74%	366,600,183	72%	316,514,407	72%	290,035,316	70%	297,789,066	74%
Total equity and liabilities	645,823,764	100%	510,692,525	100%	442,044,492	100%	412,741,973	100%	403,075,792	100%

Value of Real Estate

As at 31st March 2026

Ownership	Location	Address	Land in Acres	Buildings Sq.ft	No of buildings in each location	Market Value of Land Rs. Mn 2026
Eco Solutions						
Hayleys Fibre PLC	Kuliyapitiya	"Biginhill Estate", Karagahagedara, Kuliyapitiya	2.88	47,389	15	39
	Mahagama	Siri Sumangala Mawatha,Mahagama North,Chilaw	3.00	20,200	2	16
	Mahagama	Siri Sumangala Mawatha,Mahagama North,Chilaw	4.00	45,000	7	21
	Nikaweratiya	Kadigawa,Yaya ,Rasnayakapura ,Nikaweratiya	33.50	0	0	142
Volanka (Pvt) Ltd.	Galle	No.153/1, Robosgewatta,Matara road,Magalle, Galle	1.22	32,644	8	439
	Katana	No.B 28,Divulapitiya road, Dissagewatte,Katana	14.51	305,212	29	464
Chas P. Hayley & Co. (Pvt) Ltd.	Galle	No.153,Robosgewatta,Matara road,Magalle, Galle	0.55	9,795	2	222
	Galle	No 161 "Thurnburn / stores",No.195,Bandaranayake Mawatha,Magalle, Galle	2.41	67,277	9	831
	Galle	No.193/2,193/2A, 193/4,Bandaranayke Mawatha,Magalle, Galle	1.10	15,833	7	258
	Madampe	Sellam Pathaha, Melawagara, Madampe.	7.03	118,547	10	73
	Kuliyapitiya	"Biginhill Estate",Karagahagedera,Kuliyapitiya	4.13	47,499	7	56
Ravi Industries (Pvt) Ltd.	Ekala	252A,Kurunduwatte road,Ekala,Ja-ela.	6.19	111,227	16	693
Volanka Exports (Pvt) Ltd.	Nattandiya	Wathugahamulla,Welipannagahamulla	7.20	80,165	13	81
	Nikaweratiya	Kadigawa,Yaya ,Rasnayakapura ,Nikaweratiya	15.00	0	0	64
Rileys (Pvt) Ltd.	Ekala	131,Minuwangoda road, Ekala, Ja-ela	3.80	91,582	12	699
Toyo Cushion Lanka (pvt) Ltd.	Katana	105,Thimbirigaskatuwa,Katana	3.37	40,000	15	168
Hand Protection						
Dipped Products PLC	Kottawa	Brahmanagama , Kottawa	10.67	149,544	22	423.762
Dipped Products (Thailand) Limited	Khuan Niang	82/2 MOO9,Tumbon Rattapum,Amphur, Khuan Niang, Songkhla, Thailand 90220.	13.05	179,757	5	203
Hi care - Thai Gloves Co. Ltd	Chalung	89/1 , Mu 4, Chalung Sub-District, Hat Yai District, Songkhla Province. Thailand 90110	8.42	140,000	2	596.17
Purification						
Haycarb PLC	Badalgama	Katana Road, Beatrice Estate, Badalgama.	28.08	326,824	27	329
	Madampe	Kuliyapitiya road, New town, Pothuwila, Madampe	29.92	276,175	18	296
	Wewalduwa	333/25, New road Hunuputiya Wattala.	2.48	41,463	6	549
	Madampe	Kuliyapitiya road, New town, Pothuwila, Madampe	0.31	0	0	9
	Kuliyapitiya	Heenagara State, Epaladeniya	10.00	2,015	2	55
	Badalgama	Makandura Road,Badalgama State, Badalgama	11.32	-	-	291
Recogen (Pvt) Ltd.	Badalgama	Katana Road, Beatrice Estate, Badalgama.	10.84	43,809	6	136
PT Haycarb Palu Mitra	Palu City - Indonesia	Thaipa, Palu Utara,Palu, Sulawesi Tengah 94147, Indonesia	6.98	75,351	18	156

As at 31st March 2025

Ownership	Location	Address	Land in Acres	Buildings Sq.ft	No of buildings in each location	Market Value of Land Rs. Mn 2026
PT Mapalus Makawanua Charcoal Industry	Bitung City - Indonesia	Tanjung Merah, Bitung, Sulawesi Utara 95547, Indonesia	8.93	103,409	8	296
	Bitung City - Indonesia	Tanjung Merah, Bitung, Sulawesi Utara 95547, Indonesia	2.93	-	-	97
Shizuka Co. Ltd.	Ratchaburi Province - Thailand	190/1, Moo 1, Anghin, Paktho,Ratchaburi 70140,Thailand.	24.49	73,515	13	140
Carbokarn Co. Ltd.	Chonburi Province - Thailand	35/2, Moo 3, Nareuk, Phanat Nikhom, Chonburi-20140, Thailand	15.64	284,300	23	270
Textiles						
Hayleys Fabric PLC	Neboda	Narthupana Estate, Neboda	62.03	503,251	31	802
Construction Materials						
Alumex PLC	Makola	Pattiwila road, Sapugaskanda, Makola	6.24	118,673	11	599
	Gonawala	Maguruwila road, Gonawala	1.82	59,042	3	145
	Ekala	"Ekala Estate",Minuwangoda road,Ekala	6.30	91,442	5	755
	Makola	Pattiwila road, Sapugaskanda, Makola	1.13	34,618	2	108
Tea Exports						
Mabroc Teas (Pvt) Ltd	Kiribathgoda	No.57/3, New Hunupitiya Road, Kiribathgoda.	1.94	75,960	4	588.5
	Kiribathgoda	No.57/4, New Hunupitiya Road, Kiribathgoda.	0.41	-	-	205.3
Agriculture						
Hayleys Agriculture Holdings Ltd.	Dambulla	Athabadiwewa, Pahalawewa, Dambulla.	4.35	5,134	2	19
	Kottawa	No. 168/D, Brahmanagama, Kottawa, Pannipitiya.	4.97	47,506	7	238
	Kulliypitiya	Embowa and Epaladeniya	0.30	0		38
	Pannala	No- 1534, Hunuwila	13.83	0		116
Sunfrost (Pvt) Ltd.	Alawwa	Nelumdeniya road, Alawwa Waththa Road, Alawwa	5.18	19,112	9	108
	Padiyathalawa	Bogaharawa road, Kehelulla, Padiyathalawa	6.46	1,430	2	7
	Pannala	Hunuvila, Elabadagama	8.11	62,711	7	126
Haychem BD Limited.	Mymensingh	Plot no:-B-18, B-19(part) & A-3, A-4, S-1, Mashkanda BSCIC Industral Estate, Kotowali, Maymensingh	0.69	26,383	1	7
	Dhamrai	Plot no:-16, 15(part), BSCIC Industrial Estate, Kalampur, Dhaka	0.16	5,235	1	37
	Gobindogonj	Mouza-Madanpur, Gobingogoni	3.55	33,249	4	36
Consumer & Retail						
Singer (Sri Lanka) PLC	Ambalantota	Main Street,Ambalantota.	0.04	1,885	1	23.15
	Balangoda	Ratnapura Road,Balangoda.	0.04	2,080	1	26
	Bandarawela	Main Street,Bandarawela.	0.03	2,660	1	14.8
	Borella	D.S.Senanayaka Mawatha,Borella.	0.03	2,310	1	77.9
	Chilaw	Bazaar Street,Chilaw.	0.08	4,120	1	54
	Colpetty	No 143, Galle Road,Colombo 03.	0.02	1,440	1	63.5
	Eheliyagoda	Ratnapuara Road,Eheliyagoda.	0.04	1,660	1	18
	Galle	Main Street,Galle.	0.02	2,250	1	16.8
	Gampaha	Colombo Road,Gampaha.	0.11	7,870	1	86.6
	Hikkaduwa	Galle Road,Hikkaduwa.	0.05	2,400	1	34.5
	Embilipitiya	Colombo Road,Pallegama,Embilipitiya.	0.03	2,070	1	21

Value of Real Estate

As at 31st March 2026

Ownership	Location	Address	Land in Acres	Buildings Sq.ft	No of buildings in each location	Market Value of Land Rs. Mn 2026
	Kadawatha	Kandy Road, Kadawatha.	0.02	1,150	1	25
	Kandy- Mega	Sirimavo Bandaranayake Mawatha,Kandy.	0.10	12,840	1	51
	Katugastota	Madawala Road,Katugastota.	0.03	1,620	1	16.45
	Kiridiwella	Gampaha Road,Kirindiwela	0.05	2,940	1	22.9
	Kurunegala	Bodhiraja Mawatha,Kurunegala.	0.05	2,810	1	30.4
	Maharagama	High Level Road,Maharagama.	0.04	2,700	1	43.5
	Matara	Anagarika Dharmapala Mawatha,Matara.	0.06	3,520	1	46.5
	Middeniya	Katuwana Road,Middeniya.	0.05	2,670	1	17.3
	Mount Lavinia	Galle Road,Mount Lavia.	0.05	1,900	1	45
	Mount Lavinia-Mega	Galle Road,Mount Lavia.	0.12	15,500	1	111
	Nawalapitiya	Kotmale Road,Nawalapitiya.	0.03	2,760	1	19.6
	Negombo	Greens Road,Negombo.	0.04	2,040	1	32.5
	Nuwara-Eliya	Kandy street,Nuwara-Eliya.	0.03	1,700	1	25
	Panadura	Galle Road,Panadura.	0.04	2,940	1	27.5
	Piliyandala	Gonamaditta Road,Piliyandala.	7.15	118,450	9	343.425
	Pussellawa	Nuwaraeliya Road,Pussellawa.	0.08	3,295	1	32.5
	Rathnapura	Colombo road,Rathnapura.	0.04	3,075	1	27.5
	Tangalle	Matara Road, Tangalle.	0.03	1,285	1	15.6
	Trincomalee	North Coast Road,Trincomalee	0.03	2,335	1	24.9
	Wellawatta	Galle Road, Wellawatta.	0.03	2,700	1	60.5
	Ratmalana	No 52,Ferry Road, Off Borupona Road, Ratmalana.	4.41	123,910	16	1440.72
	Ratmalana	No.02, 5th Lane Ratmalana	2.27	75,365	8	703.4
	Ratmalana	No.435 Galle Raod Ratmalana	0.31	12,440	1	332
	Digana	No. 49, New Town, Kengalle, Rajawella, Digana	0.01	807	1	83.86
Reality Lanka Ltd.	Ahangama	No 24A, Matara Rd, Ahangama	0.09	1,630	1	28
	Attidiya	No.190, Main Rd, Attidiya, Dehiwala	0.04	2,260	1	26.3765
	Moratuwa	No. 17, New Galle Rd, Moratuwa	0.08	2,990	1	52.325
	kandy	No 129, Kotugodella Vediya, Kandy	0.06	2,900	1	52.5
	Galle	No 13&15, Wackwella Rd, Galle	0.08	0	0	87
	Kadawatha	Kandy Road, Kadawatha.	0.03	0	0	23.7
	Kalawana	No. J63A,Watapotha Road,Nivithigala,Rathnapura.	1.62	0	0	5.4
	Maradana	No.51/57,Brandiyawatta,Wellampitiya.	0.06	0	0	10
	Trincomalee	Nayanmarthidal,Thampalakamam,Trincomalee.	0.38	0	0	13.75
	Ambanpola	No.108 Yaluwewa,Ambanpola.	0.06	0	0	7.2
Leisure						
Culture Club Resorts (Pvt) Ltd.	Dambulla	Kapela , Kandalama, Dambulla	1.00	-	-	8
Kandyan Resorts (Pvt) Ltd.	Kandy	Heerassagala, Kandy	11.91	126,684	10	1031
Industry Inputs						
Hayleys Aventura (Pvt) Ltd.	Malabe	No: 59, Pothuarawa Road, Malabe	2.26	59,595	6	361.5
Celonex (Pvt) Ltd.	Kalutara	Celonex Factory,Ethanmadala, Kalutara	3.30	5,700	4	79
Celonex (Pvt) Ltd.	Kalutara	Celonex Factory,Jawatta alias Pinnagodawatta	1.30	29,502	1	71.6

As at 31st March 2025

Ownership	Location	Address	Land in Acres	Buildings Sq.ft	No of buildings in each location	Market Value of Land Rs. Mn 2026
Power & Energy						
Bhagya Hydro (Pvt) Ltd.	Gomala oya	Gomala Oya Mini Hydro Power Plant,Godagampola,Rathnapura	1.38	2,246	3	4.868
Nelwa Cascade Hydro Power (Pvt) Ltd.	Neluwa	Lower Neluwa Mini Hydro Power Plant, Tawalama,Neluwa	3.08	2,530	1	10.338
Hayleys Neluwa Hydro Power Pvt (Ltd).	Mawanana	Embalegedara,Neluwa	1.03	4,752	3	2.484
Transportation & Logistics						
Hayleys Advantis Group	Liyanagemulla	No.710 Negombo road, Liyanagemulla,Seeduwa	0.62	8,036	1	216.7
	Colombo 2	No. 46/12, Sayuru Sevana, Nawam Mawatha, Colombo 2	0.24	45,980	1	720
	Kelaniya	No 408 A, Nungamugoda, Kelaniya	7.72	175,000	6	1543.75
	Welisara	No. 309/18 & No. 317, Negombo road, Welisara	3.63	2,050	1	862.475
	Welisara	No. 309/15, Negombo road, Welisara	3.15	17,644	7	863.2
	Sedawatta	No. 148B, Nawalokapura, Sedawatta, Wellampitiya	2.49	11,610	1	697.9000003
	Sedawatte	No. 148/A1, Nawalokapura Sedawatte, Welampitiya	2.00	8,879	3	720
	Kotugoda	No.193,Minuwangoda road,Kotugoda	15.81	356,895	2	1896.4
Unisyst Engineering PLC	Kotugoda	41B, Sasanathilaka road, Opatha, Kotugoda	2.4	35,785	3	47.4386
Energy, Mobility & Projects						
Hayleys Electronics Limited	Veyangoda	Ganegoda , Veyangoda	9.3			94.5
Hayleys Fentons Limited	Veyangoda	Pahala Thihariya, Attanagalla	9.0			109.4
Energynet Limited	Dikirigolla	Dikirigolla, Ridimaliyadda	13.0			23.8
Hayleys Fentons Limited	Pinnagolegama	Pinnagolegama , Maho , Kurunegala	13.5			41.5
Hayleys Fentons Limited	Balalla	Kumbukwewa, Banthanthrigama , Kumukwewa , Balalla.	9.3			53.3
Hayleys Fentons Limited	Colombo 10	N0 75 Arnold Rathnayake Mawatha,Colombo 10	0.3			491.3
Others						
Darley Property Holdings	Colombo	Foster Lane Colombo 10	1.51	65,536	3	4803.96
World Export Centre Ltd	Colombo	Deans Rd. Colombo 10	4.45	Nil	Nil	15130.66
Eastern Hotels (Pvt) Ltd	Trincomalee	Nilakarai Estate, Nilaweli, Trincomalee	23.48	600	3	977.76
Hayleys PLC	Bentota	Kaluwamodara, Bentota	0.28	Nil	Nil	101.2

Share Information

NO. OF SHAREHOLDERS AS AT 31ST MARCH 2026 - 16,403 (AS AT 31ST MARCH 2025 - 13,086)

No. of shares held	Residents			Non-Residents			Total		
	No.of Shareholders	No.of Shares	%	No.of Shareholders	No.of Shares	%	No.of Shareholders	No.of Shares	%
1 - 1,000	11,570	2,685,396	0.36	56	17,667	0.00	11,626	2,703,063	0.36
1,001 - 10,000	3,373	11,752,184	1.57	46	215,320	0.03	3,419	11,967,504	1.60
10,001 - 100,000	1,040	30,964,606	4.13	37	1,508,541	0.20	1,077	32,473,147	4.33
100,001 - 1,000,000	205	60,765,867	8.10	31	6,064,837	0.81	236	66,830,704	8.91
OVER 1,000,000	41	618,641,002	82.48	4	17,384,580	2.32	45	636,025,582	84.80
	16,229	724,809,055	96.64	174	25,190,945	3.36	16,403	750,000,000	100.00
CATEGORY									
Individuals	15,629	616,949,387	82.26	156	17,852,294	2.38	15,785	634,801,681	84.64
Institutions	600	107,859,668	14.38	18	7,338,651	0.98	618	115,198,319	15.36
	16,229	724,809,055	96.64	174	25,190,945	3.36	16,403	750,000,000	100.00

FIRST TWENTY SHAREHOLDERS AS AT 31.03.2026

	Name of the Shareholder	No. of Shares as at 31.03.2026	%	No. of Shares as at 31.03.2025	%
1	Mr. K.D.D. Perera	382,596,970	51.01	382,596,970	51.01
2	Trustees of the D.S. Jayasundera Trust	86,980,170	11.60	86,980,170	11.60
3	Hatton National Bank PLC/Phantom Investments (Private) Limited	40,547,039	5.41	38,556,077	5.14
4	Hayleys Group Services (Private) Limited No. 02 A/c	11,170,900	1.49	11,170,900	1.49
5	McLarens Holdings Ltd	8,030,272	1.07	14,103,946	1.88
6	Mr. D.P. Pieris	7,000,000	0.93	-	0.00
7	Mrs. R.N. Ponnambalam	6,144,380	0.82	6,144,380	0.82
8	GF Capital Global Limited	6,014,000	0.80	5,804,000	0.77
9	Mrs. R.M. Spittel	5,646,970	0.75	5,646,970	0.75
10	Mr. J.M. Spittel	4,655,610	0.62	4,655,610	0.62
11	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	4,536,545	0.60	3,952,536	0.53
12	Mrs. S.D. Wickremasinghe	4,492,980	0.60	4,492,980	0.60
13	Mrs. A.K. Wikramanayake	4,384,490	0.58	4,384,490	0.58
14	Mr. S. Rameshan	4,007,620	0.53	4,007,620	0.53
15	Deutsche Bank AG Trustee to Lynear Wealth Dynamic Opportunities Fund	3,329,839	0.44	-	0.00
16	Mrs. S.R.D. Wikramanayake	3,239,320	0.43	3,239,320	0.43
17	Renuka Hotels PLC	3,109,897	0.41	3,315,000	0.44
18	Mrs. G.V. De Silva	2,945,990	0.39	2,850,830	0.38
19	Miss S.H. De Silva	2,945,990	0.39	2,850,830	0.38
20	Miss N.K.R.H. De Silva	2,834,010	0.38	2,834,010	0.38
	TOTAL	594,612,992	79.28	587,586,639	78.34

There were no non-voting shares as at 31.03.2026

DIRECTORS' SHAREHOLDING AS AT 31.03.2026

	Name of Director	No. of shares as at 31.03.2026	No. of shares as at 01.04.2025
1	Mr. A. M. Pandithage	1,253,570	1,253,570
2	Mr. K. D. D. Perera*	382,613,630	382,613,630
3	Mr. S. C. Ganegoda	250,000	250,000
4	Mr. H. S. R. Kariyawasan	94,270	94,270
5	Mr. L. R. V. Waidyaratne	379,300	379,300
6	Mrs. J. Dharmasena	210,950	210,950
7	Dr. H. Cabral PC	-	-
8	Mr. R. J. Karunarajah	-	-
9	Mr. K. D. G. Gunaratne	-	-
10	Mr. T. A. B. Speldewinde	5,000	5,000
11	Mr. P. Y. S. Perera	2,500	2,500
12	Mr. A. J. Alles	-	-
13	Mrs. S. R. Fernando (appointed on 17.09.2025)	-	-
14	Mr. M. Y. A. Perera (resigned w.e.f. 15.09.2025)	-	-

* Inclusive of indirect holding through other companies in which he owns controlling interest.

MARKET VALUE OF SHARES

The market value of ordinary shares of Hayleys PLC was as follows;

	31.03.2026	31.03.2025
Closing price (Rs.)	215.00	137.00
Highest price recorded for the twelve months (Rs.)	260.00	149.25
Lowest price recorded for the twelve months (Rs.)	127.00	80.00
Highest price recorded for the three months (Rs.)	260.00	149.25
Lowest price recorded for the three months (Rs.)	196.00	122.25
Market capitalization (Rs.)	161,250,000,000.00	102,750,000,000.00
Share trading from 01st April to 31st March		
Number of transactions	68,567	62,097
Number of shares traded	100,602,603	154,141,309
Value of shares traded (Rs.)	18,471,522,704.75	16,356,554,569.35
Public holding percentage	37.09%	37.09%
Number of shareholders representing the public	16,392	13,075
Float adjusted market capitalization (Rs.)	59,810,979,000.00	38,112,112,200.00

The Company complies with option 1 of the Listing Rules 7.13.1(i)(a) which requires no minimum public holding percentage.

Share Information

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

Debenture 1

Listed, rated, senior, unsecured, redeemable debentures

Type A - 3 year fixed interest rate of 10.50% p.a. payable semi-annually and redeemable on 14th May 2028.

Type B - 5 year fixed interest rate of 11.15% p.a. payable semi-annually and redeemable on 14th May 2030.

Type C - 5 year floating rate of 1 year Treasury Bill + 2.00% p.a. [with a floor of 8.50% p.a. and a cap of 12.50% p.a.] payable and repriced semi-annually and redeemable on 14th May 2030.

Interest rate of comparable Government Securities as at 31st March 2026 was 9.68%

Debenture 2

Listed, rated, senior, unsecured, redeemable debentures

Type A - 5 year fixed coupon rate of 10.60% p.a. (AER 10.88%), payable semi-annually and redeemable on 23rd March 2031.

Type B - 5 year floating coupon rate of One Year Treasury Bill Rate + 2.00% p.a. [With a floor of 9.50% p.a. and a cap of 11.50% p.a.], payable semi-annually and redeemable on 23rd March 2031.

Type C - 7 year fixed coupon rate of 11.15% p.a. (AER 11.46%), payable semi-annually and redeemable on 23rd March 2033.

Interest rate of comparable Government Securities as at 31st March 2026 was 9.93%

None of the Directors of the Company hold any debentures issued by the Company as at 31st March 2026.

DEBENTURE TRADING INFORMATION FOR THE TWELVE MONTHS ENDED - 31.03.2026

	Coupon Rate	Effective Annual Yield	Market value			Other Ratios as at date of last trade		Trade Volume	Traded Value
Debenture Type	%	%	Highest	Lowest	Period End	Interest yield	Yield to Maturity		Rs.
Debenture 1									
Type A - 3 year fixed interest rate of 10.50% p.a. payable semi-annually and redeemable on 14th May 2028.	10.50	10.78	100.00	99.80	99.80	10.78	10.59	45,100	4,508,000.00
Type B - 5 year fixed interest rate of 11.15% p.a. payable semi-annually and redeemable on 14th May 2030.	No trading during the period								
Type C - 5 year floating rate of 1 year Treasury Bill + 2.00% p.a. [with a floor of 8.50% p.a. and a cap of 12.50% p.a.] payable and repriced semi-annually and redeemable on 14th May 2030	No trading during the period								
Debenture 2									
Type A - 5 year fixed coupon rate of 10.60% p.a. (AER 10.88%), payable semi-annually and redeemable on 23rd March 2031.	No trading during the period								
Type B - 5 year floating coupon rate of One Year Treasury Bill Rate + 2.00% p.a. [With a floor of 9.50% p.a. and a cap of 11.50% p.a.], payable semi-annually and redeemable on 23rd March 2031.	No trading during the period								
Type C - 7 year fixed coupon rate of 11.15% p.a. (AER 11.46%), payable semi-annually and redeemable on 23rd March 2033.	No trading during the period								

Group Value Addition And Distribution

For the year ended 31st March	TOTAL	
	2026	2025
	Rs. mn	Rs. mn
Value Created		
Revenue from contracts with customers	585,021	490,558
Other income	3,688	5,064
Change in fair value of investment properties	132	113
Share of profit of equity accounted investees	379	237
Finance income	9,131	6,963
Cost of materials and services bought in	(426,289)	(351,720)
	172,062	151,214

	Share	Rs. mn	Share	Rs. mn
Value Distributed				
To Employees as remuneration	36%	62,330	37%	55,873
To Government revenue	32%	55,355	30%	45,336
Of Sri Lanka		51,781		41,899
Overseas		3,575	-	3,437
To Shareholders as dividend	2%	4,500	3%	4,500
To Lenders of capital	16%	28,106	19%	27,464
Interest on borrowings		19,935		18,401
Non- Controlling interest		8,171		9,063
	87%	150,291	88%	133,174
Value retained for expansion & growth				
Depreciation	7%	11,370	6%	9,329
Profit retained	6%	10,400	6%	8,712
	13%	21,771	12%	18,040
	100%	172,062	100%	151,214

History of Dividends and Scrip Issues

Year ended 31st March	Issue	Basis	No. of shares '000	Cum. No. of shares '000	Dividend	Dividend Rs. '000
1952	Initial Capital		20	20		
1953	First dividend			20	80%	160
1954	Rights (at Rs. 10)	01:02	10	30	55%	165
1955				30	50%	150
1956	Bonus	05:06	25	55	33%	179
1957	Bonus	03:11	15	70	38%	330
1958	Bonus	03:07	30	100	20%	200
1959				100	10%	100
1960				100	18%	180
1961	Bonus	01:02	50	150	8%	262
1962	Bonus	01:03	50	200	15%	300
1963				200	15%	300
1964	Bonus	01:04	50	250	15%	375
1965				250	20%	500
1966				250	18%	450
1967				250	15%	375
1968				250	13%	313
1969				250	15%	375
1970				250	15%	375
1971				250	15%	375
1972				250	11%	275
1973				250	11%	275
1974	Bonus	01:01	250	500	11%	275
1975				500	18%	450
1976				500	10%	442
1977				500	11%	460
1978				500	15%	584
1979	Bonus	01:02	250	750	15%	852
1980				750	16%	958
1981	Bonus	01:03	250	1,000	20%	1,863
1982	Bonus	01:04	250	1,250	21%	2,385
1983	Bonus	01:05	250	1,500	25%	3,451
1984				1,500	27%	3,774
1985				1,500	28%	3,525
1986	Bonus	01:03	500	2,000	33%	6,600
1987	Bonus	01:02	1,000	3,000	33%	9,900
1988	Bonus	01:03	1,000	4,000	33%	13,200
1989	Bonus	01:04	1,000	5,000	33%	16,500
1990	Bonus	01:05	1,000	6,000	33%	19,800

Year ended 31st March	Issue	Basis	No. of shares '000	Cum. No. of shares '000	Dividend	Dividend Rs. '000
1991	Bonus	01:04	1,500	7,500	33%	24,750
1992	Bonus	01:05	1,500	9,000	33%	29,700
1993	Bonus	01:06	1,500	10,500	30%	31,500
1994	Bonus	04:21	2,000	12,500		
	Rights (at Rs. 160)	01:05	2,500	15,000	30%	40,500
1995	Bonus	01:05	3,000	18,000	30%	54,000
1996	Bonus	01:09	2,000	20,000	30%	60,000
1997	Bonus	01:10	2,000	22,000	30%	66,000
1998	Bonus	01:11	2,000	24,000		
	Share Trust (at Rs. 210)		2,400	26,400	30%	79,200
1999	Bonus	01:06	4,400	30,800	30%	92,400
2000	Bonus	01:14	2,200	33,000	30%	99,000
2001	Rights (at Rs. 10)	01:11	3,000	36,000	35%	126,000
2002	Rights (at Rs. 15)	01:09	4,000	40,000	35%	140,000
2003	Rights (at Rs. 20)	01:08	5,000	45,000	35%	157,500
2004	Rights (at Rs. 20)	01:09	5,000	50,000	35%	175,000
2005	Rights (at Rs. 20)	01:10	5,000	55,000		
	Bonus	04:11	20,000	75,000	35%	262,500
2006				75,000	35%	262,500
2007				75,000	Rs.3.50 p.s	262,500
2008				75,000	Rs.3.00 p.s	225,000
2009				75,000	Rs.3.00 p.s	225,000
2010				75,000	Rs.4.00 p.s	300,000
2011				75,000	Rs.4.00 p.s	300,000
2012				75,000	Rs.4.00 p.s	300,000
2013				75,000	Rs.4.50 p.s	337,500
2014				75,000	Rs.5.00 p.s	375,000
2015				75,000	Rs.6.00 p.s	450,000
2016				75,000	Rs.6.50 p.s	487,500
2017				75,000	Rs.7.50 p.s	562,500
2018				75,000	Rs.5.00 p.s	375,000
2019				75,000	Rs.5.00 p.s	375,000
2020				75,000	Nil	-
2021	Share split	01:10	675,000	750,000	Rs.1.30 p.s	975,000
2022				750,000	Rs.4.00 p.s	3,000,000
2023				750,000	Rs.5.35 p.s	4,012,500
2024				750,000	Rs.5.35 p.s	4,012,500
2025				750,000	Rs.6.00 p.s	4,500,000
2026	Dividend			750,000	Rs.6.00 p.s	4,500,000
	Rights issue (at Rs.200/-)	3:50	45,000	795,000	Nil	Nil

Country Report

POPULATION (2025)	21.91 mn (2024)
LAND AREA	65,610 sq. km
LANGUAGES	Sinhalese, Tamil, and English
GDP PER CAPITA (2025)	USD 5,003 (CBSL)

Sri Lanka's economic recovery continues to show resilience during the financial year from April 2025 to March 2026. The economy recorded GDP growth in 2025, matching the 2024 performance and confirming the continuity of the recovery momentum, following the country's worst economic crisis since independence. The recovery was broad-based, with agriculture, industry, and services all contributing positively, though at varying rates across the year.

The year was shaped by two defining events: the incumbent government further consolidated its position through its victory at the local government elections held in May 2025

and the devastation caused by Cyclone Ditwah in late November 2025, the worst natural disaster to strike Sri Lanka since the 2004 Indian Ocean Tsunami. These two events framed the policy environment, tested fiscal discipline, and defined the social narrative throughout the period.

The country's structural challenges, including twin deficits, persistent poverty, labour market rigidities, and the external debt burden, remained in the foreground, even as headline macroeconomic indicators improved markedly. Poverty, which had doubled since the 2019 pandemic, was estimated to affect 22.4% of the population in 2026, underscoring the uneven distribution of recovery gains and the social cost of the austerity measures required under the International Monetary Fund Extended Fund Facility programme.

POLITICAL CLIMATE AND POLICY DIRECTION

The Government's 2026 national budget, under the theme "Steady and Strong: Committing to Fiscal Discipline for a Resilient Economy," targeted a primary surplus of 2.5% of GDP, government revenue of 15.4% of GDP, and an overall fiscal deficit of 5.1% of GDP for 2026. Record capital expenditure of LKR 1,380 bn, approximately USD 4.4 bn, representing a 37% increase over 2025 actual spending, was proposed to support infrastructure and reconstruction priorities.

The government continued with revenue based fiscal consolidation. The country achieved a structural milestone in fiscal policy, the revenue to GDP ratio increased from a low of 2022 to an estimated 15.4% in 2026, driven by base broadening, revenue administration reforms, and improved compliance. This improvement in government revenue was critical to creating fiscal space for social protection and development spending while maintaining IMF programme targets. The government's medium-term fiscal framework targets a primary surplus of 2.3% of GDP.

On the legislative front, the government managed to achieve progress on several reform agendas, including amendments to the Disaster Management Act following the inadequacies revealed by Cyclone Ditwah, advancement of State-Owned Enterprise reform including the Sri Lankan Airlines Debt Restructuring, and continuation of governance transparency measures initiated under the IMF's Governance Diagnostic



Assessment framework. Anti-corruption and public procurement reforms remained key structural benchmarks under the EFF programme.

ECONOMY

Sri Lanka's Gross Domestic Product expanded 5.0% in 2025 at constant prices, with quarterly growth rates of 4.8% in Q1, 4.9% in Q2, 5.4% in Q3, and 4.8% in Q4. The nominal GDP reached USD 108 Billion in 2025 while per capita GDP surpassed USD 5,000 limit for the first time in the country's history. While the nominal GDP also marked significant achievement by surpassing pre-crisis output level in USD, the sustained 5.0% growth for two consecutive years indicates a decisive stabilization of the recovery trajectory.

The labour market continued its dual character observed in prior years. Outward labour migration, particularly among skilled and professional categories, remained elevated. At the same time, a shortage of semi-skilled and unskilled industrial labour persisted, constraining output in manufacturing and construction sectors. In the medium term, reforms to address labour market rigidities and increase workforce flexibility remain a structural priority for sustaining competitiveness and industrial growth.

MONETARY POLICY AND INFLATION

Headline inflation, as measured by the Colombo Consumer Price Index (CCPI), remained well below the Central Bank's 5.0% target throughout the financial year. Following a brief period of deflation in early 2025, which the Central Bank characterized as largely driven by energy price reductions, inflation turned positive by mid-2025 and settled at 2.2% year-on-year in March 2026. Core inflation, which had fallen to 2.4% in November 2025, was expected to pick up gradually as demand conditions continued to improve.

The Central Bank of Sri Lanka continued its easing monetary policy stance, cutting its benchmark policy rate from 8.5% to 7.75% at its May 2025 meeting, marking the first policy easing of the year, as deflationary conditions began to ease and the inflation outlook stabilized. At its March 2026 meeting, the Central Bank of Sri Lanka maintained the Overnight Policy Rate (OPR), the new benchmark policy rate at 7.75% , citing uncertainties arising from the ongoing Middle East conflict and its potential negative impact on domestic energy prices, while noting that economic activity remained resilient and early 2026 indicators pointed to a strong recovery from cyclone-related disruptions.

Private sector credit growth remained strong and broad-based, supported by declining market lending rates and revived demand for vehicle imports. Market interest rates, as measured by the weekly Average Weighted Prime Lending Rate, remained stable in line with the easing monetary policy stance, facilitating investment and household consumption. The Central Bank reaffirmed its readiness to adjust the policy stance if inflation or external sector risks emerged.

EXTERNAL SECTOR AND FOREIGN RESERVES

The external sector delivered one of the most notable positive developments of the fiscal year. Gross official foreign exchange reserves reached USD 7.0 bn by end-March 2026, driven by robust tourism earnings, increased workers' remittances, multilateral disbursements, and continued net foreign exchange purchases by the Central Bank.

Strong tourist arrivals and resultant high tourism receipts, estimated at approximately USD 3.2 bn, and workers' remittances of approximately USD 8.1 bn in 2025, contributed positively to the current account surplus. Sri Lanka maintained a current account surplus for the third consecutive year, providing a structural buffer against external shocks. The import cover reached over three months of imports by end 2025.

The Sri Lanka Rupee remained broadly stable over the fiscal year, underpinned by the market-determined exchange rate framework established under the Central Bank of Sri Lanka Act No. 16 of 2023. Some depreciation pressures noticed towards late March 2026, associated with the escalation of Middle East geopolitical tensions, which affected global energy prices, trade flows, and tourists' arrivals through middle eastern airports. Nearly half of tourists arriving Sri Lanka used to transit through middle eastern carriers and airports before the crisis. Tourist arrivals to Sri Lanka noticeably disrupted with the escalation of tension in the Middle East since late February 2026. Workers' remittances remained resilient despite the ongoing conflict in the Middle East, sustaining the positive momentum observed in 2025, notwithstanding that more than half of overseas employment is concentrated within the affected region. The Central Bank continued to maintain exchange rate flexibility as a key buffer against external shocks.

The trade deficit widened during the period as import demand recovered on the back of higher economic activity and renewed vehicle imports, though robust services export income from tourism and remittances more than offset the merchandise trade gap.

The government's gradual approach to removing the temporary restriction imposed on import of personal motor vehicles was reflected in rising customs revenue, which contributed positively to fiscal performance.

DEBT RESTRUCTURING AND IMF PROGRAMME

The external debt restructuring process reached near-completion during the fiscal year, marking a critical milestone in Sri Lanka's path back to debt sustainability. Sri Lanka had reached agreement on terms with just under 99% of its external creditors, with over 92% of public external debt restructuring fully implemented. The landmark international sovereign bond exchange, completed in late 2024, established a new creditor relationship and contributed to substantial debt relief.

Through the restructuring, external debt and debt service as a share of GDP is projected to be reduced to sustainable levels. Sr Lanka targets to achieve debt stock target 95% of GDP by 2032, Gross Financing Needs (GFN) target average 3% of GDP, foreign currency denominated debt service target of maximum 4.5% of GDP during 2027-2032. In addition to the completion of bilateral agreements, including with official creditors and commercial partners, another significant achievement was the agreement on debt restructuring of Sri Lankan Airlines.

Sri Lanka's IMF Extended Fund Facility, approved in March 2023 for a total of USD 3 bn over 48 months, continued to serve as the anchor of the reform programme. The IMF Executive Board also approved USD 206 mn under the Rapid Financing Instrument (RFI) to address urgent balance-of-payments and fiscal pressures from Cyclone Ditwah. The Fifth Review under the EFF was deferred, with an IMF mission to visit in early 2026.

Country Report

CYCLONE DITWAH: IMPACT AND RESPONSE

Cyclone Ditwah, which struck Sri Lanka in late November 2025, was considered as the largest and most challenging natural disaster in the country's recorded history. The cyclone's torrential rainfall triggered widespread flooding and landslides across all 25 districts of the country, causing serious damages to human lives, livelihood and physical infrastructure.

The economic cost of Cyclone Ditwah was estimated by the World Bank at approximately USD 4 bn, equivalent to nearly 4% of GDP. Infrastructure damage, including to roads, bridges, and utilities across all districts, was assessed as exceeding in aggregate the damage caused by the 2004 Indian Ocean Tsunami, which had concentrated damage primarily along coastal areas. Agricultural livelihoods, particularly in the paddy and subsistence crop sectors, were severely disrupted.

This disaster exposed gaps in Sri Lanka's disaster preparedness infrastructure, including limitations in air rescue capacity available during the emergency response. Substantial humanitarian and reconstruction assistance was received from bilateral partners and multilateral institutions including the United Nations, the World Bank, and the IMF.

The government's reconstruction strategy focused on spending reprioritization and reallocation within the existing budget framework before committing to a supplementary budget in 2026, maintaining its commitment to IMF programme fiscal targets.

ECONOMIC INTEGRATION

Sri Lanka's integration into the South Asian regional economy continued to progress during the period. South Asia remained the world's fastest-growing region, with projected growth of approximately 6% in 2026 driven primarily by India. Advancing the India-Sri Lanka Economic Partnership Agreement and regional energy connectivity represented strategic opportunities for Sri Lanka to diversify export markets, attract investment, and reduce external vulnerabilities. Advancing these partnerships was flagged as a medium-term priority by the government's economic development agenda.

ECONOMIC OUTLOOK

The economic outlook for the financial year beginning April 2026 is cautiously positive, supported by strong reform foundations, near-complete debt restructuring, and a stabilised monetary environment, though subject to meaningful downside risks. According to the CBSL Monetary Policy Report in February 2026, economic growth for 2026 is currently projected to be in the range of 4% to 5%, continuing the recovery momentum recorded over the past two years

Backed by strong macroeconomic fundamentals and prudent fiscal management, the economy is better prepared for external shocks. Inflation is projected to converge toward the Central Bank's 5% target by mid-2026 as the crisis in the Middle East has caused broad-based energy prices to escalate. The benchmark interest rate expected to remain stable with possibility of short-term uptick if inflation biased emanated from external shocks persisted.

The continuation of private sector credit expansion, recovering domestic demand, and a supportive external environment if sustained, are expected to underpin growth. The construction and industrial sectors are expected to benefit from reconstruction-related activity through 2026 and into 2027, however may affect if the energy price remains elevated.

The most significant near-term risk is the persistent Middle East geopolitical conflict, which has elevated global energy prices, created depreciation pressures on the Sri Lanka Rupee, and threatened to disrupt tourist arrivals and income and remittance inflows from the Sri Lankan migrant workers in the region. Domestic energy pricing, managed under the cost-recovery framework and automatic tariff adjustment mechanism mandated under the IMF programme, will need to absorb global energy price increases, potentially adding to inflationary pressure in 2026.

Post-cyclone reconstruction will place sustained demands on fiscal resources and public administration over the medium term. The government's ability to deliver on its welfare commitments, maintain IMF programme compliance, advance the capital expenditure programme, and support cyclone reconstruction simultaneously will represent the central policy management challenge of the period ahead. Macroeconomic stability, continued IMF programme adherence, and sustained progress on structural reform including governance, SOE reform, and the business environment remain the critical determinants of Sri Lanka's long-term recovery and development prospects.

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
Eco Solutions	Hayleys Fibre PLC	Value added coir-based products	Sri Lanka	Sri Lanka	29.01.1987	PQ21	No. 400, Deans Road, Colombo 10	
	Rileys (Private) Limited	Cleaning devices	Sri Lanka	Sri Lanka	19.01.1989	PB752PV	No. 400, Deans Road, Colombo 10	
	Haymat (Private) Limited	Coir fibre mats	Sri Lanka	Sri Lanka	24.08.1981	PV5729	No. 400, Deans Road, Colombo 10	
	Creative Polymats (Private) Limited	Moulded rubber products	Sri Lanka	Sri Lanka	23.07.2001	PB836PV	No. 400, Deans Road, Colombo 10	
	Ravi Industries Limited	Industrial and household brushware	Sri Lanka	Sri Lanka	06.04.1962	PB705	No. 400, Deans Road, Colombo 10	
	Bonterra Limited	Value added coir-based products	Sri Lanka	Sri Lanka	10.05.1996	PB837	No. 400, Deans Road, Colombo 10	
	Ravi Marketing Services (Private) Limited	Services	Sri Lanka	Sri Lanka	22.03.1995	PB504PV	No. 400, Deans Road, Colombo 10	
	Chas P. Hayley & Company (Private) Limited	Coir and treated rubber timber products	Sri Lanka	Sri Lanka	01.12.1943	PV9034	No. 400, Deans Road, Colombo 10	
	Volanka (Private) Limited	Investments	Sri Lanka	Sri Lanka	02.06.1962	PV10819	No. 400, Deans Road, Colombo 10	
	Volanka Exports Limited	Coir-based products and essential oil	Sri Lanka	Sri Lanka	08.09.1998	PB536	No. 400, Deans Road, Colombo 10	
	Toyo Cushion Lanka (Private) Limited	Needled and rubberised coir products	Sri Lanka	Sri Lanka	07.12.1989	PV5492	No. 400, Deans Road, Colombo 10	
	Charles Fibres (Pvt) Ltd	Trading in coir-based products	India	India	20.03.2009	960451	No 10. Second Floor, Sucons Padmalaya, Venkatnarayana Road, T. Nagar, Chennai – 600017	
Hand Protection	Dipped Products PLC	General purpose and speciality rubber gloves	Sri Lanka	Sri Lanka	25.02.1976	PQ60	No. 400, Deans Road, Colombo 10	
	Venigros (Private) Limited		Sri Lanka	Sri Lanka	18.03.1994	PB458PV	No. 400, Deans Road, Colombo 10	
	Hanwella Rubber Products Limited		Sri Lanka	Sri Lanka	16.12.1987	PB471	No. 400, Deans Road, Colombo 10	
	Feltex (Private) Limited		Sri Lanka	Sri Lanka	18.03.2005	PB512PV	No. 400, Deans Road, Colombo 10	
	D P L Universal Gloves Limited		Sri Lanka	Sri Lanka	14.08.2014	PB5210	No. 400, Deans Road, Colombo 10	
	D P L International Limited		Sri Lanka	Sri Lanka	10.06.2016	PB5341	No. 400, Deans Road, Colombo 10	
	Icoguanti S.P.A		Italy	Italy	01.06.1968	MI1543364	ICOGUANTI SpA, Via Boccaccio 45, I-20123 Milano	

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Dipped Products (Thailand) Limited		Thailand	Thailand	08.01.2002	0905545000102	82/2 Moo 9, Rattaphum Sub-district, Khuannieng District, Songkhla Province, 90220, Thailand	Subsidiary
	DPL France SAS		France	France	14.03.2022	911 368 918 RCS Avignon	1335 Route de L Aérodrome Section Montfavet 84140 Avignon	Subsidiary
	ROZENBAL POLSKA Sp. z. o.o		Poland	Poland	06.01.1994	0000032184	Zwiriwa 18, 05-506 Wilcza Gora	Subsidiary
	Hi Care Thai Gloves Company Limited		Thailand	Thailand	16.10.2013	0105556167469	89/1 Moo. 4, T.Chalung, A.Hatyai , Songkhla 90110	Subsidiary
	Dipped Products India (Private) Limited		India	India	28.02.2024	U14103MH2024 FTC420269	EL 121, Second Floor, Electronic Zone, Mahape MIDC, Navi Mumbai, Maharashtra - 400710, India.	Subsidiary
Purification	Haycarb PLC	Activated Carbon and Environmental Purification Solutions	Sri Lanka	Sri Lanka	12.07.1973	PQ59	No. 400, Deans Road, Colombo 10	Subsidiary
	Puritas(Private) Limited		Sri Lanka	Sri Lanka	26.06.1995	PB514PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Lakdiyatha (Pvt) Ltd		Sri Lanka	Sri Lanka	16.06.2011	PV79447	No. 400, Deans Road, Colombo 10	Associate
	Recogen (Private) Limited		Sri Lanka	Sri Lanka	08.10.1997	PB472PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Eurocarb Products Ltd		United Kingdom	United Kingdom	24.07.1986	02040658	Unit 1 Point 4, Second Way, Avonmouth, Bristol, BS11 8DF	Subsidiary
	Haycarb Holdings Australia (Pvt) Limited		Australia	Australia	29.06.1988	007 019 874	Unit 122A 202 Jells Road Wheelers Hill VIC 3150	Subsidiary
	Carbokarn Company Limited		Thailand	Thailand	25.10.1993	3-48(13)-1/37	1506, Soi Kanjanapisek 008, Bangkae, Bangkae, Bankgkok, Thailand	Subsidiary
	CK Regen Systems Company Limited		Thailand	Thailand	30.10.2002	3-106-2/46	1506, Soi Kanjanapisek 008, Bangkae, Bangkae, Bankgkok, Thailand	Subsidiary
	Haycarb USA, INC		USA	USA	09.06.1983	0065930200	24900, Pitikin Road, Spring, TX, US	Subsidiary
	PT Mapalus Makawanua Charcoal Industry		Indonesia	Indonesia	31.10.1985	8120107971004	Jl. Raya Manado Bitung KM.35, Tanjung Merah - Bitung 95547 - Sulawesi Utara	Subsidiary
	Haycarb Holdings Bitung Limited		British Virgin Island	British Virgin Island	18.01.2005	638243	4th Floor, Water's Edge Building, Meridian Plaza, P.O. Box 4519, Road Town, Tortola, British Virgin Islands	Subsidiary
	Shizuka Company Limited		Thailand	Thailand	10.02.2010	0105553021366	1506 Soi Kanjanapisek 008, Bngkae, Bangkae, Bangkok	Subsidiary
	PT Haycarb Palu Mitra		Indonesia	Indonesia	13.12.2012	8120006752934	Jl Moh Saleh, RT.001/RW.001, Kel.Taipa, Kec. Palu Utara, Palu, Sulawesi Tengah 94147, Indonesia.	Subsidiary

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Puricarb Pte Ltd		Singapore	Singapore	14.03.2014	201407375Z	1 Claymore Drive, #08-14, Orchard Tower, Rear Block Apt,Singapore 229594	Subsidiary
	Haycarb Activated Carbon (Pvt) Ltd		India	India	11.10.2017	U24299TN2017 FTC119017	No.15, Gangai Amman Koil Street, Kodambakkam	Subsidiary
	Haycarb Philippines Corporation		Philippines	Philippines	29.12.2023	2023120129459-82	U505, Valero Plaza, 124 Valero St. Salcedo Village, Makati	Subsidiary
	Haycarb Singapore Pte. Ltd.		Singapore	Singapore	28.03.2024	202412231M	111 North Bridge Road, #06-20, Peninsula Plaza, Singapore 179098	Subsidiary
	Eurocarb Germany GmbH		Germany	Germany	10.03.2025	HRB 294889	Maximilianstr, 54, München, 80538, Germany	Subsidiary
Construction Material	Alumex PLC	Aluminium extrusions	Sri Lanka	Sri Lanka	06.11.2006	PV539PQ	No. 400, Deans Road, Colombo 10	Subsidiary
Textiles	Hayleys Fabric PLC	Knitted fabric	Sri Lanka	Sri Lanka	06.01.1993	PQ37	No. 400, Deans Road, Colombo 10	Subsidiary
	South Asia Textiles Limited		Sri Lanka	Sri Lanka	13.02.2004	PV3574PB	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Fabric Solutions Limited		Sri Lanka	Sri Lanka	15.03.1982	PB1487	No. 400, Deans Road, Colombo 10	Subsidiary
Plantations	Kelani Valley Plantations PLC	Processed tea and rubber	Sri Lanka	Sri Lanka	18.06.1992	PQ58	No. 400, Deans Road, Colombo 10	Subsidiary
	Talawakelle Tea Estates PLC	Processed black and green tea	Sri Lanka	Sri Lanka	22.06.1992	PQ36	No. 400, Deans Road, Colombo 10	Subsidiary
	Horana Plantations PLC	Processed tea, rubber and palm oil	Sri Lanka	Sri Lanka	22.06.1992	PQ126	No. 400, Deans Road, Colombo 10	Subsidiary
	Kelani Valley Resorts (Private) Limited	Operating & managing hotels and providing services	Sri Lanka	Sri Lanka	22.11.2017	PV127491	No. 400, Deans Road, Colombo 10	Subsidiary
	D P L Plantations (Pvt) Ltd	Plantation Management	Sri Lanka	Sri Lanka	01.06.1992	PB539PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Plantation Services (Private) Limited		Sri Lanka	Sri Lanka	08.06.1992	PB350PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Produce Marketing Limited	Organic tea	Sri Lanka	Sri Lanka	31.03.1994	PB615	No. 400, Deans Road, Colombo 10	Subsidiary
	Home for Every Plantation Worker Foundation (Guarantee) Limited	Corporate Social Responsibility Projects	Sri Lanka	Sri Lanka	01.09.2008	GL2042	No. 400, Deans Road, Colombo 10	Subsidiary
	Kalupahana Power Company (Private) Limited	Hydropower	Sri Lanka	Sri Lanka	11.09.2003	PV4813	No. 400, Deans Road, Colombo 10	Subsidiary

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
Agriculture	Hayleys Agriculture Holdings Limited	Crop production and protection, material , agricultural equipment and animal health products	Sri Lanka	Sri Lanka	26.12.2001	PB575	No. 400, Deans Road, Colombo 10	Subsidiary
	Agro Technica Limited	Agricultural machinary and equipment	Sri Lanka	Sri Lanka	17.11.1973	PB697	No. 25, Foster Lane, Colombo 10	Subsidiary
	Sunfrost (Private) Limted	Fresh/processed vegetables	Sri Lanka	Sri Lanka	08.11.1988	PB486PV	No. 400, Deans Road, Colombo 10	Subsidiary
	H J S Condiments Limited	Retail/processed vegetables	Sri Lanka	Sri Lanka	29.09.1993	PB408	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Agro Farms (Private) Limited	Planting material	Sri Lanka	Sri Lanka	11.03.2004	PV5865	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Agro Biotech (Private) Limited	Horticultural tissue culture products	Sri Lanka	Sri Lanka	09.05.2006	PV7441	No. 400, Deans Road, Colombo 10	Subsidiary
	Quality Seed Company (Private) Limited	Hybrid flower seeds	Sri Lanka	Sri Lanka	10.10.1980	PB510PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Nature Nest (Pvt) Ltd	Frozen coconut water exports	Sri Lanka	Sri Lanka	30.06.2024	PV00303929	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Agro Fertilizers (Private) Limited	Fertilizer	Sri Lanka	Sri Lanka	24.02.2004	PV4567	No. 400, Deans Road, Colombo 10	Subsidiary
	Haychem (Bangladesh) Ltd	Crop protection and chemicals	Bangladesh	Bangladesh	11.08.1997	C-33586	18/19, BSCIC Industrial Estate, Maskanda , Mymensingh	Subsidiary
Consumer & Retail	Singer (Sri Lanka) PLC	Retail and wholesale marketing of consumer products	Sri Lanka	Sri Lanka	30.12.1974	PQ160	No. 112, Havelock Road, Colombo 05	Subsidiary
	Singer Finance (Lanka) PLC	Leasing, mobilisation of fixed and saving deposits, financing consumer durables under loan schemes, factoring business including invoice discounting, granting loans including micro loans and credit card business	Sri Lanka	Sri Lanka	19.04.2004	PB813PQ	No. 498, R.A. De Mel Mawatha, Colombo 03	Subsidiary

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Regnis Appliances (Private) Limited	Manufacturing and assembling of home appliances	Sri Lanka	Sri Lanka	18.01.2010	PV70735	No. 52, Ferry Road, Off Borupana Road, Ratmalana	Subsidiary
	Realty & Distributors Ltd	Acquire, lease, sell and develop properties for construction and distribution business	Sri Lanka	Sri Lanka	29.09.2006	PB367	No. 112, Havelock Road, Colombo 05	Subsidiary
	Hayleys Consumer Products Limited	Lighting products and solutions, photo imaging, health care and FMCG products	Sri Lanka	Sri Lanka	26.12.2001	PB627	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Retail Holdings Ltd	Develop and operate a supermarket chain	Sri Lanka	Sri Lanka	06.01.2026	PB00351578	No. 400, Deans Road, Colombo 10	Subsidiary
Leisure	The Kingsbury PLC	Hospitality services	Sri Lanka	Sri Lanka	04.05.1969	PQ203	No. 48, Janadhipathi Mawatha, Colombo 01	Subsidiary
	Hayleys Leisure PLC		Sri Lanka	Sri Lanka	31.12.1981	PQ145	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01	Subsidiary
	Culture Club Resorts (Private) Limited		Sri Lanka	Sri Lanka	15.10.1991	PV16934	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01	Subsidiary
	Kandyan Resorts (Private) Limited		Sri Lanka	Sri Lanka	12.11.1992	PV16826	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01	Subsidiary
	Sun Tan Beach Resorts Limited		Sri Lanka	Sri Lanka	30.08.1974	PV12903PB	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Hotel Management Services (Pvt) Ltd		Sri Lanka	Sri Lanka	13.09.1993	PV22118	No. 400, Deans Road, Colombo 10	Subsidiary
	C D C Conventions (Private) Limited		Sri Lanka	Sri Lanka	22.05.1995	PV22097	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01	Subsidiary
	Hayleys Tours (Private) Limited		Sri Lanka	Sri Lanka	23.10.2015	PV109333	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Holdays (Pvt) Ltd		Sri Lanka	Sri Lanka	11.01.1995	PV1839	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01	Subsidiary
	Luxury Resort (Pvt) Ltd		Maldives	Maldives	23.07.2015	C-0671/2015	G. Thoanee Asseyri, Ground Floor, Alikilegafaanu Magu, K. Male', Maldives	Subsidiary
	Hayleys Hotels Maldives Private Limited		Maldives	Maldives	29.11.2022	C14742022	Ma. Mf Building 3rd Floor, Chaandhanee Magu K. Male' 20000, Maldives	Subsidiary

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
Industry Inputs, Power & Energy	Hayleys Aventura (Private) Limited	Engineering and projects, power generation, pigments and industrial raw materials	Sri Lanka	Sri Lanka	27.12.2001	PB753PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Aventura BD Limited		Bangladesh	Bangladesh	28.06.2021	C-172017	Abedin Tower at 35, Kemal Ataturk Avenue, Banani Commercial Area, P.S. Gulshan, Dhaka-1213. , Dhaka	Subsidiary
	Hayleys Aventura Singapore Pte. Ltd.		Singapore	Singapore	24.08.2023	202334285E	12 Marina View, #12-05, Asia Square Tower 2, Singapore 018961	Subsidiary
	Hayleys Aventura India (Pvt) Ltd		India	India	17.09.2025	U22206KA2025 FTC208613	Third Floor, T-7, 3rd Floor,Lakshmi Complex, No. 40, K R Road, Bangalore - 560002	Subsidiary
	Hayleys Lifesciences (Private) Limited	Supplying healthcare equipment	Sri Lanka	Sri Lanka	27.05.2008	PB3540PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Celonex (Pvt) Ltd	Textile dye stuff and binders	Sri Lanka	Sri Lanka	14.03.1980	PV5211	No. 400, Deans Road, Colombo 10	Subsidiary
	Innovative Solutions Lanka (Pvt) Ltd	Marketing of power generating equipment	Sri Lanka	Sri Lanka	22.12.2003	PV11846	No. 400, Deans Road, Colombo 10	Subsidiary
	Bhagya Hydro (Private) Limited	Hydro power	Sri Lanka	Sri Lanka	03.10.2003	PV5423	No. 400, Deans Road, Colombo 10	Subsidiary
	Neluwa Cascade Hydro Power (Private) Limited		Sri Lanka	Sri Lanka	21.03.2003	PV5150	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Hydro Energy (Private) Limited		Sri Lanka	Sri Lanka	20.02.2004	PV5898	No. 400, Deans Road, Colombo 10	Subsidiary
	T T E L Somerset Hydro Power (Private) Limited		Sri Lanka	Sri Lanka	03.10.2006	PV6859	No. 400, Deans Road, Colombo 10	Subsidiary
	T T E L Hydro Power Company (Private) Limited		Sri Lanka	Sri Lanka	29.06.2005	PV6331	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Neluwa Hydro Power (Private) Limited		Sri Lanka	Sri Lanka	23.04.2012	PV85580	No. 400, Deans Road, Colombo 10	Subsidiary
	Innovative Health Solutions (Pvt) Ltd	Preventive and other healthcare solutions	Sri Lanka	Sri Lanka	19.07.2004	PV3893	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Power Limited	Hydro power investments	Sri Lanka	Sri Lanka	28.12.2011	PB4881	No. 400, Deans Road, Colombo 10	Subsidiary
	Nirmalapura Wind Power (Private) Limited	Wind power	Sri Lanka	Sri Lanka	27.01.2006	PV6210	No. 400, Deans Road, Colombo 10	Subsidiary
	Joule Power (Pvt) Ltd		Sri Lanka	Sri Lanka	28.02.2011	PV77446	No. 334, T.B. Jayah Mawatha, Colombo 10	Associate
	Beta Power (Pvt) Ltd		Sri Lanka	Sri Lanka	28.02.2011	PV77447	No. 334, T.B. Jayah Mawatha, Colombo 10	Associate

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Solar One Ceylon (Private) Limited	Solar Power	Sri Lanka	Sri Lanka	14.02.2012	PV84234	No. 334, T.B. Jayah Mawatha, Colombo 10	Subsidiary
	Solar Two (Pvt) Ltd		Sri Lanka	Sri Lanka	24.06.2024	PV00303671	No. 400, Deans Road, Colombo 10	Subsidiary
Transporation & Logistics	Hayleys Advantis Limited	Shipping agency, international freight forwarding, express freight, bunkering, husbanding and port agency, ship chartering, ocean container repairing and conversion, container yard operation, inland logistics, energy logistics, warehousing and third-party logistics, marine & shipping and Airline Representation	Sri Lanka	Sri Lanka	11.05.1989	PB96	No. 400, Deans Road, Colombo 10	Subsidiary
	Advantis Ships (Pvt) Ltd		Sri Lanka	Sri Lanka	12.12.1992	PV4762	No. 400, Deans Road, Colombo 10	Subsidiary
	Advantis International Ltd		Sri Lanka	Sri Lanka	09.08.2007	PB3266	No. 400, Deans Road, Colombo 10	Subsidiary
	Colombo Cargo Express (Private) Limited		Sri Lanka	Sri Lanka	19.12.2000	PV7453	No. 531/2, Negombo Road, Mukalangamuwa, Seeduwa	Subsidiary
	Advantis Freight (Private) Limited		Sri Lanka	Sri Lanka	11.02.2000	PB345PV	No. 400, Deans Road, Colombo 10	Subsidiary
	Clarion Shipping (Private) Limited		Sri Lanka	Sri Lanka	16.06.1997	PV4818	No. 400, Deans Road, Colombo 10	Subsidiary
	C M A - C G M Lanka (Pvt) Ltd		Sri Lanka	Sri Lanka	06.01.1993	PV5349	No. 400, Deans Road, Colombo 10	Subsidiary
	Ceva Logistics Lanka (Pvt) Ltd		Sri Lanka	Sri Lanka	29.07.2003	PV5774	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleylines Limited		Sri Lanka	Sri Lanka	12.09.2003	PB551	No. 400, Deans Road, Colombo 10	Subsidiary
	MIT Global Solutions (Private) Limited		Sri Lanka	Sri Lanka	19.04.1985	PV5390	No. 400, Deans Road, Colombo 10	Subsidiary
	N.Y.K. Lanka (Private) Limited		Sri Lanka	Sri Lanka	28.07.1994	PV5088	No. 400, Deans Road, Colombo 10	Subsidiary
	Yusen Logistics & Kusuhara Lanka (Pvt) Ltd		Sri Lanka	Sri Lanka	21.02.1990	PV4814	No. 400, Deans Road, Colombo 10	Associate
	Moceti International (Pvt) Ltd		Sri Lanka	Sri Lanka	24.03.2008	PV63532	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Energy Services Lanka (Pvt) Ltd		Sri Lanka	Sri Lanka	10.10.2008	PV65845	No. 400, Deans Road, Colombo 10	Subsidiary
	Expelogix (Pvt) Ltd		Sri Lanka	Sri Lanka	22.03.2012	PV84960	No. 400, Deans Road, Colombo 10	Subsidiary
	Ceylon Ocean Lines Limited		Sri Lanka	Sri Lanka	22.08.1956	PB1187	No. 400, Deans Road, Colombo 10	Subsidiary
	COSCO Shipping Lines Lanka (Private) Limited		Sri Lanka	Sri Lanka	23.01.2006	PV8841	No. 46/12, Nawam Mawatha, Colombo 02	Subsidiary
	COSCO Lanka Logistics (Private) Limited		Sri Lanka	Sri Lanka	25.09.2007	PV61514	No. 46/12, Nawam Mawatha, Colombo 02	Subsidiary

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Lanka Bunkering Services (Private) Limited		Sri Lanka	Sri Lanka	06.11.2003	PV7004	No. 400, Deans Road, Colombo 10	
	Umi Shipping (Private) Limited		Sri Lanka	Sri Lanka	03.10.2017	PV126054	No. 400, Deans Road, Colombo 10	
	Sri Lanka Shipping Company Limited		Sri Lanka	Sri Lanka	22.03.1956	PB573	No. 46/12, 04th Floor, Sayuru Sevana Building, Nawam Mawatha, Colombo 02	
	Cargostar (Pvt) Ltd		Sri Lanka	Sri Lanka	03.03.1997	PV00264388	No. 400, Deans Road, Colombo 10	
	Logistics International Limited		Sri Lanka	Sri Lanka	02.08.1996	PB722	No. 400, Deans Road, Colombo 10	
	Hayleys Engineering (Pvt) Ltd		Sri Lanka	Sri Lanka	15.05.1990	PB552PV	No. 400, Deans Road, Colombo 10	
	Logiwiz Limited		Sri Lanka	Sri Lanka	03.06.2002	PB548	No. 400, Deans Road, Colombo 10	
	Maritime Agencies (Private) Limited		Sri Lanka	Sri Lanka	17.04.1964	PB583PV	No. 400, Deans Road, Colombo 10	
	Hayleys Free Zone Limited		Sri Lanka	Sri Lanka	09.01.2014	PB5165	No. 400, Deans Road, Colombo 10	
	Advantis Express (Pvt) Ltd		Sri Lanka	Sri Lanka	15.06.1987	PV454	No. 400, Deans Road, Colombo 10	
	Mountain Hawk (Private) Limited		Sri Lanka	Sri Lanka	21.02.2002	PV2155	No. 400, Deans Road, Colombo 10	
	Lanka Maritime Services Limited		Sri Lanka	Sri Lanka	29.11.1996	PB620	No. 400, Deans Road, Colombo 10	
	Star Lanka Shipping (Pvt) Ltd		Sri Lanka	Sri Lanka	11.05.2001	PV5622	Level 3, Btl Shippinh House, # 45/2, Braybrooke Street, Colombo 02	
	Diamond Shipping Services (Private) Limited		Sri Lanka	Sri Lanka	31.07.2001	PV5987	South Wing - First Floor, Sayura Sevana Building, No. 46/12, Nawam Mawatha, Colombo 02	
	Sharaf Shipping Agency (Private) Limited		Sri Lanka	Sri Lanka	07.03.2011	PV77601	North Wing - First Floor, Sayura Sevana Building, No. 46/12, Nawam Mawatha, Colombo 02	
	I M L Delivery Systems (Private) Limited		Sri Lanka	Sri Lanka	12.08.1991	PV3577	No. 400, Deans Road, Colombo 10	
	Intermac Marine (Private) Limited		Sri Lanka	Sri Lanka	08.04.2016	PV113006	No. 46/12, 04th Floor, Sayuru Sevana Building, Nawam Mawatha, Colombo 02	
	Ocean Network Express Lanka (Private) Limited		Sri Lanka	Sri Lanka	30.11.2017	PV127631	No. 349, 8/1, Galle Road, Colombo 03	
	Hayleys Aviation (Pvt) Ltd		Sri Lanka	Sri Lanka	08.01.2010	PV70644	No. 400, Deans Road, Colombo 10	

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Hayleys Travels (Pvt) Ltd		Sri Lanka	Sri Lanka	25.02.2004	PV5822	No. 400, Deans Road, Colombo 10	
	Millennium Transportation (Private) Limited		Sri Lanka	Sri Lanka	09.04.1998	PB547PV	No. 400, Deans Road, Colombo 10	
	Air Global (Private) Limited		Sri Lanka	Sri Lanka	30.11.1994	PB501PV	No. 400, Deans Road, Colombo 10	
	North South Lines (Private) Limited		Sri Lanka	Sri Lanka	13.06.2002	PB629PV	No. 400, Deans Road, Colombo 10	
	Total Transport Solutions Maldives (Pvt) Ltd		Maldives	Maldives	02.06.2013	C-0395/2013	M. Gulzaaru Vaadhee, Muniyaa Magu, K.Male', Maldives	
	Nautical Maldives Private Limited		Maldives	Maldives	17.05.2012	C-0307/2012	M. Gulzaaru Vaadhee, Muniyaa Magu, K.Male', Maldives	
	Super Logistics Private Limited		Maldives	Maldives	24.05.2012	C-0332/2012	M. Gulzaaru Vaadhee, Muniyaa Magu, K.Male', Maldives	
	One World Logistics Maldives Private Limited		Maldives	Maldives	04.11.2010	C-0657/2010	M. Gulzaaru Vaadhee, Muniyaa Magu, K.Male', Maldives	
	Advantis Kushara Sedate Myanmar (Pvt) Ltd		Myanmar	Myanmar	15.07.2014	189605412	Room No. 10-08, 10th Floor, Kantharyar Office Tower, Corner of Kan Yeik Thar Road and U Aung Myat Road, Mingalar Taung Nyunt Township, Yangon Region, Myanmar	
	Logiwiz Logistics India (Pvt) Ltd		India	India	04.01.2006	U63023KA2006 PTC038136	T-7, 3rd Floor, Lakshmi Complex, No.40, K.R.Road, Bangalore-560 002.	
	Advantis Singapore Pte Ltd		Singapore	Singapore	08.12.2015	201542697E	111 North Bridge Road, #06-20, Peninsula Plaza, Singapore 179098	
	Advantis Sedate Myanmar (Pvt) Ltd		Myanmar	Myanmar	12.05.2016	112550380	Room No. 10-08, 10th Floor, Kantharyar Office Tower, Corner of Kan Yeik Thar Road and U Aung Myat Road, Mingalar Taung Nyunt Township, Yangon Region, Myanmar	
	PT Advantis Akaza Indonesia		Indonesia	Indonesia	17.01.2017	00.00.1.52.00020	Jl. Batu Ceper No.25 Desa/ Kelurahan Kebon Kelapa, Kec.Gambir, Jakarta Pusat,Propinsi DKI Jakarta, Pos Code 10120	
	Advatis Sabang Raya Lines Pte. Ltd		Singapore	Singapore	01.03.2017	201705587C	Block 809 French Road #06-160. Kitchener Complex. Singapore 200809	

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Advantis Intasl Bangladesh (Pvt) Ltd		Bangladesh	Bangladesh	11.06.2017	C-138331/2017	Sheba House, 6th Floor, Plot #34, Road #46, Gulshan-2-Dhaka 1212, Bangladesh	Subsidiary
	PT Advantis Mithra Logistics Indonesia		Indonesia	Indonesia	24.11.2023	3011230077971	Jl. Puri Kencana Blok K6 No.5J, Kembangan Selatan, Kembangan, Jakarta Barat, Pos Code 11610	Subsidiary
	Advantis Leo (Thailand) Ltd		Thailand	Thailand	02.10.2023	0105566192148	251-251/1 Soi Pakdee, Rama 3 Road, Bang Kho Laem Sub-District, Bang Kho Laem District, Bangkok 10120 Thailand	Subsidiary
	K & A Logistics Ltd		Bangladesh	Bangladesh	25.05.2023	CH -15504/2023	HR Bhaban (3rd Floor), 26/1, Kakrail, Dhaka - 1000, Bangladesh.	Subsidiary
	Taru Global Pte. Ltd.		Singapore	Singapore	24.04.2024	202416250M	111 North Bridge Road, #06-20, Peninsula Plaza, Singapore 179098	Subsidiary
	Advantis Bridge (Private) Limited		Sri Lanka	Sri Lanka	09.08.2023	PV00282107	No. 400, Deans Road, Colombo 10	Subsidiary
	Harbour Services Lanka (Pvt) Ltd		Sri Lanka	Sri Lanka	21.11.2023	PV00288969	No. 400, Deans Road, Colombo 10	Associate
	Advantis Sarens Heavy Lift (Private) Limited		Sri Lanka	Sri Lanka	17.03.2026	PV00359295	No. 400, Deans Road, Colombo 10	Subsidiary
	S & T Interiors (Private) Limited	Interior fit-out contractors	Sri Lanka	Sri Lanka	25.09.2014	PV100841	No. 400, Deans Road, Colombo 10	Subsidiary
	Unisyst Engineering Limited	Aluminum fabrication	Sri Lanka	Sri Lanka	27.11.1979	PB00316993	No. 400, Deans Road, Colombo 10	Subsidiary
Energy, Mobility & Projects	Hayleys Fentons Limited	Solutions provider for building systems infrastructure and Solar power and information communication technology infrastructure	Sri Lanka	Sri Lanka	30.04.1921	PB334	No. 400, Deans Road, Colombo 10	Subsidiary
	Energynet Limited		Sri Lanka	Sri Lanka	30.04.1985	PB00341000	No. 400, Deans Road, Colombo 10	Subsidiary
	Nex-Gen Engineering Studio Limited		Sri Lanka	Sri Lanka	19.02.2014	PB00335994	No. 400, Deans Road, Colombo 10	Subsidiary
	Fentons Smart Facilities Limited		Sri Lanka	Sri Lanka	24.12.2012	PB00341166	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Electronics Limited		Sri Lanka	Sri Lanka	05.04.1933	PB571	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Mobility Limited	Import and supply of all types of vehicles	Sri Lanka	Sri Lanka	18.04.1990	PB00341693	No. 400, Deans Road, Colombo 10	Subsidiary
	Fentech Brands Limited	Trading of electrical products	Sri Lanka	Sri Lanka	30.03.1998	PB00340961	No. 400, Deans Road, Colombo 10	Subsidiary

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
	Hayleys Green Energy Holdings Ltd	Wind power investments	Sri Lanka	Sri Lanka	06.01.2026	PB00351566	No. 400, Deans Road, Colombo 10	Subsidiary
	Haywind One Limited	Wind power	Sri Lanka	Sri Lanka	24.03.2025	PB00325576	No. 400, Deans Road, Colombo 10	Subsidiary
	Northgate Wind Power (Pvt) Ltd		Sri Lanka	Sri Lanka	31.08.2021	PV00244510	No. 400, Deans Road, Colombo 10	Subsidiary
	3W Power Management Ltd		Sri Lanka	Sri Lanka	14.07.2021	PB00242029	No. 278/B1, New Kandy Road, Kothalawala, Kaduwela.	Subsidiary
	Air Power Energy Solutions (Pvt) Ltd		Sri Lanka	Sri Lanka	09.09.2021	PV00244980	No. 400, Deans Road, Colombo 10	Subsidiary
	Karaitivu Windcity Energy Park (Private) Limited		Sri Lanka	Sri Lanka	31.08.2021	PV00244550	No. 400, Deans Road, Colombo 10	Subsidiary
	Westgate Wind Power Solutions (Pvt) Ltd		Sri Lanka	Sri Lanka	31.08.2021	PV00244540	No. 400, Deans Road, Colombo 10	Subsidiary
	Wind Will Energy (Pvt) Ltd		Sri Lanka	Sri Lanka	27.09.2021	PV00245687	No. 400, Deans Road, Colombo 10	Subsidiary
	Northwest Wind Power Solutions (Pvt) Ltd		Sri Lanka	Sri Lanka	31.08.2021	PV00244554	No. 400, Deans Road, Colombo 10	Subsidiary
	Ceylon Electric Power Development (Pvt) Ltd		Sri Lanka	Sri Lanka	04.07.2022	PV00260084	Level 26, East Tower, World Trade Centre, Echelon Square, Colombo 01	Subsidiary
	Next-Gen Engineering Pte. Ltd.	Trading and Engineering Services	Singapore	Singapore	10.05.2022	202216136K	12 Marina View, #12-05, Asia Square Tower 2, Singapore 018961	Subsidiary
	Hayleys Fentons East Africa Limited		Kenya	Kenya	28.09.2023	PVT-BEUXJGBD	P.O. Box 1137, Sarit Centre, City Park Road, Valley View Office Park, Westlands District, Nairobi, Kenya	Subsidiary
Tea Export	Martin Bauer Hayleys (Private) Limited	Export of bulk and retail packed tea	Sri Lanka	Sri Lanka	09.05.2013	PV92432	No. 400, Deans Road, Colombo 10	Associate
	Mabroc Teas (Private) Limited		Sri Lanka	Sri Lanka	26.02.1988	PV165	No. 400, Deans Road, Colombo 10	Subsidiary
	Blue Mountain Tea Exports (Private) Limited		Sri Lanka	Sri Lanka	30.10.1998	PV1043	No. 400, Deans Road, Colombo 10	Subsidiary
	Meridian Exports (Private) Limited		Sri Lanka	Sri Lanka	30.09.2002	PV1099	No. 25, Foster Lane, Colombo 10	Subsidiary
	Mabroc East Africa Limited		Kenya	Kenya	11.05.2023	PVT-ZQULDAY2	P.O.Box 1137-00606 - Sarit Centre, Nairobi, Kenya	Subsidiary
	Livee Polska SP. ZO.O.		Poland	Poland	23.06.2017	KRS 0000684231	ul.Zarzecze,136A, 30-134, Krakow, Poland	Associate
	Mabroc India Private Limited		India	India	13.10.2025	U46306WB2025 FTC283578	25/B/1., S.C. Mukherjee Street, Konnagar, Serampur Uttarpara, Hooghly- 712235, West Bengal, India	Subsidiary

Group Companies

Subsidiary Associate

Sub Sector	Company	Nature of business	Country incorporated	Country operations	Date of Incorporation	Co. Reg. No.	Registered Office Address/ Principal place of business	Relationship
Others	Dean Foster (Private) Limited	Investments	Sri Lanka	Sri Lanka	04.06.1985	PV4403	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Business Solutions International (Pvt) Ltd	Business Process Outsourcing and Centralised Shared Services	Sri Lanka	Sri Lanka	30.12.2008	PV66627	No. 400, Deans Road, Colombo 10	Subsidiary
	Hayleys Group Services (Private) Limited	Secretarial/ Investments	Sri Lanka	Sri Lanka	23.03.1982	PV4339	No. 400, Deans Road, Colombo 10	Subsidiary
	Volanka Insurance Brokers (Private) Limited	Insurance Brokering	Sri Lanka	Sri Lanka	05.05.1987	PV4077	No. 400, Deans Road, Colombo 10	Subsidiary
	Darley Property Holdings (Private) Limited	Property holding and development	Sri Lanka	Sri Lanka	19.02.2018	PV129915	No. 400, Deans Road, Colombo 10	Subsidiary
	Carbotels (Private) Limited	Investments	Sri Lanka	Sri Lanka	05.07.1991	PB346PV	No. 400, Deans Road, Colombo 10	Subsidiary
	World Export Centre Limited	Property holding and development	Sri Lanka	Sri Lanka	25.01.2017	PB5374	No. 400, Deans Road, Colombo 10	Subsidiary
	Eastern Hotels Limited	Leisure	Sri Lanka	Sri Lanka	23.04.1979	PV10710	No. 400, Deans Road, Colombo 10	Subsidiary
	Haylex Ltd (UK)	Marketing	United Kingdom	United Kingdom	23.02.2010	07166211	198 High Street, Tonbridge, England TN9 1BE	Subsidiary
	Haylex B V		Netherlands	Netherlands	1986	24161478	North House, 198, High Street, Tonbridge Kent TN9 1BE, United Kingdom	Subsidiary
	Haylex Japan		Japan	Japan	1991	0124-01-011819	5-7-2-203, Kawamo, Takarazuka City, Hyogo Prefecture, Japan.	Subsidiary
	Hayleys BSI Pacific Pty Ltd	Business Process Outsourcing and Centralised Shared Services	Australia	Australia	28.11.2025	693 283 751	Level 12, 350, Collins Street, Melbourne VIC, 3000	Subsidiary
	Hayleys Foundation (Guarantee) Limited	Corporate Social Responsibility Projects	Sri Lanka	Sri Lanka	24.11.2006	GL23	No. 400, Deans Road, Colombo 10	Subsidiary

Awards and Recognition

	Award Title	Award Desciption
Eco Solutions	CA Sri Lanka TAGS Awards 2025	Joint Silver - Group Turnover between Rs. 10-Rs. 50 bn - Manufacturing
		Gold - Group Turnover up to Rs. 10 bn - Manufacturing
Hand Protection	National Business Excellence Awards - 2025	Gold Winner - Overall Category
		Winner - Extra Large Category
		Winner - Manufacturing Other Sector
		Winner - Excellence in ESG
		Winner - Excellence in Corporate Governance & Strategy
		Runner Up - Excellence in Global Market Reach
	Diversity, Equity, and Inclusion (DEI) Champion Awards 2025 - The Ceylon Chamber of Commerce	Special Jury Award
	SATYN Magazine's Women Friendly Workplace Awards 2025	Winner - Women Empowerment Beyond the Workplace to Rural Communities Award
	Sri Lanka Sustainability Awards 2025-CIOB	Winner – Sustainable Eco Design Award Winner – Sustainable Construction in Manufacturing Award Certificate of Recognition – Biodiversity Award
	CIPM Great HR Awards 2025	Winner - Manufacturing, Printing and Packaging Services, Gems and Jewellery sector
	Best Corporate Citizen Sustainability Awards 2025	Top Ten Corporate Citizen Award
	CMA Excellence in Integrated Reporting Awards 2025	Winner – Manufacturing Sector Award Top Ten Best Integrated Reports
	Presidential Environment Awards	Silver Award - Rubber-based Products Industries
	ACCA Sri Lanka Sustainability Reporting Awards 2025.	Winner - Manufacturing Category
	CA Sri Lanka TAGS Awards 2025	Gold Award - Turnover above LKR 50 Bn - Manufacturing Sector
	National Chamber of Exporters (NCE) Export Awards 2025	Overall Winner – Most Outstanding Exporter 2025
	Thailand FDA - Quality System Award	Outstanding Medical Device Establishments
	Thailand Occupational Safety and Health Promotion Center and the Ministry of Labour	National Outstanding Establishment
	Workplace Health Promotion Award	Model Organisation
	Thai Ministry of Labour	National Award- Outstanding Labor Relations & Welfare
Purification	Sri Lanka Coconut Awards 2025 – Coconut Development Authority	Outstanding Exporter – Shell Products Category
		Special Recognition – Contribution to establishing the coconut industry outside the coconut triangle (Haycarb PLC)
		Outstanding Exporter – Shell Products Category (Ultracarb (Pvt) Ltd)
	W3 Awards	Silver Award - General Websites – Manufacturing Category
	Ceylon National Chamber of Industries (CNCI)	Crystal Award - Manufacturing Sector – Extra Large Category
	SAFA Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2024	Bronze Award - Manufacturing Sector
	Institute of Certified Management Accountants of Sri Lanka (CMA)	Runner-up - Best Integrated Report – Manufacturing Sector
	Institute of Certified Management Accountants of Sri Lanka (CMA)	Top 10 Best Integrated Reports (Overall)
	Ceylon Chamber of Commerce	Top Ten Best Corporate Citizens
	Sri Lanka Export Development Board (EDB)	Innovative Export Product of the Year (Ultracarb (Pvt) Ltd)
	Sri Lanka Export Development Board (EDB)	Best Exporter – Coconut Shell Products (Haycarb PLC)
	Sri Lanka Export Development Board (EDB)	Merit Award – Coconut Shell Products (Ultracarb (Pvt) Ltd)
	Hayleys Chairman's Awards 2025 – Hayleys	Overall Innovation Award – Purification Sector Category Winner Merit Award
	National Green Productivity Award 2024 – National Productivity Secretariat	Gold Award
	TAGS Awards 2025 – CA Sri Lanka	Gold – Manufacturing Companies (Group Turnover 10–50 Bn)
		Bronze – Corporate Governance Disclosure (Non-Financial Services)
		Special Recognition – Integrated Reporting, Sustainability Reporting & Digitally Transformative Reporting
		Top 10 – Outstanding Corporate Reporting Excellence 2025
	NCE Export Awards 2025 – NCE	Silver Award - Extra-Large Category – Coconut & Coconut Products Sector
	ACCA Sri Lanka Sustainability Reporting Awards 2025 – ACCA Sri Lanka	Runner-Up - Manufacturing Category
	Responsible Care Excellence Awards 2025	Silver Award
	Best Management Practices Company Awards 2026	Recognized among Sri Lanka's Forty Outstanding Companies
		Winner – Manufacturing Sector (Activated Carbon Category)

Awards and Recognition

	Award Title	Award Desciption
Textiles	Questar Awards 2025	Winner – Online Annual Report - Corporate Social Responsibility Report 2023/24
	Water Stewardship Award Competition 2025 – Lanka Responsible Care Council (LRCC)	Winner – Water Stewardship Award
	Questar Awards 2025	Best of Online Annual Reports
	International Quality Award 2025	Finalist – ESG Impact
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Overall Silver Award – Executive Director Category - Mr. Rohan Goonetilleke, Managing Director/CEO
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Outstanding Leadership Competency Award for Enabling Diversification Growth Strategy - Mr. Rohan Goonetilleke, Managing Director/CEO
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Winner – Manufacturing (Apparel & Garments) Category - Mr. Rohan Goonetilleke, Managing Director/CEO
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Winner – Corporate Social Responsibility - Mr. Rohan Goonetilleke, Managing Director/CEO
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Winner – Sustainability and Circular Economy Category - Mr. Rohan Goonetilleke, Managing Director/CEO
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Winner – Diversity, Equity and Inclusion (DEI) Category - Mr. Rohan Goonetilleke, Managing Director/CEO
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Winner – Industry Case Analysis - Mr. Rohan Goonetilleke, Managing Director/CEO
	National Business Excellence Awards 2025 – NBESL	Runner-Up – Apparel, Textile & Leather Sector
		Runner-Up – Excellence in Capacity Building
	Employer Branding Awards 2025 – Employer Branding Institute, India	Best Employer Brand Award 2025
	National Cleaner Production Awards 2025 – National Cleaner Production Centre	Bronze Award – Large Scale Textile Manufacturing Category
	SLTC Research and Innovation Awards 2025 – SLTC	Winner – Excellence in In-house R&D - Environment Sustainability Category
	Asia Sustainability Reporting Awards 2025	Finalist – Asia's Best SDG Reporting
	Western Province Entrepreneur Awards 2025	Best Entrepreneur of the Year 2025 – Overall Gold Award - Mr. Rohan Goonetilleke, Managing Director/CEO
		Best Entrepreneur of the Year 2025 – Most Number of Jobs Provided for Females
		Best Exporter award
		Runner-Up – Industry Manufacturing Sector (Large Category)
	CMA Excellence in Integrated Reporting Awards 2025 – CMA Sri Lanka	Winner – Best Integrated Report - Apparel Sector
		Recognized among the Ten Best Integrated Reports
		Overall Bronze Award
	The Great HR Awards 2025	Excellence in Industrial Relations
		Runner-Up – Textile, Apparel and Leather Sector
	SAFA Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures 2024 – South Asian Federation of Accountants (SAFA)	Certificate of Merit – Manufacturing Category
	International Business Magazine Awards 2025	Best Textile Manufacturer of the Year – South Asia 2025
		Best Textile Manufacturer of the Year – South Asia 2025
		Best Sustainable Textile Innovation – Sri Lanka 2025
	Presidential Export Awards 2024/25	Merit Award – Knitted Fabric Category
	The Great HR Awards 2025	Excellence in Industrial Relations
		Runner-Up – Textile, Apparel and Leather Sector
	NCE Export Awards	Silver Award – Textile and Garment Sector
	Green Productivity Awards – National Productivity Secretariat	Gold Award
	TAGS Awards 2025 – CA Sri Lanka	Silver Award – Manufacturing Companies (Group Turnover Between 10–50 Bn)
		Certificate of Recognition – Integrated Reporting
		Certificate of Recognition – Sustainability Reporting
		Certificate of Recognition – Corporate Governance Disclosures (Non-Financial Services)
	Brandon Hall Group Excellence Awards	Gold – Excellence in Action & Company Culture
	SAFA Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures 2024 – South Asian Federation of Accountants (SAFA)	Certificate of Merit
	Mercury Excellence Awards 2025/26	Gold – Annual Reports - Sustainability Report - Asia/Pacific
	Responsible Care Excellence Awards 2025	Silver Award

	Award Title	Award Desciption
	Best Management Practices Company Awards 2026	Winner – UN Sustainability Goals-Led Initiatives Cluster
		Recognized among Sri Lanka's Forty Outstanding Companies
		Leadership Excellence Award - Mr. Rohan Goonetilleke, Managing Director/CEO
		Excellence Award
	Inova Awards 2025	Bronze Winner – Sustainability Report - Annual Report 2024/2025
	Galaxy Awards 2025	Bronze Winner – Design - Annual Reports: Traditional Asia/Pacific - Annual Report 2024/2025
	Facility Social & Labor Module (FSLM) Audit	FSLM Audit Certification
	Water Stewardship Champions Awards 2025 – Lanka Responsible Care Council (LRCC)	Water Stewardship Champions Award – Recognition for Exceptional Commitment in Sustainable Water Management
	National Business Excellence Awards – NBESL	Runner-Up – Manufacturing: Apparel, Textile & Leather Sector
		Runner-Up – Excellence in Capacity Building
	Better Cotton Chain of Custody (CoC) Standard v1.0 – GSCS International	Better Cotton Chain of Custody (CoC) Certificate
	Management Leadership Excellence (MLE) Awards 2025 – Institute of Certified Professional Managers (CPM)	Seven Category Awards including Overall Silver Award (Hayleys Fabric Group)
	Presidential Environment Award Ceremony 2025	Merit Award
	National Cleaner Production Awards 2025 – National Cleaner Production Centre	Bronze Award – Large Scale Textile Manufacturing Category
	SLTC Research and Innovation Awards 2025 – SLTC	Merit Award – Outstanding R&D - Textile & Apparel Sector
	Zero Waste to Landfill (ZWTL) Certification – ISO 14065	Zero Waste to Landfill (ZWTL) Certificate
	Responsible Care Excellence Awards 2025	Silver Award – Hayleys Fabric PLC and South Asia Textiles Limited
Construction Materials	Presidential Environment Awards	Silver Award
	National Award of Excellence	Best supply chain - Special Commendation
	CNCI Achiever Awards 2025	Merit Award (National Level Manufacturing Sector - Extra Large Category)
	Asias Best Integrated Report	Gold - Asia Integrated Reporting Awards
	ICSDB Excellence Awards	Merit Award - Sustainability & ESG in Supply Chain
Plantations-TTE	Capital Market Awards 2025 -CFA Society Sri Lanka	Overall Silver - Best ESG & Sustainability Reporting
	Diversity, Equity, and Inclusion (DEI) Champion Awards 2025 - The Ceylon Chamber of Commerce	Winner - Outstanding Commitment & Innovative Practices in Diversity, Equity & Inclusion Special Jury Award Corporate Sector
	LMD's Most Awarded Ranking 2024	2nd Place - Overall
	Great Place to Work	Winner - Best Public Limited Company
		Top 40 Best Workplaces in Sri Lanka 2025 - Large Size Category
		Industry Excellence for Workplace Culture - Agriculture & Plantation Sector
		Asia's Best Workplaces 2025 - Large Category
		Winner - Best for Parents - Sri Lanka 2025
	TEA Award for Outstanding Tea Producers Somerset Estate	Runners Up - Dimbulla
	Ceylon Specialty Estate Tea of the Year Competition 2025	Gold -Ruhuna Region - Kiruwanaganga - grade FFEXSP1
		Gold - Great Western - Dragon Balls
		Silver - Green tea - Radella - Grade GPSP
	Commonwealth Business Excellence Awards 2025	Sustainable Tech Award - ICT & IT sector - Organizational Category
		Breaking the Bias Award
		Business Sustainability Award
		Outstanding contribution in emissions reduction Award
		Best CSR in Environmental impact Award
		Best Workplace Culture Award - HR sector
	International Green Apple Environment Awards 2025	Winner - Green Organization- Towards Net-Zero: Designing Sri Lanka's First Climate-Resilient Tea Factory
	Sustainability Awards 2025 - North American Tea Conference - Tea & Herbal Association of Canada	Black (FBOP) - 2nd Place - Somerset Estate
	CNCI Achiever Award 2025 -	Ceylon National Chamber of Industries
		Silver - Extra Large - Provincial - Manufacturing Sector
	Presidential Environment Awards 2025 -	Central Environmental Authority
		Bronze - Tea Factories Category - Wattegoda Estate

Awards and Recognition

	Award Title	Award Desciption
	National Cleaner Production Awards 2025 - National Cleaner Production Centre	Gold - Medium Category (Tea Industry) - Holyrood Estate
		Silver - Medium Category (Tea Industry) - Bearwell Estate
		Merit - Medium Category (Tea Industry) - Deniyaya Estate
		Gold - Large Category (Tea Industry) - Mattakelle Estate
		Bronze - Large Category (Tea Industry) - Dessford Estate
		Bronze - Large Category (Tea Industry) - Kiruwanaganga Estate
		Merit - Large Category (Tea Industry) - Great Western Estate
		Merit - Large Category (Tea Industry) - Radella Estate
		Merit - Large Category (Tea Industry) - Somerset Estate
		Merit - Large Category (Tea Industry) - Wattegoda
	CMA Excellence in Integrated Reporting Awards 2025 - Institute of Certified Management Accountants of Sri Lanka	Overall Gold (Joint with Softlogic)
		Winner - Ten Best Integrated Reports
		Winner Plantation Sector
		Winner - Best Disclosure of Sustainability Reporting
		Winner - Best Concise Integrated Report
	Best Corporate Citizen Awards 2025 - The Ceylon Chamber of Commerce	Winner - Category B (Below 15 Bn)
		Winner - Agriculture Sector
		Winner - Top Ten Corporate Citizen
	Global Performance Excellence Awards 2024 - Sri Lanka Standards Institution	Performance Excellence Award
	The Planter's Association of Ceylon	
	CIPM Great HR Awards 2025	Winner - Agriculture and Plantation
	CIPM Great HR Awards 2025	Winner - Workplace Award
		Winner - Best Women Friendly Workplace Award
	Forbes and Walker Tea Brokers Pvt. Ltd	Overall Winner - Overall RPC Performance 2024 - Highest GSA (Tea Sector)
		Overall Winner - High Grown RPC Performance 2024 - High Grown Sector
		Overall Winner - Low Grown RPC Performance 2024 - Low Grown Sector
	World Sustainability Awards 2025	Short listed - Biodiversity Award
		Short listed - Social Impact Award
		Winner - Energy Transition Award
		Highly Commended - Sustainability Excellence Award
	Global Sustainability Awards 2025	Short Listed - SDG Pioneer Award - Reuters Events, UK
	International Green Apple Environment Awards 2025	Green Organization Winner - Towards Net-Zero: Designing Sri Lanka's First Climate-Resilient Tea Factory
	Asia Sustainability Reporting Awards - CSR Works International	Short Listed - Asia's Best SDG Reporting
		Shortlisted - Asia's Best Environmental Impact Reporting
	Asia Integrated Reporting Awards 2025 - CSR Works International	Platinum award - Asia's Best Integrated Report (Large Company)
	10th Asia-Pacific Tea Competition - Tea Industry Committee of China	Gold - Kiruwanaganga - FFEXSP
		Gold - Great Western - Eagle Nest
		Gold - Great Western - Blooming Tea
		Gold - Great Western - Tea Torch
	9th South Asian Business Excellence Awards 2025 - South Asian Partnership Summit	Winner - Best Place to Work
		Winner - Best Environmental Excellence Awards in Innovative Technology
		Winner - Best Manufacturing Company in the Food Agro Industry
	South Asian Partnership Summit	Winner - Best Workplace Safety & Health Innovation Awards
		Winner - Summit
		Winner - Best use of CSR Practice in Women & Children Empowerment
	South Asian Federation of Accountants	Gold - Agriculture
	Green Rated Building 2025-2028	Green Building Council of Sri Lanka
	ACCA Sri Lanka Sustainability Reporting Awards 2025	"Winner -

	Award Title	Award Desciption
	Great Place to Work	Ranked No. 02 - Great Place to Work -Best Workplaces in the Manufacturing and Production Industry (Hayleys Plantations)
	NCE Export Awards 2025 - National Chamber of Exporters of Sri Lanka	Gold - Tea & Tea Products - Extra Large Category
	District Best Entrepreneur - Nuwara Eliya District -	National Enterprise Development Authority
	Responsible Care Excellence Award -	Lanka Responsible Care Council
		Gold - Mattakelle
Plantations-KVPL	Hayleys PLC Chairman's Awards 2024	Merit - Plantation Sector - Robgill Estate
		Gold - Plantation Sector - Dewalakande-Sole crepe factory
	Best Management Practices Company Award 2025 -	The Institute of Chartered Professional Managers of Sri Lanka
		Gold - Environmental, Social & Governance
		Winner - Agriculture & Plantations – Rubber
		Winner - Agriculture & Plantations – Tea
	LMD's Most Awarded Ranking 2024	
	Ceylon Speciality Estate Tea of the Year Competition-	Sri Lanka Tea Board & CTTA
		1st Runner up - Nuwara Eliya Region - Inverness Mark - OP 1
		2nd Runner up - Nuwara Eliya Region - Pedro Estate - Lover's Leap Mark - PEKOE
		Overall Runner up - Nuwara Eliya Region - Pedro Estate - Lover's Leap Mark - FBOP
	CNCI Achiver Award 2025- Ceylon National Chamber of Industries	National Silver Award - Extra Large - Manufacturing Sector
		Top Ten Award - Extra Large - Manufacturing Sector
	Great Place to Work Certification 2025/26	Certified - Great Place to Work
		Winner - Best Public Limited Company in Sri Lanka 2025 - Hayleys Plantations
		Ranked 3rd - Sri Lanka's Best Workplaces 2025 - Work Large Size Category - Top 40 Workplaces - Hayleys Plantations
		Industry Excellence for Workplace Culture 2025 - Agriculture & Plantation Sector - Hayleys Plantations
		54th Place - Asia's Best Workplaces 2025 - Large Category - Hayleys Plantations
	National Cleaner Production Awards - National Cleaner Production Centre	Bronze - Small category - Rubber Sector - Manufacturing
	Commonwealth Business Excellence Awards 2025 - Commonwealth Partnership Summit	Winner - Best Organisation for Excellence in CSR
		Winner - Sustainable Business Excellence Award
		Winner - Summit Work Place & People Development Award
	Sustainability Awards 2025 - North American Tea Conference - Tea & Herbal Association of Canada	Runners up - Reviving Rivers – Restoring Lives: The Kelani Valley Protectors Initiative (KVPI) by Kelani Valley Plantations PLC
	Global Sustainability Awards 2025 -	Reuters Event,UK
	Asia Sustainability Reporting Awards - CSR Works International	Platinum Award - Asia's Best SDG Reporting
	SHRM HR Excellence Awards 2025 - Society for Human Resource Management	1st Runner Up - Excellence in Community Impact
	The Leafies International Tea Awards 2025 - The UK Tea Academy	Winner - Highly Recommended Tea Category (PEKOE Black)
	10th Asia-Pacific Tea Competition - Tea Industry Committee of China	Gold - Mahagasthota BOP 1
		Gold - Inverness OP 1
		Gold - Ingestre BOP
		Gold - Tillyrie BOP
	ESG and Purpose Award	Shortlisted - Impact Report of the Year
	9th South Asian Business Excellence Awards 2025 - South Asian Partnership Summit	Winner - Sustainability Excellence Award
		Winner - Excellence in Sustainability Reporting
		Winner - Best Employer Brand
		Winner - Best manufacturing company in food agro
		Winner - Best use of CSR practice in community development
		Winner - Best ICT project of the year
	Best Presented Annual Report - South Asian Federation of Accountants	Silver - Agriculture
	JASTECA Awards 2025 - Japan Sri Lanka Technical & Cultural Association (JASTECA)	Silver - CSR Sustainability

Awards and Recognition

	Award Title	Award Desciption
	CMA Excellence in Integrated Reporting Awards 2026 - Institute of Certified Management Accountants of Sri Lanka	2nd Runner Up - Plantation Sector
		Merit - Overall
	Best Corporate Citizen Awards 2026 - The Ceylon Chamber of Commerce	2nd Runner Up - Agriculture Sector
	Great HR Award - CIPM	Winner - Agriculture and Plantation
	National Management Execellence Award 2025 - Institute of Management Sri Lanka	Gold - Management Excellence in Agri Business Sector
	Tea Reimagined Awards - Asia International Tea Summit	KVPL - Asia Tea Alliance regenagri Pioneer Award
	Sri Lankan Corporate Health & Productivity Award 2025 - JETRO, COYLE, Embassy of Japan in Sri Lanka	Silver - Extra Large Category
	National Green Productivity Awards - SLAAQP	Gold
	CA TAGS Awards 2025 - CA Sri Lanka	Gold - Above 5 Bn Turnover
	ACCA Sri Lanka Sustainability Reproting Awards 2025 - ACCA Sri Lanka	Runner Up - Agriculture
	Forbes and Walker - Tea Brokers	1st Runner up - High Grown
	Excellence in Social Development - Plantation Human Development Trust	Winner - Best Estate Worker Housing Co operative Society 2025
Plantations HPL	Commonwealth Business Execellence Award	Best HR Team of the Year 2025
	Great Place to Work Award 2025	Certified as Great Place to Work
	CIPM Greate HR Award 2025	Merit award - Large Category
	Best Management Practices Company Awards 2026 - CPM Sri Lanka	Winner - Cluster Awards-Diversity, Equity and Inclusion (DEI)
		40 Outstanding Companies in the Best Management Practices Company Awards 2026
		Best Management Practices Excellence Awards 2026
		Leadership Excellence in Best Management Practices Company Awards 2026
Agriculture	NCE Export Awards 2025	Silver – Extra Large Category - Fresh & Processed Agricultural Export Crops Sector
	Presidential Export Awards 2024/2025	Best Exporter – Processed Fruits & Vegetables
		Best Exporter – Floriculture
		Merit Award – Floriculture
Consumer Retail (Singer)	SLIM-Kantar People's Awards 2026	People's Brand of the Year
		Youth Brand of the Year
		People's Durables Brand of the Year
	SLIM DIGIS 2.5	Bronze Award for the Best Digital Campaign in the Retail Sector - TV
		Bronze Award for the Best Use of Digital in E-Commerce for the Singer.lk 11.11 Campaign
		Silver Award for the Best Use of Performance Marketing for the Singer.lk 11.11 Campaign
	Dragons of Sri Lanka Awards 2025	Silver Award for Washing Machine Campaign "Take A Load Off Her Head" at the Dragons of Sri Lanka Awards 2025
	Effies 2025	Silver Award: Electronics category for the "Singer A/C Off Season" campaign.
		Artificial Intelligence category for the "HONOR AI Valentine's Love Song" campaign.
		Home Furnishings & Appliances category for the "Take the Load Off Her Head" campaign.
		Finalist awards: Electronics category: HONOR 200 Series Launch | New Product or Service category: Nuublympics 2024
	SLIM Brand Excellence 2025	HONOR awarded the Best New Entrant Brand of the Year 2025
	SAFA Best Presented Annual Reports Awards	Gold Award in the Service (Excluding Financial Services & Communication & IT Sector) at SAFA Best Presented Annual Reports Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2024
	TAGS Awards 2025	Gold Award in the Trading Companies category at the TAGS Awards 2025
	Best Corporate Citizen Sustainability Awards 2025	Retail Sector Winner Award at the Best Corporate Citizen Sustainability Awards 2025
	Brand Finance's Top 100 Most Valuable Sri Lankan Brands 2025	Ranked 17th position and a AAA rating among Brand Finance's Top 100 Most Valuable Sri Lankan Brands 2025
	The Top 20 Most Respected Entities in Sri Lanka for 2025 by LMD	Ranked 16th position among The Top 20 Most Respected Entities in Sri Lanka for 2025 by LMD (Positioned 36th in 2024)
	LMD (Most Respected Consumer Durables Sector in Sri Lanka)	Winner Consumer Durables Sector in Sri Lanka for 2025 by LMD (Most Respected Consumer Durables Sector in Sri Lanka)

	Award Title	Award Desciption
Transportation and Logistics	Top Agent Award 2024/2025 – Singapore Airlines	Top Agent Award 2024/2025
	South Asian Travel Awards 2025	Gold Award – Leading Travel Agent (Outbound)
	Sri Lanka–Germany Business Council	Appointment as President – Mr. Gerard Victoria, Group Management Committee Member, Advantis Group & Director/CEO, Advantis Travel & Aviation
	Qatar Airways FY 2024/2025	Silver Award – Best Corporate Travel Agent Outstanding Performance Award – Top 10 Performer
	DEI Champion Awards 2025 – Ceylon Chamber of Commerce	Youth Inclusive Hiring Champion – Corporate Sector
	ACCA Tutor & Employer Recognition Ceremony 2025 – ACCA	Top 10 Employability Partner
	CMA Excellence in Integrated Reporting Awards 2025 – CMA Sri Lanka	Best Integrated Report – Transportation & Logistics Sector
	Great HR Awards 2025 – CIPM Sri Lanka	Winner – Shipping, Logistics and Transport Sector
	SLTC Research & Innovation Awards 2025 – Sri Lanka Technology Campus	Outstanding Research Collaboration Award – Energy, Electronics & Engineering Research Category (Advantis Bunkering – Green Ignitions Team)
	Most Awarded Special Edition 2025 – LMD Magazine	Sector Winner – Transport and Logistics Sector
	TAGS Annual Report Awards 2025 (60th Edition) – CA Sri Lanka	Top Honours – Service Organisations Category (9th Consecutive Year)
		Special Awards – Sustainability Reporting, Integrated Reporting & Corporate Governance (Non-Financial Services Sector)
	ACCA Sustainability Reporting Awards 2025 – ACCA Sri Lanka	Winner – Non-Financial Services Category
	NCE Export Awards 2025 – National Chamber of Exporters (NCE)	Gold Award – Logistics Services Sector, Extra Large Category (Advantis Freight Solutions)
	Depot of the Year Award 2024 – Maersk Line	Depot of the Year 2024 – IME Region (LIL)
	Singapore Airlines Top Agent Award 2024/2025 – Singapore Airlines	Top Agent Award 2024/2025 (4th Consecutive Year) – Advantis Express
	NCE 30th Annual General Meeting 2025 – National Chamber of Exporters of Sri Lanka (NCE)	Veteran Member Award – Advantis Express
	Best Workplaces in Sri Lanka – Great Place to Work® Sri Lanka	Most Prestigious Recognition – Listed among Sri Lanka's Best Workplaces for 10 Consecutive Years (Advantis Express)
	Best Workplaces in Sri Lanka – Great Place to Work® Sri Lanka	Top Employer – Small Category (Advantis Express)
	Great HR Awards 2025 – CIPM Sri Lanka	Excellence Award – Transport and Logistics Sector (Advantis Express)
	Best Workplaces in Asia 2024 – Great Place to Work Asia	Ranked no.61 – Best Workplaces in Asia 2024 (Advantis Express)
	ISO 9001:2015 Re-Certification (2025–2028) – IRClass Systems and Solutions Pvt. Ltd., India	ISO 9001:2015 Re-Certification – Advantis Express
	Presidential Export Awards 2024/25 (27th Edition)	Merit Award – Marine & Offshore Services Category
		Merit Award – Service Triumph | Air Freight Import Operations Team
	Inter Asia	Best Shipping Agent in Customer Service Colombo – Inter Asia Trade
	Indian Sub Continent Trade	Best Shipping Agent in Customer Service Colombo – Indian Sub Continent Trade
	Presidential Export Awards 2024/25 (27th Edition)	Best Exporter Award – Hub Operations and Entrepot Trade | Sectoral Awards Category
	NCE Export Awards – National Chamber of Exporters (NCE)	Silver Award – Logistics Service Sector, Large Category
	CILT Sri Lanka Awards 2025 – Chartered Institute of Logistics and Transport (CILT) Sri Lanka	Continuous Improvement – Medium Scale Runner-Up (Advantis Project Logistics)
	Best Management Practices Company Award 2026	Winner – Transport, Logistics & Related Services Sector (Advantis Project Logistics)
	Great Place to Work Certification	GPTW Certification – Advantis India
Leisure	Culinary Art Food Expo 2025	8 Awards including gold, silver and bronze
		Project Turning point award
		Employee of the Year- Front of the House
		Employee of the Year- Heart of the House
	South Asian Travel Award	Winner - Leading Family Resorts
Energy, Mobility & Projects	CNCI Achiever Awards 2025 – CNCI	Bronze Award - National Level Service Sector – Medium Category
	Excellent Distributor Award 2024 – Guangzhou DSPPA Audio Co., Ltd.	Excellent Distributor Award
	SLIM Digis 2.5 – SLIM	Best Use of Digital in a Marketing Campaign - Energy Peremuna Election Campaign
	Lanka Business Awards 2025 – Business World International Organisation (BWIO) Sri Lanka	Large Business of the Year Award - Construction/Projects and Engineering Sector
	Eguardian Click 2025 – Eguardian	Safetica Mid-Enterprise Partner of the Year
		Fortinet Operational Technology (OT) Partner of the Year
	Great HR Awards 2025	Excellence Award - Best Employer for Diversity & Inclusion
	Great HR Awards 2025	Runner-Up - Construction & Engineering Sector
	World Business Outlook Awards 2025	Best Integrated Solutions Provider in Engineering Services – Sri Lanka

Awards and Recognition

	Award Title	Award Desciption
	Best Corporate Citizen Sustainability Awards 2025	Winner - Construction Sector
	CMA Awards 2025 – CMA	Top Ten Best Integrated Reports
	SLIM Brand Excellence 2025 – SLIM	Bronze – B2B Brand of the Year (Hayleys Fentons)
		Bronze – Green Brand of the Year (Hayleys Solar)
	National Project Management Excellence Awards 2025	Gold – Best Managed Project
		Gold – Best Project Management Organisation
		Best Managed Project: Infrastructure Development (Medium Scale), Power & Energy, Green Innovation, Construction, Marketing & Advertising, Digitisation
	CNCI Achiever Awards 2025 – CNCI	Silver Award - National Level Service Sector – Extra Large Category
	IESL Techno 2025 Awards Ceremony – IESL	Bronze Award
	Connex Cyber Quiz 2.0	Cyber Champions of the Digital Battlefield
	SAFA Best Presented Annual Report Awards – SAFA	Bronze Award - Top Three – Infrastructure & Construction Sector
	SLT-MOBITEL Joining Forces 2025	Winner - Regional Reach
		Runner-up - Excellence in Sales Revenue
	Electro Mechanical Projects Awards 2022/2023	National Recognition for Construction Excellence
	CLA Great Manager Awards 2025	Company with Great Managers (8 Individual Manager Recognitions)
	Best Management Practices Company Awards 2026	Top 40 – Forty Outstanding Companies
		Winner - Construction, Fabrication, Condominium & Real Estate
		Winner - Project Engineering
		Winner - Power & Energy – Renewable (Solar and Wind)
		1st Runner-up - Cluster Award: Digital Literacy
		1st Runner-up -UN Sustainability Goals–Led Initiatives
	ACCA Approved Employer Status – ACCA	Approved Employer Status
	ACCA Sri Lanka Sustainability Reporting Awards 2025 – ACCA Sri Lanka	Winner - Retail & Trading Category
	CA TAGS Awards 2025 – CA Sri Lanka	Gold - Constructions & Related Services Companies
		Certificate of Recognition - Integrated Reporting
		Certificate of Recognition - Corporate Governance Disclosure - Non-Financial Services
		Certificate of Recognition - Digitally Transformative Reporting
		Certificate of Recognition - Sustainability Reporting
	NCE Export Awards 2025 – NCE	Gold Award - Electrical and Electronic Sector
	Hayleys Chairman's Awards 2025 – Hayleys	Winner: Major MEP Irrigation and Softscape Project
		Merit: Rooftop Solar PV System Project
	Plexus Inspire 2025 – Plexus Global Pvt Ltd	Outstanding Partner of the Year (Fortinet) Best Partner – BFSI Business (Fortinet) Strategic Alliance Partner of the Year (HPE Aruba) Technical Excellence – Pre-Sales Engineer of the Year: Kanchana Galappaththi (HPE Aruba)
	CNCI Achiever Awards 2025 – CNCI	Bronze Award - National Level Service Sector – Extra Large Category
	CNCI Achiever Awards 2025 – CNCI	Merit Award - National Level Service Sector – Extra Large Category
	CNCI Achiever Awards 2025 – CNCI	Merit Award - National Level Service Sector – Small Category
Tea Exports	CPM Best Management Practices Company Awards 2025	Merit award
	Sri Lanka International Quality Award -	Recognition
	APQO International Best Practice (AIBP) 2025	Gold - Innovative Process Improvement to Cater Customer Requirements
	The Chairman's Award	Sector Winner
	The Great Manager's Award	Winner
Others	CA Sri Lanka TAGS Awards 2024.5	Gold-Overall Excellence in Corporate Reporting
		Gold-Sustainability Reporting
		Gold - Integrating Reporting
		Gold - Corporate Governance Disclosure (Non-Financial Services)
		Gold - Diversified Holdings companies with Turnover in excess of Rs. 50 bn
		Silver - Digitally Transformative Reporting
	ACCA Sustainability Reporting Awards 2025	Overall Winner
		Winner- Diversified Category
		Winner-Special Award- Risk Management Reporting
	EFC National Best Employer Awards 2025 - Employers' Federation of Ceylon (EFC).	Top 10 National Best Employers
	ACCA Sri Lanka	Top 10 Employability Partner

Glossary of Financial Terms

Actuarial Gains and Losses

Gain or loss arising from the difference between estimates and actual experience in a company's pension plan.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Available for Sale

Non derivative financial asset that are designated as available for sale or are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

Biological Asset

A living animal or plant

Capital Employed

Shareholders' funds plus non-controlling interests and interest bearing borrowings.

Capital Reserves

Reserves identified for specific purposes and considered not of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity available for distribution.

Cash Equivalents

Liquid investments with original maturity periods of three months or less.

Contingent Liability

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Current Ratio

Current assets divided by current liabilities. A measure of liquidity.

Current Service Cost

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Deferred Taxation

The tax effect of timing differences deferred to/from other periods, which would only qualify for inclusion on a tax return at a future date.

Dividend Cover

Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Payout

Dividend per share as a percentage of the earnings per share.

Dividend Yield

Dividend per share as a percentage of the market price. A measure of return on investment.

DPS

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding. The figure is calculated by dividing the total dividends paid out by a business by the number of outstanding ordinary shares issued.

EBIT

Earnings Before Interest and Tax.

EBITDA

Earnings before interest expense, tax, depreciation and amortisation (includes other operating income). Note that EBITDA includes interest income, fair value gains and losses on investment property and share of results of equity accounted investees, but excludes exchange gains or losses on its foreign currency denominated debt and cash.

Effective Tax Rate

Income tax expense divided by profit before tax.

EPS

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

Equity

The value of an asset after all the liabilities or debts have been paid.

Fair Value

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

Fair Value Through Profit and Loss

A financial asset/liability acquired/ incurred principally for the purpose of selling or repurchasing it in the near term.

Financial Asset

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

Financial Liability

Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Gain on Bargain Purchase

The amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate consideration transferred.

Glossary of Financial Terms

Gearing
Proportion of total interest bearing borrowings to capital employed.

Interest Cover
Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Key Management Personnel (KMP)
KMP are those persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

Market Capitalisation
Number of shares in issue multiplied by the market value of a share at the reported date.

Net Assets Per Share
Total equity attributable to equity holders divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Non-controlling Interest
Equity in subsidiary not attributable, directly or indirectly, to a parent.

Other comprehensive income
An entry that is generally found in the shareholders' equity section of the balance sheet.

Price Earnings Ratio
Market price of a share divided by earnings per share as reported at that date.

Related Parties
A person or entity that is related to the entity that is preparing its Financial Statements.

Return on Capital employed
Profit before tax and net finance cost divided by average capital employed.

Revenue Reserves
Reserves considered as being available for distributions and investments.

Segments
Constituent business units grouped in terms of similarity of operations and location.

SoRP
Statement of Recommended Practice.

Value Addition
The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of materials and services bought in.

Working Capital
Capital required to finance day- to-day operations, computed as the excess of current assets over current liabilities.

Surcharge Tax
Surcharge Tax has been calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, which exceeds Rs. 2.00 bn, for the year of assessment 2020/2021.

Climate-related scenario analysis
A process for identifying and assessing a potential range of outcomes of future climate relted events under conditions of uncertainty.

Sustainability-related risks and opportunities (SRRO)
Risks and opportunities that arise from sustainability-related events that could reasonably be expected to affect the entity's financial performance, position and prospects

Climate-related risks and opportunities (CRRO)
Risks and opportunities that arise from climate-related events that could reasonably be expected to affect the entity's financial performance, position and prospects

Scope 1 and Scope 2
The Green House Gas (GHG) Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2 and Scope 3. The GHG emissions standard published by the International Organisation for Standardisation (ISO), 'ISO 14064', represents these classifications of Scope with the following terms:

1. Direct GHG emissions = Scope I
2. Indirect Energy GHG emissions = Scope 2

Taskforce on Nature-related Financial Disclosures (TNFD)
It is a global framework that helps organizations identify, assess, manage, and disclose nature-related dependencies, impacts, risks, and opportunities. TNFD is similar in concept to climate-related disclosure frameworks but focuses on biodiversity, ecosystems, water, land use, and other nature-related issues.

SLFRS
Sri Lanka Financial Reporting Standards (SLFRS) refer to the Sri Lanka Accounting Standards corresponding to the International Financial Reporting Standards (IFRS), which provide the framework for financial statements ensuring consistency with global standards.

SLFRS S1
Disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term.

SLFRS S2
Requires the disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, its access to finance or cost of capital over the short, medium or long term.

Annexures

BASIS OF PREPARATION OF CONSOLIDATED STATEMENT OF ESG PERFORMANCE

General standards of reporting: The Group's ESG disclosures are in line with the requirements of GRI Standards, Integrated Reporting Framework, SLFRS S1 and S2 Disclosures, selected SASB standards, Taskforce on Nature-related Financial Disclosures as well as the CDSB Guidance on Water and Nature related Disclosures.

Materiality: In assessing whether a disclosure is sufficiently material to be included in the Group's Statement of ESG Performance, the management considers its potential on the Group's ability to create value in the short, medium and long-term and the extent of its social and environmental impacts.

Principles of consolidation: Environmental disclosures including energy consumption, emissions, water and waste covers all Group-wide manufacturing sites, plantations, corporate offices and other sites. Social and governance-related disclosures also relate to the Hayleys Group comprising all entities controlled by the Group.

Computation methods

Environmental indicators

Energy: Energy consumption is measured as consumption of electricity, fuel, steam and heat. Key sources of fuel are furnace oil, diesel, LPG and marine gas oil among others. The estimated fuel purchasing resulting from the Group's fuel allowance for selected employee categories is also included in the energy consumption. The fuel consumed through Renewable energy sources include biomass, as well as renewable energy generated through hydro and solar power and consumed by the organisation. Energy consumption is measured through meter readings and invoices.

Water: Water consumption is measured using meter readings and water bills provided by utility providers. Key sources include surface water, municipal lines, ground water, rainwater and purchased drinking water which is used for manufacturing and industrial processes, cooling and heating processes and cleaning and sanitation among others.

Emissions: Scope 1 comprise direct CO2, CH4 and N2O emissions stemming from sources that are owned or controlled by the Hayleys Group. This includes emissions from stationary combustion, mobile consumption and fugitive emissions and represents the combustion of fuel sources such as furnace oil, diesel, kerosene (among others) as well as fuel consumption in company owned vehicles and through fuel allowances paid by the organisation to employees. Fugitive emissions consists of emissions from refrigerants, fire extinguishers and waste water treatments.

Scope 2 emissions comprise CO2 emissions from purchased electricity. The emission factors represent the grid emission factors in the respective countries of operations.

Scope 3 emissions: As a minimum standard all sectors within the Group have reported 7 out of the 15 scope 3 emission categories defined by the GHG protocol as relevant. These categories are capital goods, fuel-energy related services, upstream transportation and distribution, downstream transportation and distribution, waste generation employee commuting and business air travel. As detailed on page 182, selected sectors have reported a wider coverage of scope 3 emissions, based on industry requirements and commitments for emission reduction. Given the complexity of the Group, Hayleys is adopting a staggered approach in obtaining full coverage of all 15 categories across the entire Group

Waste: Key types of waste generated include industrial hazardous waste, ETP sludge, mixed waste and solid waste which is recovered or disposed in multiple methods. Non-hazardous waste includes cardboard, polythene, food waste and other types of methods which are disposed in multiple ways. The weight of waste is measured at the point of generation.

Social indicators

Employees: The total number of employees represents the headcount of all employees at year-end including permanent employees, fixed-term contract employees, casual employees and trainees. The headcount excludes employees who are not eligible for statutory retirement benefits by the organisation (outsourced employees, sub-contractors, interns). Employees are attributed to their geographical regions based on the location of their primary workplace across the Group's functions. Employee data is based on the information obtained from the Group's HR and Sustainability Information Reporting systems.

Workplace injuries: Prevalence of workplace injuries and accidents is measured through internal reporting mechanisms across all operating locations. Injuries are defined primarily as first-aid cases while occupational injuries are those resulting in lost working days.

Training: Training hours that employees have undergone during the reporting period including externa, internal and overseas training are reported based on gender and employee category.

Research and Development: Investment in R&D represents the operational and capital expenditures incurred in the process of creating and developing new products or services. Records of revenue generated through new products and services are maintained by each Sector and reported accordingly.

Community engagement: Community engagement programmes are defined as initiatives that aim to minimise, mitigate or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community. When reporting number of beneficiaries, if the direct number is unavailable beneficiaries are reported based on defined assumptions.

Annexures

Suppliers: An organisation or person that provides a product or service used in the organisation's supply chain which includes (but is not limited to) manufacturers, wholesalers, contractors, manufacturers, distributors, consultants and brokers among others. Supplier size is determined based on the definition of the Ministry of Industries which uses the metrics of number of employees, annual turnover and total investment in defining size. Supplier development entails training on product enhancement, cost reduction, efficiency improvements and health and safety aspects among others.

ESG REPORTING FRAMEWORKS INDEX

We continue to focus on streamlining our reporting, in line with the developments in global reporting frameworks. Our reporting strategy is based on a double materiality lens, and we have adopted the GRI Standards as the primary framework to report on material topics with high impact materiality. Having voluntarily adopted the SLFRS S1 and S2 Standards in 2023/24, we hope to fully align with the requirements of the S1 and S2 Standards in reporting on financially material sustainability topics. Aligned to this aspiration, we have strengthened disclosures of the Group's primary SRROs under the four pillars of governance, strategy, risk management and metrics & targets. As recommended in SLFRS S1 Standard we have adopted other reporting frameworks such as SASB and CDSB to report on SRROs for which the IFRS Sustainability Disclosure Standards are yet to be released. The composite ESG Reporting Frameworks Index below provides an overview of our SLFRS S1 and S2 disclosures and connectivity to the other reporting frameworks that have been adopted.

		SLFRS S1	SLFRS S2	SASB	Other frameworks	Pages
For all SRROs						
Governance approach	Governance processes, controls and procedures the organisation uses to monitor and manage selected CRROs and SRRO's and management's role	S1.27 (a) (b)	S2.6			144
Risk Management	Processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks Extent to which this process is integrated into overall risk management	S1.44 (a), (b), (c)	S2.25(a)(b) S2.25(c)			178
Physical Climate risks- CRRO 1/CRRO 2						
Strategy	CRROs that could reasonably be expected to affect the organisation's prospects Impacts on business model and value chain Impacts on strategy and decision-making Financial effects of the SRROs Resilience		S2.10 (a)(b)(c)(d) S2.13 (a)(b) S2.14 (a)(b)(c) S2.15(a)(b) S2.16(a)(b)(c)(d) S2.17 S2.22 (a)(b)			150 - 169 171
Metrics and targets	Greenhouse gases • Scope 1 • Scope 2 • Scope 3 Approach to measurement Disaggregation between consolidated group and other entities Exposure to CRROs Climate-related targets and performance against targets		S2.29 (a) S2.29 (a) S2.29 (b,c,d) S2.33 S2.34			182 186

		SLFRS S1	SLFRS S2	SASB	Other frameworks	Pages
PLANTATIONS: (SASB Standard: Agricultural Products)						
	Gross global Scope 1 emissions			FB-AG-110a.1		184
	Discussion to manage scope 1 emissions			FB-AG-110a.2		184
	Operational energy consumption • % grid electricity • % renewable			FB-AG-130a.1		184
	Total water withdrawal • % from high/extremely high stress**			FB-AG-140a.1		184
	Description of water management risks			FB-AG-140a.2		184
	Incidents of non-compliance related to water quantity/quality			FB-AG-140a.3		184
Transition-related climate risks- CRRO 3						
Strategy	CRROs that could reasonably be expected to affect the organisation's prospects Impacts on business model and value chain Impacts on strategy and decision-making Financial effects of the SRROs Resilience		S2.10 (a)(b)(c)(d) S2.13 (a)(b) S2.14 (a)(b)(c) S2.15(a)(b) S2.16(a)(b)(c)(d) S2.17 S2.22 (a)(b)			153
Textiles (SASB Standard: Apparel, Accessories & Footwear)						
	Amount of priority raw materials purchased (MT) and certified % • Cotton • Polyester • Dyes and Chemicals			CG-AA-440a.2		184
Hand Protection (SASB Standard: Household & Personal Products)						
	Total water withdrawn Total water consumed, Percentage withdrawn from High or Extremely High Baseline Water Stress**			CG-HP-140a.1		185
Purification (SASB Standard: Chemicals)						
	Gross global Scope 1 emissions Coverage of emission-limiting regulations			RT-CH-110a.1		185
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions			RT-CH-110a.2		185
	Total energy consumed Renewable energy Grid electricity Self-generated energy			RT-CH-130a.1		185

Annexures

		SLFRS S1	SLFRS S2	SASB	Other frameworks	Pages
	Total water withdrawn Total water consumed Percentage of each in regions with High or Extremely High Baseline Water Stress			RT-CH-140a.1		
	Number of incidents of non-compliance relating to water			RT-CH-140a.2		
Transportation & Logistics (SASB Standard: Marine Transportation)						
	Gross global Scope 1 emissions			TR-MT-110a.1		185
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions (1) Total energy consumed (2) percentage heavy fuel oil (3) percentage renewable			TR-MT-110a.2 TR-MT-110a.3		185
SRRO #1: ECOLOGICAL IMPACTS						
Strategy	SRROs that could reasonably be expected to affect the organisation's prospects Impacts on business model and value chain Impacts on strategy and decision-making Financial effects of the SRROs		S1.30 S1.32 S1.33 S1.34			187
Metrics and Targets	Total rehabilitated/restored area (km2)				TNFD: A.12	187
	Water withdrawal and consumption(m3) from areas of water scarcity, including identification of water source				TNFD: A.7.1 TNFD: A.7.2	187
	Weight of hazardous and non-hazardous waste sent to landfill					187

Directors' details of Directorships held in Sri Lanka

Mr. A. M. Pandithage
Chairman & Chief Executive

Total directorships: 156

Listed Companies;
Executive: 12 and Non-Executive: 01

Unlisted Companies;
Executive: 132 and Non-Executive: 11

Listed Companies

Executive

Hayleys PLC
Haycarb PLC
Dipped Products PLC
Singer (Sri Lanka) PLC
Hayleys Fabric PLC
Hayleys Fibre PLC
The Kingsbury PLC
Hayleys Leisure PLC
Talawakelle Tea Estates PLC
Kelani Valley Plantations PLC
Horana Plantations PLC
Alumex PLC

Non-Executive

Diesel & Motor Engineering PLC

Unlisted Companies

Executive

Hayleys Group: 132 Companies

Non-Executive

Sojitz Kelanitissa (Private) Limited
Joule Power (Pvt) Ltd
Beta Power (Pvt) Ltd
Ocean Network Express Lanka (Pvt) Ltd
The Beach Resorts Limited
Delmege Forsyth and Co. (Exports) (Private) Limited
Delmege Coir (Private) Limited
Delmege Forsyth and Company (Shipping) Limited
Delmege Freight Services (Private) Limited
Lewis Shipping (Private) Limited
Lewis Brown Air Services (Private) Limited

Mr. K. D. D. Perera
Co-Chairman & Non-Executive Director

Total directorships: 07

Listed Companies;
Executive: NIL and Non-Executive: 05

Unlisted Companies;
Executive: 01 and Non-Executive: 01

Listed Companies

Non-Executive

Hayleys PLC
Vallibel One PLC
Royal Ceramics Lanka PLC
Lanka Tiles PLC
Lanka Wall Tiles PLC

Unlisted Companies

Executive

Dhammika and Priscilla Perera Foundation

Non-Executive

Summer Season Limited

Mr. S. C. Ganegoda
Executive Director

Total directorships: 68

Listed Companies;
Executive: 02 and Non-Executive: 09

Unlisted Companies;
Executive: NIL and Non-Executive: 57

Listed Companies

Executive

Hayleys PLC
Alumex PLC

Non-Executive

Haycarb PLC
Dipped Products PLC
Hayleys Fibre PLC
Kelani Valley Plantations PLC
Horana Plantations PLC
Hayleys Fabric PLC
Singer (Sri Lanka) PLC
The Kingsbury PLC
Hayleys Leisure PLC

Unlisted Companies

Non-Executive

Hayleys Group: 57 Companies

Mr. H. S. R. Kariyawasan
Executive Director

Total directorships: 18

Listed Companies;
Executive: 03 and Non-Executive: 01

Unlisted Companies;
Executive: 04 and Non-Executive: 10

Listed Companies

Executive

Hayleys PLC
Haycarb PLC
Dipped Products PLC

Non-Executive

Hayleys Fibre PLC

Unlisted Companies

Executive

Hayleys Group - 04 Companies

Non-Executive

Hayleys Group - 10 Companies

Dr. H. Cabral, PC
Non-Executive Director

Total directorships: 16

Listed Companies;
Executive: NIL and Non-Executive: 05

Unlisted Companies;
Executive: NIL and Non-Executive: 11

Listed Companies

Non-Executive

Hayleys PLC
Alumex PLC
Diesel and Motor Engineering PLC
Chevron Lubricants Lanka PLC
Tokyo Cement Company (Lanka) PLC

Directors' details of Directorships held in Sri Lanka

Unlisted Companies

Non-Executive

Tokyo Super Cement Company Lanka (Private) Limited
Tokyo Cement Power Lanka (Private) Limited
Tokyo Eastern Cement Company (Private) Limited
Tokyo Super Aggregate (Private) Limited
Tokyo Supermix (Private) Limited
Ceylinco Life Insurance Limited
Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT)
SLIIT International (Private) Limited
Nanadiriya (Guarantee) Limited
National Savings Bank
CCC-ICLP International ADR Centre (Guarantee) Limited

Mr. L. R. V. Waidyaratne

Executive Director

Total directorships: 46

Listed Companies;
Executive: 01 and Non-Executive: NIL

Unlisted Companies;
Executive: 45 and Non-Executive: NIL

Listed Companies

Executive

Hayleys PLC

Unlisted Companies

Executive

Hayleys Group - 45 Companies

Mrs. J. Dharmasena

Executive Director

Total directorships: 10

Listed Companies;
Executive: 01 and Non-Executive: NIL

Unlisted Companies;
Executive: 09 and Non-Executive: NIL

Listed Companies

Executive

Hayleys PLC

Unlisted Companies

Executive

Hayleys Group: 09 Companies

Mr. R. J. Karunarajah

Executive Director

Total directorships: 14

Listed Companies;
Executive: 03 and Non-Executive: 01

Unlisted Companies;
Executive: 08 and Non-Executive: 02

Listed Companies

Executive

Hayleys PLC
Hayleys Leisure PLC
The Kingsbury PLC

Non-Executive

The Fortress Resorts PLC

Unlisted Companies

Executive

Hayleys Group - 08 Companies

Non-Executive

Summer Seasons (Pvt) Ltd
Greener Waters (Pvt) Ltd

Mr. K. D. G. Gunaratne

Non-Executive Director

Total directorships: 10

Listed Companies;
Executive: NIL and Non-Executive: 06

Unlisted Companies;
Executive: 01 and Non-Executive: 03

Listed Companies

Non-Executive

Hayleys PLC
Dipped Products PLC
Horana Plantations PLC
Swisstek (Ceylon) PLC
Vallibel Power Erathna PLC
East West Properties PLC

Unlisted Companies

Executive

Lanka Hotels and Residencies (Pvt) Ltd

Non-Executive

Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT)
Hiru Rice Products (Private) Limited
College of Fashion and Design (Pvt) Ltd

Mr. T. A. B. Speldewinde

Independent Non-Executive Director

Total directorships: 10

Listed Companies;
Executive: NIL and Non-Executive: 09

Unlisted Companies;
Executive: 01 and Non-Executive: NIL

Listed Companies

Non-Executive

Hayleys PLC
Dipped Products PLC
Horana Plantations PLC
Haycarb PLC
Hayleys Fabric PLC
The Kingsbury PLC
Ceylon Grain Elevators PLC
Three Acre Farms PLC
WealthTrust Securities PLC

Unlisted Companies

Executive

Contemporary Ceylon (Pvt) Ltd

Mr. P. Y. S. Perera

Senior Independent Director

Total directorships: 09

Listed Companies;
Executive: NIL and Non-Executive: 08

Unlisted Companies;
Executive: NIL and Non-Executive: 01

Listed Companies

Non-Executive

Hayleys PLC
Haycarb PLC
Dipped Products PLC
E B Creasy & Company PLC
Commercial Bank of Ceylon PLC
Overseas Realty (Ceylon) PLC
Laxapana PLC
Muller & Phipps (Ceylon) PLC

Unlisted Companies

Non-Executive
World Vision Lanka (Guarantee) Limited

Mr. A. J. Alles
Independent Non-Executive Director

Total directorships: 12

Listed Companies;
Executive: NIL and Non-Executive: 09

Unlisted Companies;
Executive: 01 and Non-Executive: 02

Listed Companies

Non-Executive

Hayleys PLC
Alumex PLC
Singer (Sri Lanka) PLC
The Kingsbury PLC
Singer Finance (Lanka) PLC
United Motors Lanka PLC
Ceylon Beverage Holdings PLC
Lion Brewery (Ceylon) PLC
Vallibel One PLC

Unlisted Companies

Executive

New Wave Consultants (Private) Limited

Non-Executive

Laugfs Holdings Limited
D H T Cement (Private) Limited

Mrs. S. R. Fernando
Independent Non-Executive Director

Total directorships: 02

Listed Companies;
Executive: NIL and Non-Executive: 02

Unlisted Companies;
Executive: NIL and Non-Executive: NIL

Listed Companies

Non-Executive

Hayleys PLC
Diesel & Motor Engineering PLC

Corporate Information

Name of Company

Hayleys PLC
(A public limited company, incorporated in Sri Lanka in 1952)

Company Number

PQ 22

Stock Exchange Listing

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

Registered Office

Hayleys Building,
P.O. Box 70, 400, Deans Road,
Colombo 10, Sri Lanka
Telephone: (94-11)2627000
Facsimile: (94-11)2699299
Website: http://www.hayleys.com

Directors

A. M. Pandithage - Chairman & Chief Executive
K. D. D. Perera - Co-Chairman
S. C. Ganegoda
H. S. R. Kariyawasan
Dr. H. Cabral, PC
L. R. V. Waidyaratne
Ms. J. Dharmasena
R. J. Karunarajah
K. D. G. Gunaratne
T. A. B. Speldewinde
P. Y. S. Perera (appointed as the Senior Independent Director on 15.09.2025)
A. J. Alles
Ms. S. R. Fernando (appointed on 17.09.2025)
M. Y. A. Perera (resigned w.e.f. 15.09.2025)

Group Management Committee

A. M. Pandithage - Chairman & Chief Executive
S. C. Ganegoda
H. S. R. Kariyawasan
L. R. V. Waidyaratne
Ms. J. Dharmasena
Dr. W. G. R. Rajadurai
E. R. P. Goonethileke
Ms. D. Talpahewa
N. R. Ranatunge
D. W. P. N. Dediwela
H. Prematillake
M. H. Wijewardene
R. J. Karunarajah
J. A. W. M. Jayasekara
R. H. P. Janadheera
T. M. Hewagama
C. De Silva (appointed on 01.10.2025)
B. Balaratnarajah (appointed on 01.04.2026)
K. R. Rajapakse (appointed on 01.04.2026)
M. M. A. R. P. Goonetileke (retired w.e.f. 31.03.2026)

Audit Committee

P. Y. S. Perera (appointed as the Chairman of the Committee on 15.09.2025)
Dr. H. Cabral, PC
K. D. G. Gunaratne
T. A. B. Speldewinde
A. J. Alles
M. Y. A. Perera (resigned w.e.f. 15.09.2025)

Remuneration Committee

P. Y. S. Perera (appointed as the Chairman of the Committee on 15.09.2025)
Dr. H. Cabral, PC
K. D. G. Gunaratne
T. A. B. Speldewinde
A. J. Alles (appointed to the Committee on 15.09.2025)
M. Y. A. Perera (resigned w.e.f. 15.09.2025)

Nominations and Governance Committee

P. Y. S. Perera (appointed as the Chairman of the Committee on 15.09.2025)
Dr. H. Cabral, PC
K. D. G. Gunaratne
T. A. B. Speldewinde
A. J. Alles (appointed to the Committee on 15.09.2025)
M. Y. A. Perera (resigned w.e.f. 15.09.2025)

Related Party Transactions Review Committee

T. A. B. Speldewinde (appointed as the Chairman of the Committee on 15.09.2025)
P. Y. S. Perera (stepped down as the Chairman of the Committee on 15.09.2025)
Dr. H. Cabral, PC
K. D. G. Gunaratne
A. J. Alles (appointed to the Committee on 15.09.2025)
M. Y. A. Perera (resigned w.e.f. 15.09.2025)

Secretaries

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: (94-11)2627650
E-mail: info.sec@hayleys.com
Please direct any queries about the administration of shareholdings to the Company Secretaries .

Investor Relations

Please contact Strategic Business Development Unit
Telephone: (94-11)2627662
E-mail: info@cau.hayleys.com

Notes

Notes

Notice of Meeting

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FIFTH (75TH) ANNUAL GENERAL MEETING OF HAYLEYS PLC will be held on Tuesday, 30th June 2026 at 1.00 p.m. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10, for the following purposes:

1. To consider and adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.
2. To re-elect as a Director Mrs. S. R. Fernando, who was appointed as an Independent Non-Executive Director by the Board, in terms of Article 27(2) of the Articles of Association of the Company.
3. To re-elect as a Director Mr. K. D. G. Gunaratne, who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.
4. To re-elect as a Director Mrs. J. Dharmasena, who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.
5. To re-elect as a Director Mr. T. A. B. Speldewinde, who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.
6. To re-elect as a Director Mr. P. Y. S. Perera, who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.
7. To propose the following resolution for the re-appointment of Mr. A. M. Pandithage in terms of Section 211 of the Companies Act No. 07 of 2007.

   Ordinary Resolution

   'That Mr. Abeyakumar Mohan Pandithage, who is over the age of seventy years, be and is hereby re-appointed as a Director until the next Annual General Meeting and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to him'.
8. To authorise the Directors to determine donations and contributions to charities for the ensuing year.
9. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.
10. To consider and if thought fit, to pass the following Special Resolution to amend the existing Article 50(1) in the Articles of Association of the Company;

Special Resolution (1)

IT IS HEREBY RESOLVED THAT Article 50 (1) of the Articles of Association of the Company be amended by the inclusion of the following paragraph at the end of Article 50 (1);

The Company may serve any notice or document by electronic mail to an electronic mail account notified by a shareholder in writing or by any other acceptable means to the Company or to the Central Depository System (Pvt) Ltd. Where electronic mail is used, the notice or document shall be deemed to have been received by the shareholder upon the dispatch of same by the Company or by the Central Depository System (Pvt) Ltd, through electronic mail.

By Order of the Board,

HAYLEYS PLC



Amali Munasinghe Peiris
Director
HAYLEYS GROUP SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
02nd June 2026

Notice of Meeting

Notes to shareholders:

1. A Shareholder is entitled to appoint a proxy to attend and vote instead of him/her and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.
2. The Annual Report of the Company for 2025/26 is available on the corporate website www.hayleys.com/investor-relations and on the Colombo Stock Exchange website - www.cse.lk. If you wish to have a printed copy of the Annual Report, please forward the duly completed 'Request Form - Annexure A' to the office of the Secretaries. A printed copy of the Annual Report will be forwarded within 8 market days from the date of receiving the Request Form.
3. You may contact the undernoted person for any requests and queries.

   Contact Person : Vajira Perera
   Contact Number : +94 11 2627652
   Email Address : vajira.perera@secretarial.hayleys.com
   Mailing Address : Hayleys Group Services (Private) Limited,
   Secretaries for Hayleys PLC,
   No. 400, Deans Road,
   Colombo 10.

Form of Proxy

I/We .....

(full name of Shareholder) NIC No./Reg. No. of Shareholder .....

.....

of .....

being Shareholder/Shareholders of Hayleys PLC hereby appoint:

(1) .....

(full name of Proxyholder) NIC No. of Proxyholder .....

of .....

or, failing him/them

(2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our Proxy to attend and vote as indicated hereunder for me/us and on my/our behalf at the Seventy Fifth Annual General Meeting of the Company to be held on Tuesday, 30th June 2026 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.	☐	☐
2. To re-elect as a Director Mrs. S. R. Fernando, as set out in the Notice.	☐	☐
3. To re-elect as a Director Mr. K. D. G. Gunaratne, as set out in the Notice.	☐	☐
4. To re-elect as a Director Mrs. J. Dharmasena, as set out in the Notice.	☐	☐
5. To re-elect as a Director Mr. T. A. B. Speldewinde, as set out in the Notice.	☐	☐
6. To re-elect as a Director Mr. P. Y. S. Perera, as set out in the Notice.	☐	☐
7. To re-appoint Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.	☐	☐
8. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	☐	☐
9. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.	☐	☐
10. To pass the Special Resolution to amend Article 50(1) of the Articles of Association of the Company as set out in the Notice.	☐	☐

Signed on this ..... day of ..... 2026.

.....

Signature of Shareholder

Form of Proxy

INSTRUCTIONS:

1. The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. Delayed Proxy Forms shall not be accepted.
2. A Shareholder entitled to attend and vote at the Annual 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.
3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Form of Proxy must be dated and signed by the Shareholder.
6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.
7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

Investor Feedback Form

To request information or submit a comment / query to the Company, please complete the following and return this page to -

Strategic Business Development Unit
Hayleys PLC
P.O Box 70 , No.400, Deans Road, Colombo 10, Sri Lanka.

Telephone : (94 -11)262 7662
E-mail : lasantha.somaratne@sbdu.hayleys.com

Name :

Permanent Mailing Address : .....

Contact Numbers - (Tel) : ....
County Code Area Code Number

- (Fax) : ....
County Code Area Code Number

E-mail : .....

Name of Company : .....
(If Applicable)

Designation : .....
(If Applicable)

Company Address : .....
(If Applicable)

Queries / Comments :


The World Of
Hayleys
Since 1878
No.400, Deans Road, Colombo 10, Sri Lanka.
www.hayleys.com