

93

Since 1932
Years

Touching Lives



RICHARD PIERIS & COMPANY PLC
ANNUAL REPORT 2024/2025



For 93 years, our story has been one of vision, commitment, and steady progress.

At Richard Pieris & Company PLC (RPC), we continue to ascend, building on a strong foundation laid decades ago. As we mark our 93rd year, we take pride in how far we have come, from humble beginnings to becoming a trusted name reaching Sri Lankans across the island. Through our products and value-added services, now closely associated with quality and reliability, we remain ever present; touching lives, enriching experiences, and shaping better lifestyles every day.

CONTENTS

Page 04 - 29

OVERVIEW

About the Report	4
About Us	6
Vision and Mission	8
Our History at a Glance	9
Corporate Milestones	10
Chairman's Message	12
Corporate Structure	15
Our People	22
Corporate Social Responsibility	24

Page 30 - 58

FINANCIAL HIGHLIGHTS & SECTOR PERFORMANCE

Financial Highlights	30
Financial Review	32
Sector Reviews - Our Business	34
Statement of Value Added	58

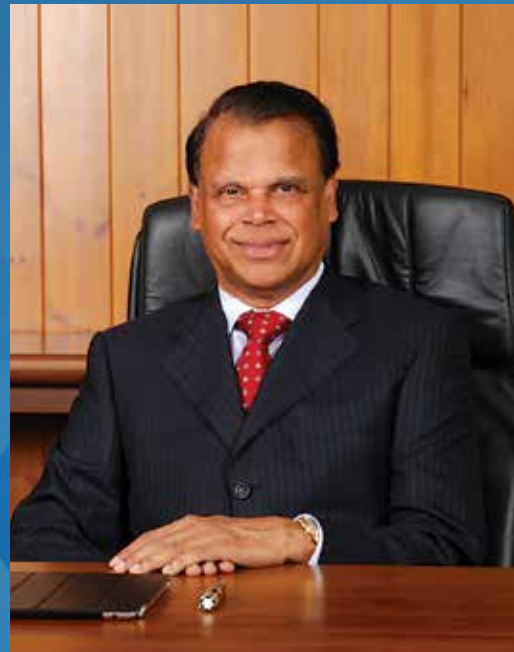
Page 59 - 75

SUSTAINABILITY

Sustainability Integration	59
Value Creation Model	62
Capital Reports	64
SLFRS S1 & S2	75

Page 12

Chairman's Message



As we step into the future, we are hopeful of the opportunities arising from the improved macroeconomic environment. While we look forward to harnessing these new business opportunities, we will continue to work on prudent cost management, process improvements and resource efficiency for the long-term success of the Group.



Page 34

Sectors



Page 59

Sustainability



Page 103

Financial Information



Page 76 - 102

GOVERNANCE

Board of Directors	76
Annual Report of the Board of Directors	80
Corporate Governance	84
Report of the Audit Committee	93
Report of the Remuneration Committee	95
Report of the Related party Transactions Review Committee	96
Report of the Nomination and Governance Committee	97
Statement by the Senior Independent Director	98
Statement of Directors' Responsibility	99
Risk Management	100

Page 103 - 181

FINANCIAL INFORMATION

Independent Auditor's Report	104
Statement of Profit or Loss	108
Statement of Comprehensive Income	109
Statement of Financial Position	110
Statement of Changes in Equity	112
Statement of Cash Flows	113
Notes to the Financial Statements	115

Page 182 - 196

SUPPLEMENTARY INFORMATION

Share Information	182
Ten Year Summary	184
Group Real Estate Portfolio	186
Glossary of Financial Terms	189
Notice of Meeting	191
Notes	192
Form of Proxy	195
Corporate Information	197

ABOUT THE REPORT

Richard Pieris & Company PLC is proud to unveil its Annual Report for the financial year 2024/25. This report is an embodiment of our commitment to delivering sustainable value through innovation, operational excellence, and responsible practices. We strive to present a comprehensive view of our performance, blending financial data with sustainability insights to offer a holistic narrative of our journey.



Scope and Boundary

This report provides a detailed overview of the activities, performance, and strategic direction of Richard Pieris & Company PLC and its subsidiaries for the period 1st April 2024 to 31st March 2025. It spans our six dynamic sectors:



Retail



Tyre



Plastics,
Furniture &
Electronic



Rubber



Plantation



Financial
Services &
Other

Stakeholder Engagement

Engaging with stakeholders is integral to our strategy. This report incorporates feedback and perspectives from:



Shareholders



Customers



Employees



Suppliers



Regulatory
Bodies



Communities

Their insights help shape our actions and define our priorities.

Integrated Reporting Approach

Aligned with the principles of the International Integrated Reporting Framework (), this report highlights:

- **Value Creation Model:** An in-depth visual representation of how our resources, relationships, and strategic initiatives create value.
- **The Six Capitals:** A narrative and data-driven analysis of Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural Capitals.
- **Strategic Alignment with SDGs:** Demonstrating our commitment to global sustainability goals.

Compliance with Standards

The regulatory and voluntarily adopted standards and reporting frameworks are set out below.

- Companies Act No.07 of 2007
- Sri Lanka Accounting and Auditing Standards Act, No.15 of 1995
- Sri Lanka Accounting Standards (LKAS & SLFRS)
- Listing Rules of Colombo Stock Exchange (CSE) and subsequent revisions
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including directives and circulars

Sustainability Highlights

- Reduction in environmental footprint through innovative practices.
- Enhanced employee well-being programs.
- Community upliftment through strategic initiatives.

Accessibility, Digitalization, and Inclusivity

In a bid to enhance accessibility and inclusivity, this year's report introduces:

- **Braille Version:** A first for Richard Pieris & Company PLC, ensuring that visually impaired stakeholders can access key insights from the report. (T&C applied)
- **Digital Integration:** QR codes embedded throughout the report, digital version with hyperlinks, and multimedia content to engage a wider audience.

Assurance and Validation

To ensure the integrity and reliability of the information presented:

- Financial statements have been audited by an independent external auditor.

Our Commitment to Sustainability

- **Value Creation Model:** Showcasing the interplay of the six capitals.
- **Stakeholder Engagement:** Pictorial representations of our diverse interactions.
- *Depicting the integration of our resources and strategies.*
- *Photographs illustrating collaboration with employees, customers, and community partners*



Feedback and Inquiries

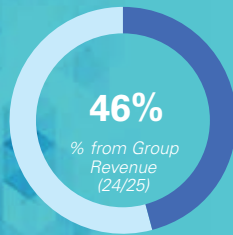
We invite stakeholders to explore this report and share their valuable feedback. Together, we can shape a sustainable and prosperous future.

ABOUT US

OUR CORE BUSINESS



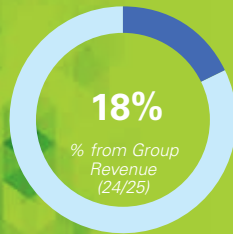
RETAIL SECTOR



Our Retail sector offers a comprehensive range of Household, FMCG, Furniture and Electronics. Arpico retail stores also provide unimaginable convenience with bank service points, ATMs, credit card and mobile bill payment facilities for a truly one-stop shop experience.



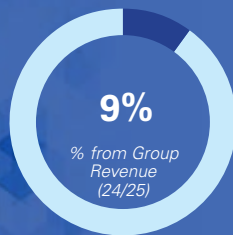
PLANTATION SECTOR



Our Plantation sector, famed in Sri Lanka and overseas, has vast acres of land abundant with Tea, Rubber, Oil palm, Coconut and Spices. We are also the largest Tea/Rubber producer in the country. Our brand of St. Clair's Tea is popular both internationally and domestically.

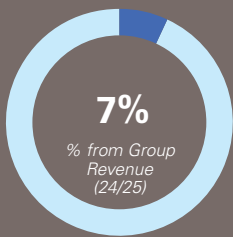


RUBBER SECTOR



Our Rubber sector manufactures Mattresses, Pillows, Rubber Rings, Crutch tips, Shoe soles and Jar rings along with specialty items such as Fire Retardant mats, Electrical safety mats and Anti-static mats. This sector mainly caters to the export market while some products are sold locally. The Arpico Organic Latex Foam (certified by Global Organic Latex Standards), is an exciting product we launched.

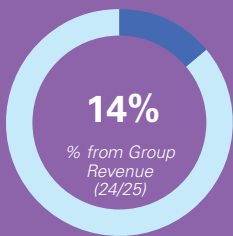
TYRE SECTOR



Our Tyre sector has built up a reputation as the most high quality and reliable Tyre leader in Sri Lanka. As the largest in the business, we are committed to introducing tyre innovations to the market, Solid Tyres being the latest breakthrough innovation.



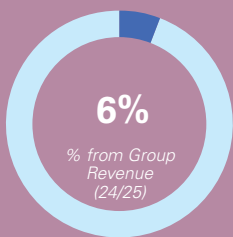
PLASTICS, FURNITURE & ELECTRONICS SECTOR



Our Plastic and Furniture sector has established its credentials as a household name in manufacturing and distributing Mattresses, Water tanks, Plastic furniture, Cushions and Sheets, Rigifoam products, PVC Pipes and Fittings, Vinyl mats, day-to-day consumer durables, as well as industrial and domestic Rubber products and Water pumps. The Furniture operation focuses on manufacturing Sofas, Panel furniture and Wooden furniture for an end-to-end portfolio. The sector promotes the eco- friendly 'Green Gas' concept, advocating for a cleaner energy system.



FINANCIAL SERVICES AND OTHER SECTORS



Our Financial services sector, which inspire trust and confidence, spans Insurance, Finance, Stock Broking, Margin Trading and a Logistics arm. Clients can avail of a variety of products such as Fixed Deposits, Savings Deposit, Leasing, Hire Purchase, Term Loans and Islamic Finance, while the portfolio of the Insurance arm includes Endowment, Term Assurance, Education, Hospitalisation, Investment, Group Assurance and Loan protection plans. RPC Logistics Limited, the Logistics arm of the Group, offers integrated logistics solutions both locally and internationally.



VISION AND MISSION



VISION

“To be a market driven, technologically oriented diverse group.”

We will organise and operate to continually focus on exceeding the expectations of our customers, whilst excelling in profitability and we will attract, develop and retain talented people to ensure the continued growth and viability of all our business ventures.



MISSION

To continually exceed the expectations of our customers.

To optimize the contribution from our employees by providing career and personal development opportunities, thereby creating an atmosphere that would motivate and internalise employee aspirations with corporate objectives.

To provide a satisfactory return to shareholders whilst retaining sufficient funds for reinvestment, thereby enhancing corporate wealth.

To ensure continuous growth by the planned expansion and diversification of business activities.

To continually strive for the upliftment of our community whilst adhering to high ethical standards in business.

OUR HISTORY AT A GLANCE

1932 - 2025

One of the largest and most diversified conglomerates in the country, Richard Pieris and Company boasts of a footprint extending from manufacturing to retail, to plantation management and financial services, generating value across the national economy.

The long and rich history of the Company gives an insight into its resilience and innovation. The Company originated as a commission agents, general import and export merchants and dealers in estate supplies, within the British colonial backdrop where all major trade and economic activities were controlled by British principals.

The Company was one of the pioneers of home-grown Sri Lankan businesses in the colonial times. The newly-formed Company's first business venture was a filling station and within the first seven years of commencing business operations, revenues grew by more than 400%. In 1940, the business was converted into a limited-liability Company with the founding partners as Directors. The issued share capital of Rs. 50,000 was substantial for its day, and the new Company boasted 70 employees. The World Wars presented another growth opportunity for this emerging conglomerate. The Company witnessed a rapid increase in demand for natural rubber, which had become a precious commodity to sustain allied military operations.

Responding to the demand, Richard Pieris and Company launched a tyre rebuilding business to meet the increasing demand for tyres for military vehicles. This first manufacturing venture was an instant success that continues to remain an exceptionally successful business venture to date, with the Arpico and Arpidag brands continuing to retain leadership status in the domestic tyre sector.

As one of the most enduring, stable and profitable corporate entities in the country for 93 years, Richard Pieris and Company PLC have enhanced people's lifestyles and given them the 'Arpico' brand to love and be proud of.

CORPORATE MILESTONES



2025 - Launch of Englander Mattresses in Sri Lanka

A new flagship store of Englander International, Renowned U.S. mattress technology brand opened at Hyde Park Corner.

2017 - Merger of Richard Pieris Finance & Chilaw Finance

Expanded financial service operations.

2010 - Sustainability & Certification

RPE adopted green manufacturing, in-house rubber recycling, and solar energy.

2002 - Retail Expansion

Arpico Supercenters expanded, becoming a major retail player and introducing the modern hypermarket concept in Sri Lanka.

1990s - Merge of Plantation Companies

In 1992, KPPLC was set up as a Regional Plantation Company, and RPK Management Services (Pvt) Ltd – a joint venture between Richard Pieris and John Keels (JKH).

1980s - Entry in to Export Market

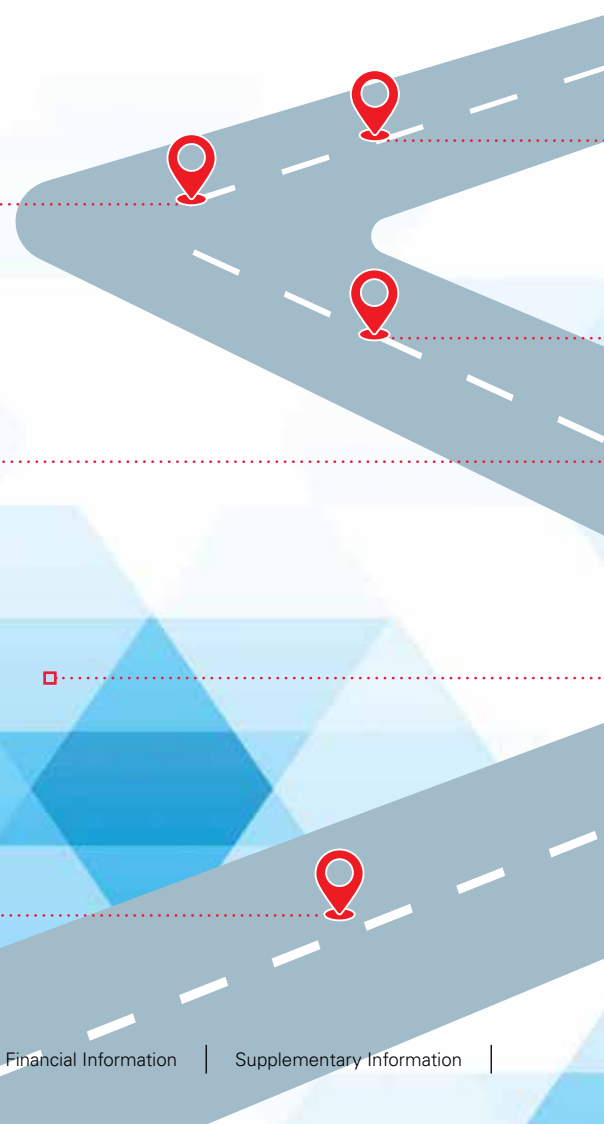
Began production in a small Ratmalana factory, making mats for gyms, workstations, and kitchens.

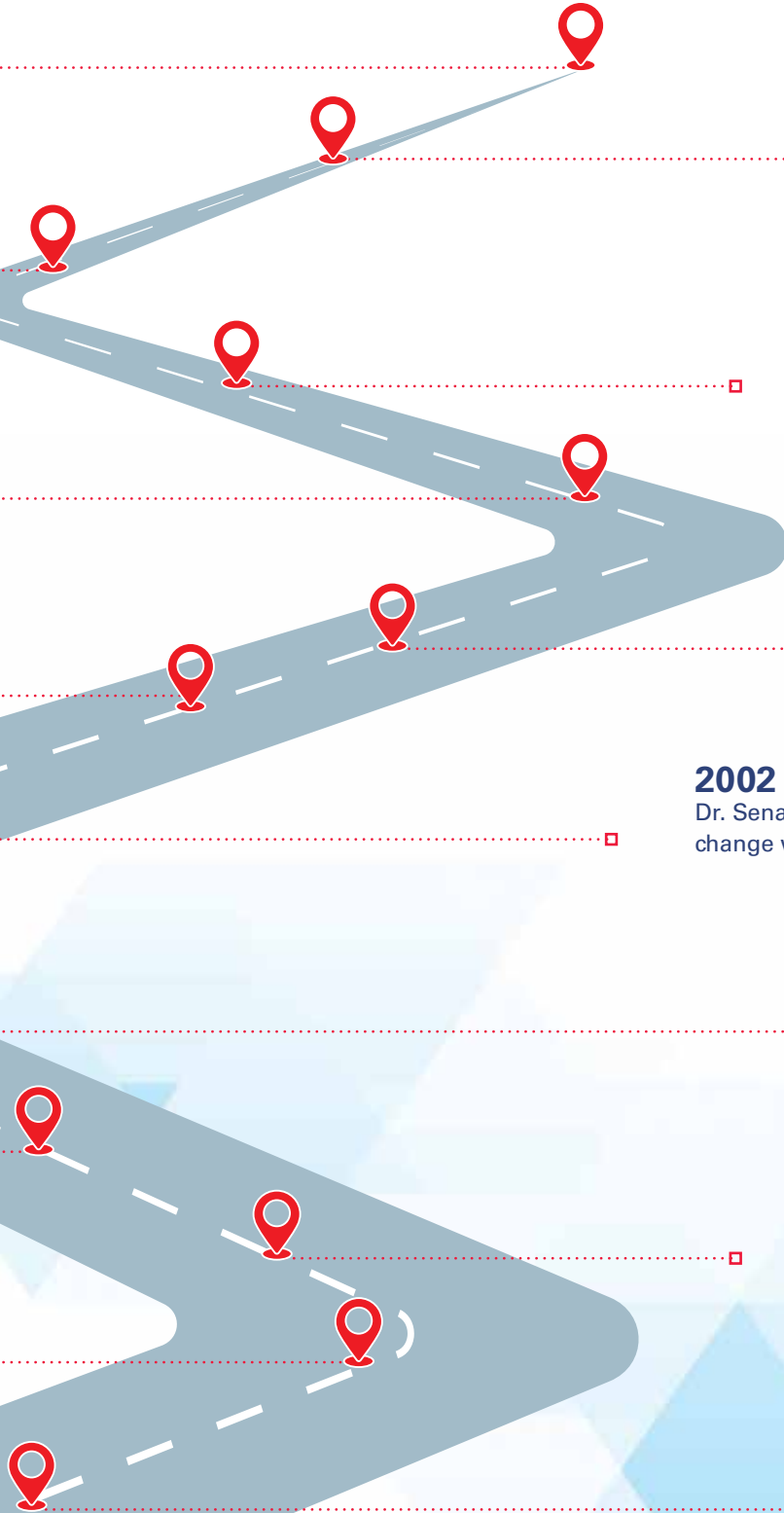
1950s - 1960s - Diversification into Plantation Sector

Entered rubber, tea and coconut plantations.

1932 - Company Founded

Company founded in 5th September 1932, started as a small partnership with 70 employees. Initial business included tire retreading and a filling station.





2018 - Renewable Energy & Sustainability

Richard Pieris & Company PLC invested in solar energy, lithium battery projects and sustainability initiatives to promote green energy and sustainable growth.

2011 - 2015s - Entry into Insurance and Financial Services

Established RP Finance, Arpico Insurance and further expanded financial services in Margin Services and RP Securities.

2004 - Acquires the Plantation Companies

RPC acquired JKH stake in RPK Management Services (Pvt) Ltd.

2002 - Leadership Change

Dr. Sena Yaddehige takes the leadership change with new strategic focus.

1983 - Expansion Natural Forms

RPNF was into natural latex mattress and foam making. It uses its own plantations, Modern factories, trusted certifications, and has won many export awards.

1970s - Expansion into Retail and Manufacturing

Launched Arpico retail outlets and expanded rubber-based manufacturing.

1940s - Transitioned into a Limited Liability

Company Expanded operations to manufacturing rubber and plastic products.



CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present to you the Annual Report and the Audited Financial Statements of Richard Pieris and Company PLC for the year ended 31st March 2025.

Fueled by resilience and strategic focus, the Richard Pieris Group has delivered a remarkable performance during the year under review. The Group recorded significant growth in profitability compared to the previous financial year, a testament to the strength of our diversified business model, prudent management practices, and commitment of our employees.

The expansion of the economy by approximately 5 percent, exceeding forecasts, contributed to the rebound in key economic sectors in the Country, including construction, tourism, industry, and services.

Richard Pieris and Company PLC capitalised on these positive developments in the economy, experiencing increased consumer demand, and stronger financial performance across its diverse business segments.

Performance of the Group

The Group achieved a Profit Before Tax (PBT) of Rs. 7 billion for the year ended 31st March 2025, recording a major profit growth of 220% over the previous year. All the business segments within the Group continue to work towards strengthening their position amidst improved economic conditions. With the improved macro climate, the decline in interest rates, along with the stabilisation of borrowing costs, enabled us to maintain a healthy cash flow, positively impacting the overall profitability.

All sectors continue to demonstrate impressive performance, effectively utilising resources to return to conducive business conditions. The Plantation sector reported an operating profit of Rs. 4.8 billion, making it the Group's largest contributor to profitability. In terms of revenue, the Plantation sector contributed Rs. 13.6 billion. The Retail sector, the robust and vital pillar of the Group, reported an operating profit of Rs. 1.9 billion, remaining the second highest contributor to the Group's profitability after the Plantation sector. While the Plastic, Furniture and Electronics sector profits soared significantly to Rs. 1.4 billion, a 133% increase over the corresponding year, recording a revenue of Rs 10.5 Bn, Tyre sector made an operating profit of Rs. 727 Mn with revenue of Rs. 5.4 Bn.



As we step into the future, we are hopeful of the opportunities arising from the improved macroeconomic environment. While we look forward to harnessing these new business opportunities, we will continue to work on prudent cost management, process improvements and resource efficiency for the long-term success of the Group.



CHAIRMAN'S MESSAGE

The Group continues to demonstrate resilience and strategic agility in seamlessly navigating the business through a recovering economy, remaining responsive to the unexpected fluctuations and responding with appropriate mitigation strategies to counter those challenges. This approach was integrated across all business segments of the Group, further emphasising prudent cost management and effective resource utilisation to consolidate the operations. By staying agile in an ever-changing market environment, we successfully guided the Group forward in delivering value to all our stakeholders.

The increased government tax revenue along with inflation, also contributed to a decline in people's disposable income, in turn decreasing the customer consumption levels. This led to a notable drop in demand for high-end products, while the highly competitive market also posed a challenge for the general product range. Meanwhile, the Group's export segment continues to face pressure from the negative global outlook and geopolitical conflicts, as well as the high cost of imported raw materials.

Our People

I would like to take this opportunity to extend my sincere gratitude to the unwavering commitment and determination of our valued employees in continuing our sustainable progress and maintaining our market position. Their strength, confidence and devotion played a pivotal role in shaping our forward journey, designing products to the evolving customer needs across all the sectors in achieving our business objectives. With a heightened focus on customer centricity, our employees have been able to nurture strong relationships with a long-standing customer base and other stakeholders over the years. Therefore, in recognising the valuable contributions of our employees, we continue to support their growth by providing access to training and development opportunities. Alongside professional advancement, we also prioritise work-life balance to help maintain their motivation, well-being, and overall job satisfaction. We remain strongly committed to sustainability, aligning with our broader responsibility as an ethical and accountable business.

As we step into the future, we are hopeful of the opportunities arising from the improved macroeconomic environment. While we look forward to harnessing these new business opportunities, we will continue to work on prudent cost management, process improvements and resource efficiency for the long-term success of the Group.

Acknowledgement

I extend my sincere appreciation to our customers, shareholders, business partners, and suppliers for their unwavering support. I offer my heartfelt thanks to all stakeholders of the Richard Pieris Group, whose contributions have been instrumental in driving the organization's growth.



Dr. Sena Yaddhige
Chairman

28 August 2025
Colombo

CORPORATE STRUCTURE

1. RUBBER SECTOR

RICHARD PIERIS EXPORTS PLC

Business Activity	Manufacture and export of rubber mats and sealing rings
Dr. Sena Yaddhegige	Chairman/CEO
Mr. Shaminda Yaddhegige	Director
Mr. W J V P Perera	Director
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024/ Re-appointed w.e.f 03.02.2025)
Dr. L M K Tillekeratne	Director
Mr. L C Wijayasinghe	Director
Dr. Lawrence Perera	Director
Mr. Vijitha Liyanage	Director (Appointed w.e.f 01.01.2025)
Dr. Susantha Siriwardena	Director
Stated Capital	Rs. 220,262,000 represented by 11,163,745 shares
Group Holding	83.90%
Location	310, High Level Road, Nawinna, Maharagama

ARPITALIAN COMPACT SOLES (PRIVATE) LIMITED

Business Activity	Manufacture and export of resin rubber shoe soling sheets
Dr. Sena Yaddhegige	Chairman
Mr. Fabio Piccolo	Director
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024/ Re-appointed w.e.f 03.02.2025)
Mr. Rohan Nishantha Yaddhegige	Director
Mr. L C Wijayasinghe	Director (Appointed w.e.f 15.11.2024)
Stated Capital	Rs. 542,371,660 represented by 60,471,501 ordinary shares and 6,404,500 preferential shares
Group Holding	58.69%
Location	310, High Level Road, Nawinna, Maharagama

RICHARD PIERIS NATURAL FOAMS LIMITED

Business Activity	Manufacture and export of foam rubber products
Dr. Sena Yaddhegige	Chairman
Mr. Shaminda Yaddhegige	Director
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024/ Re-appointed w.e.f 03.02.2025)
Mr. W J V P Perera	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 640,822,600 represented by 64,082,260 shares
Group Holding	85.75%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO NATURAL LATEXFOAMS (PRIVATE) LIMITED (Discontinued Business)

Business Activity	Manufacture and export of foam rubber products
Dr. Sena Yaddhegige	Chairman
Mr. Shaminda Yaddhegige	Director
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024)
Mr. L C Wijayasinghe	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 90,000,000 represented by 9,000,000 shares
Group Holding	84.93%
Location	310, High Level Road, Nawinna, Maharagama

MICRO MINERALS (PRIVATE) LIMITED

Business Activity	Manufacture of rubber fillers
Dr. Sena Yaddhegige	Chairman
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024/ Re-appointed w.e.f 03.02.2025)
Mr. G B M Amarakoon	Director
Stated Capital	Rs. 9,126,000 represented by 912,600 shares
Group Holding	57.68%
Location	310, High Level Road, Nawinna, Maharagama

2. TYRE SECTOR

RICHARD PIERIS TYRE COMPANY LIMITED

Business Activity	Tyre retreading, re-manufacturing & trading
Dr. Sena Yaddhegige	Chairman
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024)
Mr. Shaminda Yaddhegige	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 50,000,000 represented by 4,000,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPIDAG INTERNATIONAL (PRIVATE) LIMITED

Business Activity	Manufacture of pre-cured tyre retreading material
Dr. Sena Yaddhegige	Chairman
Mr. W R Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024)
Mr. Shaminda Yaddhegige	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director (Appointed 15.08.2024)
Stated Capital	Rs. 58,650,000 represented by 459,999 shares
Group Holding	51.00%
Location	310, High Level Road, Nawinna, Maharagama

CORPORATE STRUCTURE

RICHARD PIERIS RUBBER COMPOUNDS LIMITED

Business Activity	Mixing rubber compounds
Dr. Sena Yaddehige	Chairman
Mr. W R Abeyirigunawardena	Director (Resigned w.e.f. 30.09.2024)
Mr. W J V P Perera	Director
Stated Capital	Rs. 17,000,000 represented by 1,700,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

BGN INDUSTRIALTYRE (PRIVATE) LIMITED

Business Activity	Manufacturing of Industrial Tyre
Mr. Shaminda Yaddehige	Director
Mr. W R Abeyirigunawardena	Director (Resigned w.e.f. 30.09.2024)
Mr. B G Nandana	Director
Mr. Shiron Gooneratne	Director
Mr. Sunimal Fernando	Director
Mr. Sudheera Epitakumbura	Alternate Director to Mr. Shaminda Yaddehige
Mr. Sumith Ranwatte	Alternate Director to Mr. Sunimal Fernando
Mr. Milan Madugalle	Director (Appointed w.e.f. 01.10.2024)
Stated Capital	Rs. 147,364,000 represented by 7,317,680 shares
Group Holding	51.00%
Location	310, High Level Road, Nawinna, Maharagama

3. PLASTICS SECTOR

PLASTISHELLS LIMITED

Business Activity	Manufacture of rotational molded products
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 34,160,030 represented by 3,416,003 shares
Group Holding	98.39%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO PLASTICS LIMITED

Business Activity	Manufacture of plastic products
Dr. Sena Yaddehige	Chairman
Mr. L C Wijayasinghe	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 29,000,000 represented by 2,900,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPITECH (PRIVATE) LIMITED

Business Activity	Manufacture of PVC pipes & fittings and polyurethane foam products
Dr. Sena Yaddehige	Chairman
Mr. L C Wijayasinghe	Director
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 35,000,020 represented by 3,500,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

R P C POLYMERS (PRIVATE) LIMITED

Business Activity	Manufacturers, exporters and importers of all plastic products
Dr. Sena Yaddehige	Chairman
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 187,000,020 represented by 18,700,002 shares
Group Holding	98.88%
Location	310, High Level Road, Nawinna, Maharagama

RICHARD PIERIS RUBBER PRODUCTS LIMITED

Business Activity	Manufacture of rubber products
Dr. Sena Yaddehige	Chairman
Mr. W R Abeyirigunawardena	Director (Resigned w.e.f. 30.09.2024)
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. Milan Madugalle	Director (Appointed 15.08.2024)
Stated Capital	Rs. 27,000,000 represented by 2,700,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO FURNITURE DISTRIBUTORS (PRIVATE) LIMITED

Business Activity	Carrying on buying and selling of furniture items
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director (Appointed w.e.f. 15.08.2024)
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO DURABLES (PRIVATE) LIMITED

Business Activity	Business of trading and distributing goods
Dr. SenaYaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. L C Wijayasinghe	Director
Mr. Milan Madugalle	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

4. RETAIL SECTOR**RICHARD PIERIS DISTRIBUTORS LIMITED**

Business Activity	Managing & operating a chain of retail network
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director/Alternative Director to Dr.SenaYaddehige
Mr. W J V P Perera	Director
Mr. Nalin Ranasinghe	Director
Stated Capital	Rs. 1,096,760,960 represented by 106,676,096 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO INTERIORS (PRIVATE) LIMITED

Business Activity	Interior decorating
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 30,000,020 represented by 3,000,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO FURNITURE LIMITED(Discontinued Business)

Business Activity	Furniture Industry
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 40,000,000 represented by 4,000,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPIMALLS DEVELOPMENT COMPANY (PRIVATE) LIMITED

Business Activity	Operates retailing centers
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director
Stated Capital	Rs. 430,000,020 represented by 21,000,002 ordinary shares and 22,000,000 preference shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RPC REAL ESTATE DEVELOPMENT COMPANY (PRIVATE) LIMITED

Business Activity	Property & Real Estate Development Projects
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director
Stated Capital	Rs. 667,000,020 represented by 66,700,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RPC RETAIL DEVELOPMENTS (PRIVATE) LIMITED

Business Activity	Construction, Property and Real Estate Development
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director (Appointed w.e.f. 15.08.2024)
Stated Capital	Rs 387,000,020 represented by 38,700,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RPC PROPERTIES (PRIVATE) LIMITED

Mr. D I U N K Baddewithana	Director
Mr. W J V P Perera	Director
Mr. Milan Madugalle	Director (Appointed w.e.f. 06.01.2025)
Stated Capital	Rs. 1,000 represented by 100 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

5. PLANTATION SECTOR**RICHARD PIERIS PLANTATIONS (PRIVATE) LIMITED**

Business Activity	Managing agents of plantations
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Shaminda Yaddehige	Director
Mr. Milan Madugalle	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 70 represented by 7 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RPC MANAGEMENT SERVICES (PRIVATE) LIMITED

Business Activity	Investment & management of the plantation companies
Dr. Sena Yaddehige	Chairman
Dr. C M P R P Perera	Director
Mr. Shaminda Yaddehige	Director
Mr. Sudheera Epitakumbura	Director
Stated Capital	Rs. 75,000,000/- represented by 7,500,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

CORPORATE STRUCTURE

MASKELIYA PLANTATIONS PLC

Business Activity	Tea Plantations
Dr. Sena Yaddehige	Chairman
Dr. L S K Hettiarachchi	Director (Resigned w.e.f 15.03.2025)
Mr. J L A Fernando	Director (Ceased to be a Director w.e.f 05.07.2024)
Mr. Shaminda Yaddehige	Director
Dr. Sarath Samaraweera	Director
Mr. Lasantha Wickremasinghe	Director (Appointed w.e.f 30.09.2024)
Mr. Adrian Perera	Director (Appointed w.e.f 01.01.2025)
Stated Capital	Rs. 673,720,950 represented by 53,953,490 shares
Group Holding	83.40%
Location	310, High Level Road, Nawinna, Maharagama

KEGALLE PLANTATIONS PLC

Business Activity	Rubber, Tea and Coconut Plantations
Dr. Sena Yaddehige	Chairman
Prof. R C W M P A Nugawela	Director
Dr. S S G Jayawardena	Director
Mr. Shaminda Yaddehige	Director
Mr. Ananda Fernando	Director (Ceased to be a Director 05.07.2024)
Mr. Lakshman Abeyssekara	Director (Appointed w.e.f 30.09.2024)
Stated Capital	Rs. 250,000,010 represented by 25,000,001 shares
Group Holding	79.14%
Location	310, High Level Road, Nawinna, Maharagama

EXOTIC HORTICULTURE (PRIVATE) LIMITED

Business Activity	Cultivation of fruits
Dr. Sena Yaddehige	Chairman
W J V P Perera	Director
Mr. L C Wijayasinghe	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 10,000,000 represented by 1,000,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

HAMEFA KEGALLE (PRIVATE) LIMITED (Discontinued Business)

Business Activity	Manufacture & Export of furniture
Dr. Sena Yaddehige	Chairman
Mr. L C Wijayasinghe	Director
Mr. Athula Herath	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 28,000,020 represented by 2,800,002 shares
Group Holding	79.14%
Location	310, High Level Road, Nawinna, Maharagama

NAMUNUKULA PLANTATIONS PLC

Business Activity	Rubber, Tea, Cinnamon & Coconut Plantations
Dr. Sena Yaddehige	Chairman
Mr. N C Peiris	Director
Mr. Shaminda Yaddehige	Director
Mr. S G D Amerasinghe	Director
Mr. Ananda Fernando	Director (Ceased to be a Director w.e.f 05.07.2024)
Mrs. Subhashini Welikala	Director-Government nominee (Resigned w.e.f 08.11.2024)
Mr. Ranil Goonethilleke	Director (Appointed w.e.f 30.09.2024)
Mrs. C S Perera	Director - Government nominee (Appointed w.e.f 17.02.2025)
Stated Capital	Rs. 350,000,010 represented by 23,750,001 shares
Group Holding	67.94%
Location	310, High Level Road, Nawinna, Maharagama

RPC PLANTATION MANAGEMENT SERVICES (PRIVATE) LIMITED

Business Activity	Investment & Management of Plantations
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. Sudheera Epitakumbura	Director
W J V P Perera	Director
Stated Capital	Rs. 241,062,500 represented by 24,106,250 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

MASKELIYA TEA GARDENS (CEYLON) LIMITED

Business Activity	Trading & Marketing of Value Added tea
Dr. Sena Yaddehige	Chairman
Mr. Athula Herath	Director
Mr. J L A Fernando	Director (Resigned w.e.f 24.07.2024)
W J V P Perera	Director
Stated Capital	Rs. 15,000,070 represented by 1,500,007 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

6. SERVICES

RICHARD PIERIS GROUP SERVICES (PRIVATE) LIMITED

Business Activity	Provides Company secretarial services
Dr. Sena Yaddhegige	Chairman
Mrs. R J Siriweera	Director
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs.20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO INDUSTRIAL DEVELOPMENT COMPANY (PRIVATE) LIMITED

Business Activity	Operates industrial estates
Dr. Sena Yaddhegige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director
Stated Capital	Rs. 106,400,000 represented by 1,500,000 ordinary shares 9,140,000 preferential shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RPC LOGISTICS LIMITED

Business Activity	Freight forwarding and allied services
Mr. W J V P Perera	Director
Mr. Shiron Gooneratne	Director
Mr. W Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024)
Stated Capital	Rs. 20,000,070 represented by 2,000,007 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO EXOTICA ASIANA (PRIVATE) LIMITED

Business Activity	Leisure
Dr. Sena Yaddhegige	Chairman
Mr. W J V P Perera	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO CONSTRUCTION (PRIVATE) LIMITED

Business Activity	Business of construction nationally and internationally
Mr. W J V P Perera	Director
Mr. Rohan Yaddhegige	Director
Stated Capital	Rs. 20,000,070 represented by 2,000,007 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO HOMES LIMITED (Discontinued Business)

Business Activity	Property & Real Estate Development
Dr. Sena Yaddhegige	Chairman
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 70 represented by 7 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO HOTEL SERVICES (PRIVATE) LIMITED

Business Activity	Business of national and international airline travel and trade
Dr. Sena Yaddhegige	Chairman
Mr. Shiron Gooneratne	Director
Mr. Wasantha Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024)
Mr. Athula Herath	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 6,000,020 represented by 600,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

MARKRAY SYSTEMS (PRIVATE) LIMITED

Business Activity	Carrying on IT related activities
Dr. Sena Yaddhegige	Chairman
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RICHARD PIERIS SECURITIES (PRIVATE) LIMITED

Business Activity	Stock Broking
Mr. W J V P Perera	Director
Mr. Wasantha Abeyisirigunawardena	Director (Resigned w.e.f 30.09.2024)
Mr. Milan Madugalle	Director
Mr. Bashaka Gunatilaka	Director (Appointed w.e.f 26.06.2024)
Stated Capital	Rs. 195,500,000 represented by 19,550,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

CORPORATE STRUCTURE

RPC MARGIN SERVICES (PRIVATE) LIMITED formerly RICHARD PIERIS FINANCIAL SERVICES (PRIVATE) LIMITED

Business Activity	Margin providers
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Mr. Wasantha Abeyirigunawardena	Director (Resigned w.e.f 30.09.2024)
Mr. Mahesh Amarasinghe	Director (Appointed w.e.f 26.06.2024)
Stated Capital	Rs. 35,000,000 shares represented by 3,500,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO HOSPITAL (PRIVATE) LIMITED

Business Activity	Relating to human health care and allied services
Dr. Sena Yaddehige	Chairman
Stated Capital	Rs. 40 represented by 4 shares
Group Holding	69.79%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO INSURANCE PLC

Business Activity	Life Insurance
Mr. Ramal Jasinghe	Chairman
Mrs. L S A Seresinhe	Director (Resigned w.e.f 27.05.2024)
Mr. Shiron Gooneratne	Director
Mrs. Dilukshika N Fernando	Director (Resigned w.e.f 30.11.2024)
Mr. Kelum Senanayake	Director
Mr. Yudhishtan Kanagasabai	Director (Appointed w.e.f 18.07.2024)
Mr. Rohan Muttiah	Director (Appointed w.e.f 03.03.2025)
Stated Capital	Rs. 675,564,870 represented by 66,230,407 shares
Group Holding	81.59%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO ATARAXIA ASSET MANAGEMENT (PRIVATE) LIMITED

Business Activity	Asset management
Mr. W J V P Perera	Director
Mr. Savantha Sebastian	Director
Mr. Sharad Sridharan	Director
Mr. Milan Madugalle	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 40,000,020 represented by 4,000,002 shares
Group Holding	51.00%
Location	310, High Level Road, Nawinna, Maharagama

RICHARD PIERIS FINANCE LIMITED

Business Activity	Carrying on leasing, hire purchasing & other financial services
Mr. N H G Wijekoon	Chairman
Mr. K B Wijeyaratne	Director
Mr. Kelum Senanayake	Director
Mr. R Gunawardana	Director
Mr. Bonniface Silva	Director
Mr. S K Kalansuriya	Director (Appointed w.e.f 02.08.2024)
Mr. R P Buultjens	Director (Appointed w.e.f 02.08.2024)
Mr. R Amarapala	Director
Stated Capital	Rs. 1,260,830,690 represented by 121,833,069 shares
Group Holding	94.81%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO INFOSYS (PRIVATE) LIMITED

Business Activity	Relating to information communication technology/ business process outsourcing
Dr. Sena Yaddehige	Chairman
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO CONSUMER BRANDS (PRIVATE) LIMITED

Business Activity	Relating to trading of pharmaceutical product
Dr. P M S S Pathinisekara	Director
Mr. Shiron Gooneratne	Director
Mr. Athula Herath	Director
Mr. Kamantha Cooray	Director
Stated Capital	Rs. 100,000,020 represented by 10,000,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO DEVELOPMENTS (PRIVATE) LIMITED

Business Activity	Construction of shopping malls and renting it out to retail business
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director (Appointed w.e.f 15.08.2024)
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO PLANTATIONS INTERNATIONAL (PRIVATE) LIMITED

Business Activity	Business of Plantation Management
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	89.57%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO HYDEPARK TOWERS (PRIVATE) LIMITED

Business Activity	Carrying on Property Development Business.
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

RICHARD PIERIS TRADING CO. PTE LIMITED

Business Activity	General wholesale trade (Including General Importers and Exporters)
Mr. K A S Lasantha	Director
Mr. Rohan Nishantha Yaddehige	Director
Mr. Richard Chan Wah Cheong	Director
Stated Capital	Rs. 65,349,374 represented by 618,500 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

ARPICO DAILY RETAIL MANAGEMENT (PRIVATE) LIMITED

Business Activity	Retail/ Sales
Mrs. R S K Rambodagedara	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	50%
Location	310, High Level Road, Nawinna, Maharagama

KADOLANA BEACH RESORTS (PRIVATE) LIMITED

Business Activity	Operating of Resorts
Dr. Sena Yaddehige	Chairman
Stated Capital	Rs. 30 represented by 3 shares
Group Holding	59.71%
Location	310, High Level Road, Nawinna, Maharagama

OUR PEOPLE

The success of Richard Pieris & Company PLC is deeply rooted in the commitment, expertise, and resilience of our employees. Since our inception in 1932, we have grown into one of Sri Lanka’s leading and most diversified conglomerates—an achievement made possible by the strength of our people. Today, our team comprises over 17,656 individuals spread across a broad spectrum of sectors and geographies, including six publicly listed companies. We are proud to foster a workplace culture that prioritizes well-being, inclusivity, and professional development. Our people are not just employees; they are the cornerstone of our continued progress, and we remain steadfast in our commitment to supporting, engaging, and empowering them.

To ensure this commitment translates into real impact, we place a strong emphasis on cultivating a work environment where every employee feels respected, appreciated, and heard. A motivated and engaged workforce is integral to sustaining our leadership across industries. Transparent communication, performance recognition, and clearly defined career growth pathways are central to our employee value proposition. By fostering mutual respect and collaboration, we create a culture in which people can thrive both individually and collectively.

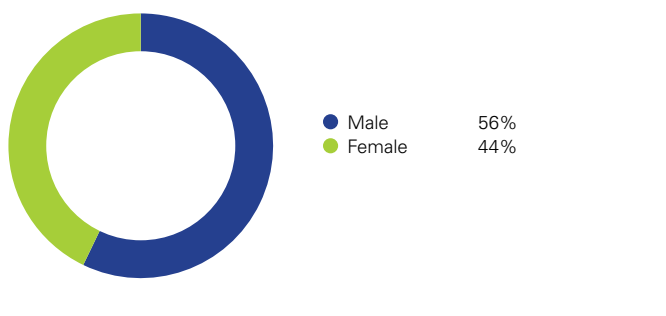
Total Employees by Gender and Age

Number of Male employees	Number of Female employees	Number of employees by age		
		<30 years	30 to 50	>50 years
9,917	7,739	3,362	8,269	6,025

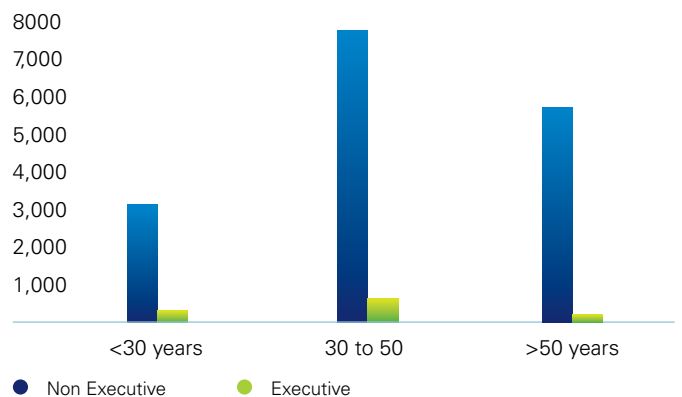
Employees by Category

Non-Executive					Executive				
Number of Male employees	Number of Female employees	Number of employees by age			Number of Male employees	Number of Female employees	Number of employees by age		
		<30 years	30 to 50	>50 years			<30 years	30 to 50	>50 years
9,096	7,533	3,080	7,715	5,834	821	206	282	554	191

Gender Breakdown



Age Distribution of Employees



Employees by Employment Category and Years of Experience

	Less than 5	5 to 15	More than 15
Non-Executive	6,285	4,276	6,068
Executive	684	219	124

Employee Engagement and Relations

We take pride in our diverse workforce, representing a wide range of religions, ethnicities, and cultural backgrounds. At Richard Pieris, inclusion is more than policy, its practice. We are committed to building a cohesive workplace where differences are respected and unity is driven by shared goals and values. We believe that the humanity in each of us transcends differences, and we see that belief reflected in the empathy and teamwork of our people.

Our open-door policy ensures seamless communication between leadership and staff, nurturing a workplace of trust and mutual respect. To further promote employee interaction and team spirit, our active Sports Club organizes regular events and recreational activities. These initiatives not only encourage physical well-being but also strengthen camaraderie. Additionally, through our Equal Opportunity and Diversity & Inclusion policies, we ensure that recruitment, promotions, and development opportunities are strictly based on merit upholding fairness and eliminating all forms of discrimination.

Training, Development, and Career Mobility

We view learning as a continuous journey and remain committed to developing the full potential of every employee. A wide array of training programs ranging from technical instruction to leadership development is made available to nurture relevant skill sets. For roles requiring specialized expertise, we collaborate with external training providers to ensure world-class learning standards.

Our business model, built around a diversified portfolio, creates significant internal mobility. We encourage employees to explore roles across different sectors within the Group, broadening their skills and accelerating their career progression. This dynamic approach to talent development fosters versatility and long-term career satisfaction.

Welfare and Well-being

The well-being of our employees is central to our values. We provide comprehensive health insurance coverage and maintain an in-house medical facility with OPD services. All employees, regardless of role or level, are entitled to free medical consultations and medication underscoring our inclusive approach to care and welfare.

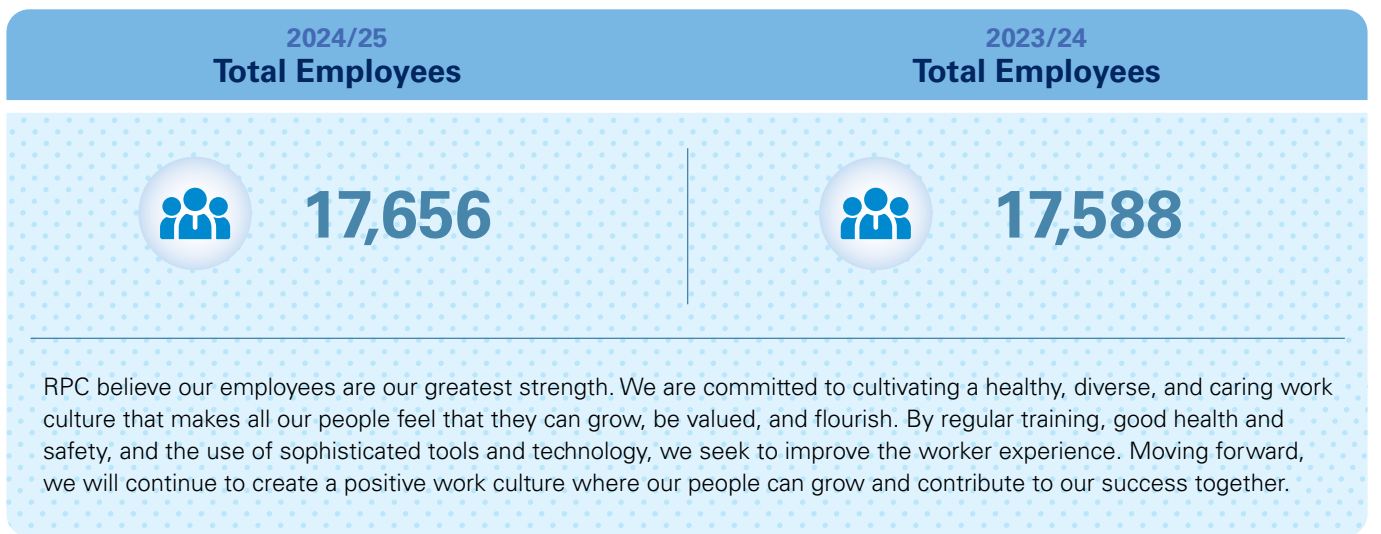
Safety at Work

Ensuring a safe working environment is a non-negotiable priority. We uphold strict safety protocols, supported by continuous training, awareness campaigns, and efficient incident reporting mechanisms. Regular risk assessments are conducted to identify potential hazards and implement appropriate control measures, while health and safety audits are carried out periodically to monitor compliance and support continuous improvement. An incident reporting system is in place to record workplace accidents and near misses, contributing to a proactive safety culture.

Regular safety drills and infrastructure assessments are conducted to reinforce emergency preparedness. We prioritize the safety of our workforce by conducting fire safety and emergency evacuation training sessions designed to prepare employees for emergency situations and equip them with the knowledge and confidence to act swiftly and safely. Ongoing training sessions are also held to educate employees on key health and safety practices relevant to their work environment, aiming to build awareness, prevent workplace incidents, and promote a strong safety culture across the organization.

Innovation

We continue to embrace innovation to enhance operational efficiency and employee experience. The ongoing use of our Human Resource Information System (HRIS) has streamlined HR processes, improved data accuracy, and supported better decision-making. Our operations are further strengthened by a well-established Code of Conduct and comprehensive HR policies that guide ethical behavior, promote fairness, and ensure regulatory compliance. By integrating technology with structured governance practices, we remain committed to continuous improvement and a progressive workplace culture.



CORPORATE SOCIAL RESPONSIBILITY

Our Commitment to Sustainable Impact

With a proud legacy of over 93 years, Richard Pieris & Company PLC has remained steadfast in its commitment to economic growth, environmental stewardship, and social responsibility. Sustainability is not merely a concept it is deeply embedded in our corporate culture. We continue to foster long-term relationships and strive to embed sustainable practices across all facets of our operations.

As one of Sri Lanka’s most diversified and enduring conglomerates, we continue to champion innovative approaches to sustainability. The Group has made notable progress in reducing its carbon footprint through the expansion of solar energy solutions. Several outlets have been constructed or retrofitted with solar panels, aligning with our "go green" philosophy.

We are dedicated to inclusive stakeholder engagement, responding to feedback with transparency and agility. Our empowered teams remain focused on identifying sustainable business opportunities that benefit both the organization and the communities we serve.

Our Customers

At the heart of our operations lies a commitment to enriching customer experiences. Despite global and local challenges, we continue to deliver value, comfort, and innovation through our products and services. We have built synergistic relationships with our customers, frequently co-developing solutions to streamline production and delivery processes.

Through constant communication and a focus on sustainability, we aim to minimize resource usage, particularly energy and water. Achieving a platinum-class green retail building certification reflects our success in combining commercial objectives with environmental responsibility. Our innovative loyalty programs, strategic partnerships with financial institutions, and customer-focused promotions further reinforce our pledge to meet evolving consumer needs.

Good Practices and Ethical Operations

Good Agricultural Practices (GAPs): Our estates comply with the Tea Research Institute’s guidelines and are certified by bodies like Rainforest Alliance, Ethical Tea Partnership, and Fairtrade Labelling Organization.

Good Manufacturing Practices (GMPs): Our manufacturing facilities follow Hazards Analysis and Critical Control Point (HACCP) and ISO 22000 standards to ensure product safety and quality from harvest to packaging.

Fair Trading: Integrity, transparency, and mutual respect form the foundation of our trading principles. We actively build long-term relationships based on trust and equitable benefits.

Our Employees

With one of the largest and most diverse private-sector workforces in Sri Lanka, we prioritize the wellbeing, development, and empowerment of our people.

We uphold an open-door policy to foster transparent communication.

Training and development programs are regularly conducted to build capabilities.

Nutritional, medical, and wellness programs, especially in the plantation sector, support the physical and mental wellbeing of employees.

Comprehensive insurance coverage and adherence to health and safety standards reflect our duty of care.

We promote a respectful and inclusive culture that honors individual differences.





Mattress and Medicine Donation to Apeksha Hospital

On June 8, 2024, Richard Pieris & Company PLC donated 25 high-quality mattresses to Apeksha Hospital in Maharagama, Sri Lanka's foremost national cancer treatment center. This initiative responded to the urgent need for enhanced comfort and hygiene in palliative care environments. The donated mattresses, crafted with precision from natural raw materials, exemplify the same exceptional standards we uphold in our commercial offerings. Their superior quality and safety make them particularly suitable for patients undergoing intensive treatments such as chemotherapy and radiation.

Building on this commitment, in June 2025, we responded to another critical need at Apeksha Hospital, a shortage of a vital pediatric chemotherapy-related vaccine, used in treating young children battling cancer. Recognizing the gravity of the situation and the challenges in sourcing the medicine, the Company took immediate action by donating LKR 01 million worth of this essential medication, sufficient to support approximately 40 pediatric patients. This contribution was made in the spirit of deep social responsibility and human compassion, particularly for the youngest and most vulnerable members of society.

These dual initiatives reflect our unwavering alignment with the CSR principles of community wellbeing, ethical corporate citizenship, and sustainable healthcare support. By strategically leveraging our capabilities and resources to address real-world challenges, we continue to reinforce our standing as a socially responsible conglomerate committed to creating meaningful, lasting impact. These acts serve as powerful reminders of how corporate excellence can intersect with public healthcare needs to deliver life-enhancing outcomes, particularly at a time when hope and healing are needed most.



Book Donation for Employees' Children

Recognizing that education is a cornerstone of social equity and national development, Richard Pieris & Company PLC initiated a month-long educational book donation drive in December 2024. This Group-wide campaign benefitted children of executive and below-grade employees, many of whom face mounting financial challenges in the current economic climate.

By distributing age-appropriate educational materials, we not only alleviated the financial burden of back-to-school expenses but also reaffirmed our commitment to the CSR principles of employee welfare, inclusive development, and education for all. This initiative resonates deeply with our vision of empowering the next generation and supporting the holistic wellbeing of our workforce.

The book donation initiative was not simply a gesture of goodwill it was a strategic investment in human capital, reinforcing the Group's longstanding culture of care and mutual growth. At Richard Pieris & Company, we believe that when our employees thrive, so does our business and society at large.

Through our CSR programs, we reaffirm our role as a responsible corporate citizen, focused on enhancing lives, supporting communities, and driving sustainable progress for Sri Lanka.

CORPORATE SOCIAL RESPONSIBILITY

Supporting National Healthcare: Our Partnership with Apeksha Hospital for Blood Donation

As part of our unwavering commitment to Corporate Social Responsibility, Richard Pieris & Company PLC continued its vital collaboration with Apeksha Hospital throughout the past year to address the critical need for blood supplies in Sri Lanka. Through dedicated blood donation drives organized in partnership with the hospital, we have actively supported their life-saving mission, contributing to a stable blood reserve for patients undergoing essential treatments. This initiative reflects our deep-rooted belief in giving back to the community and directly impacting public health. We extend our sincere gratitude to all our employees, customers, and community members who generously participated, making these drives a resounding success.



Mount Lavinia beach clean-up

As part of our commitment to corporate social responsibility, we were proud to join the Mount Lavinia beach clean-up event directly contributed to a cleaner, healthier coastal environment. This initiative aligns with our broader sustainability goals and commitment to preserving natural resources.



Promoting Industry-Academia Collaboration through a Memorandum of Understanding (MOU)

As part of our commitment to fostering strong industry-academia partnerships and providing practical exposure to our students, the University of Sri Jayewardenepura's Department of Administration entered into a Memorandum of Understanding (MOU) with Richard Pieris & Company PLC. This collaboration aims to strengthen academia-industry relations, promote knowledge sharing, and offer valuable industrial exposure to our final-year undergraduates.



Under this partnership, during the financial year, three students from the department have been selected for internships with Richard Pieris & Company PLC, enabling them to gain real-world experience and enhance their professional skills. This initiative reflects our ongoing efforts to bridge the gap between academic learning and industry practice, preparing students for successful careers.

Empowering Futures through Early Childhood Development

Our company proudly constructed Child Development Centres (CDCs) as part of a World Bank-assisted Early Childhood Development (ECD) project. These centres are dedicated to providing quality early learning experiences for the children of estate workers, ensuring they receive the nurturing and educational support they need during their formative years. By offering a safe and stimulating environment, we aim to foster holistic development and empower these young minds with essential skills that will benefit them throughout their lives, ultimately contributing to the well-being of their families and communities.

We are proud to announce that the Buluwana Division Child Development Centre at Hulandawa Estate has won the Best CDC Competition 2024.



CORPORATE SOCIAL RESPONSIBILITY

Promoting Child Nutrition and Community Well-Being through Estate Initiatives

Namunukula Plantation PLC is committed to promoting the health and well-being of the communities we serve.

To this end, we have initiated a comprehensive nutrition program aimed at improving children's nutrition and supporting their growth and development. We believe that nourishing the younger generation is essential for building a healthier future.

We are proud to share that both our Canavarella and Hulandawa estates have successfully implemented this vital program, making a positive impact on the lives of many children in their respective areas.



Community Health Camps: Enhancing Access to Healthcare

As part of Namunukula Plantation PLC CSR initiatives, we have started comprehensive health camps to improve the well-being of the community by offering free medical treatments to people who are unable to access high-quality healthcare.

The medical staff at these camps is committed to providing a range of services, such as basic treatments, dental and eye examinations, blood pressure and diabetes screenings, and general check-ups. These camps are accessible and incorporate health education workshops to enable people to take control of their health.

Our community's access to healthcare, early detection and preventive care are all intended to be enhanced by these initiatives.



Our Initiatives

Celebrating Diversity and Empowerment in the Community

At our Namunukula Plantation PLC, we strongly believe in celebrating and honouring the diverse cultural and traditions that make up our community. Key events include International Women's Day, which recognizes women's achievements through inspiring talks, workshops, and cultural performances, creating an uplifting atmosphere.

In this financial year, we held a Katina Ceremony at Hulandawa Estate. Additionally, the estates celebrate traditional festivals like Pongal, marked by colourful decorations, music, and communal activities that foster unity and gratitude. Together, these celebrations promote cultural exchange and strengthen community bonds, emphasizing the importance of diversity and empowerment.



Enhancing worker wellbeing through vision and dental care initiatives

The Namunukula Plantation PLC efforts to improve the general health of our employees and their families have included important dental and vision care programmes.

In addition to planned dentistry camps that provide screenings, basic treatments, and instruction on oral hygiene, these programs provide free and convenient eye and dental exams.

At our Canavarella Estate, recently organized a comprehensive health outreach initiative, offering both dental and eye care camps for our workers and their children. This initiative was aimed at promoting overall well-being and ensuring access to essential healthcare services for our estate community.

Qualified medical professionals conducted thorough check-ups, provided consultations, and offered necessary treatments on-site, including the distribution of spectacles and oral hygiene kits. The program was met with enthusiastic participation and reflects our ongoing commitment to the health and welfare of our workforce and their families.

Christmas Festival Celebration

Our annual Christmas celebration was a tremendous success, bringing together our team for a memorable party and lively competitions. These events not only fostered a strong sense of camaraderie and high spirits but also provided a wonderful opportunity to celebrate our collective achievements and strengthen our workplace community as we wrapped up a productive year.

Supporting Our Janitorial Team

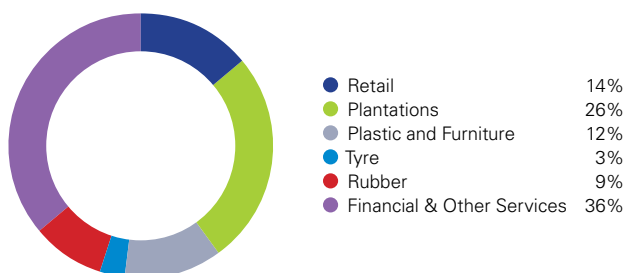
We were pleased to provide dry ration food packs to our dedicated janitorial staff. This initiative, undertaken with deep appreciation for their hard work and commitment, aimed to offer tangible support and recognize their invaluable contributions to our daily operations. It was a small gesture to acknowledge the significant role they play within our organization.



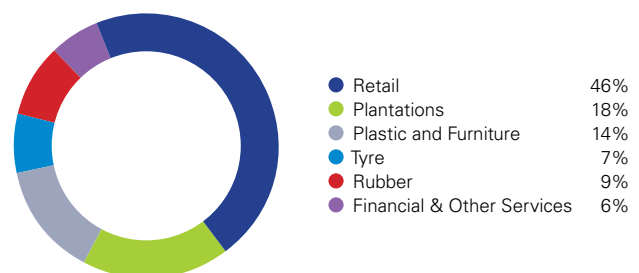
FINANCIAL HIGHLIGHTS

	2024/2025 Rs.'000	2023/2024 Rs.'000
Revenue	76,965,282	73,859,225
Profit from operations	7,735,201	3,817,296
Profit before tax from continuing operations	7,005,835	2,191,494
Income tax expense	(2,403,758)	(1,164,932)
Profit for the year from continuing operations	4,602,077	1,026,562
Profit for the year	4,599,934	1,023,732
Profit attributable to equity holders of the parent	3,787,853	572,872
Total assets	100,099,154	92,917,697
Shareholder funds	25,917,198	24,632,018
Market capitalisation	51,486,468	41,718,285
Total value addition	25,615,925	19,536,024
Per Ordinary Share		
Earnings (Rs)	1.86	0.28
Net assets (Rs)	12.74	12.10
Market value (Rs)	25.30	20.50
Ratios		
Return on equity (%)	14.99	2.33
Interest cover (No of times)	4.28	1.77
Dividend payout (%)	69.84	178.57
Gearing ratio (%)	46.61	46.03
Price Earnings (No. of times)	13.59	73.21
Dividend per share (Rs.)	1.30	0.50
Dividend Cover (No. of times)	1.43	0.56
Current Ratio (No. of times)	1.08	1.07

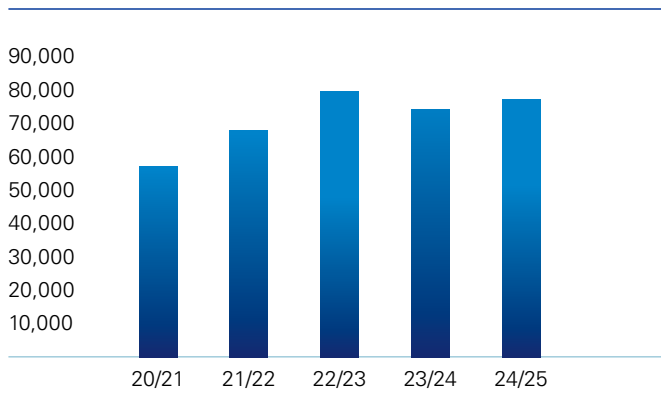
Segmental Assets



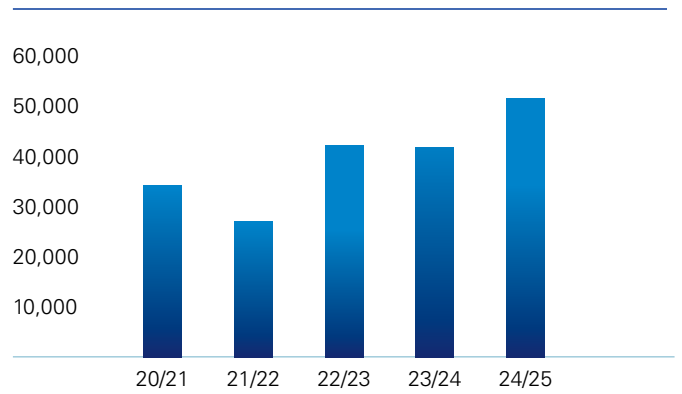
Group Turnover Composition



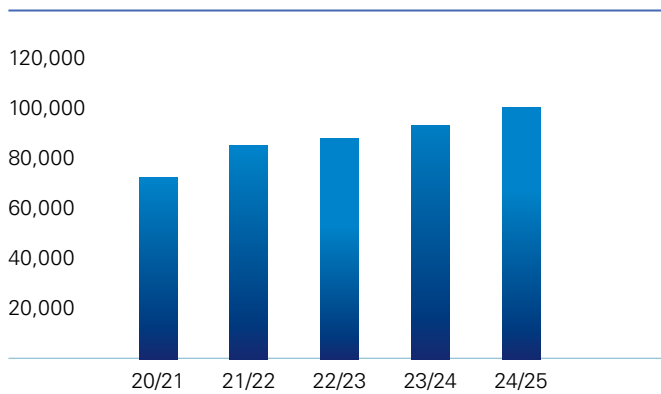
Revenue (Rs.'000)



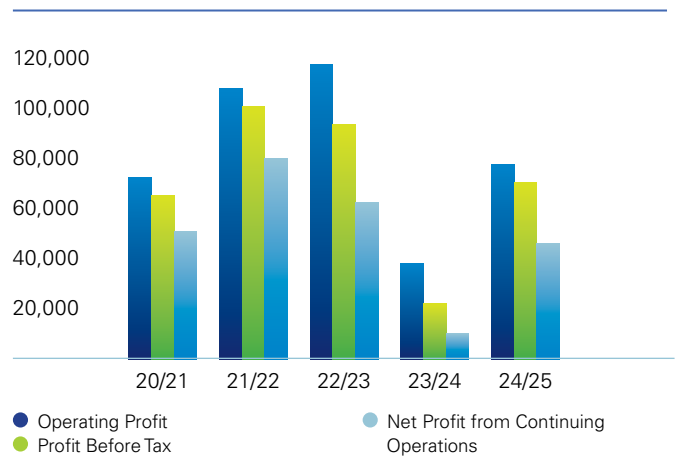
Market Capitalization (Rs.'000)



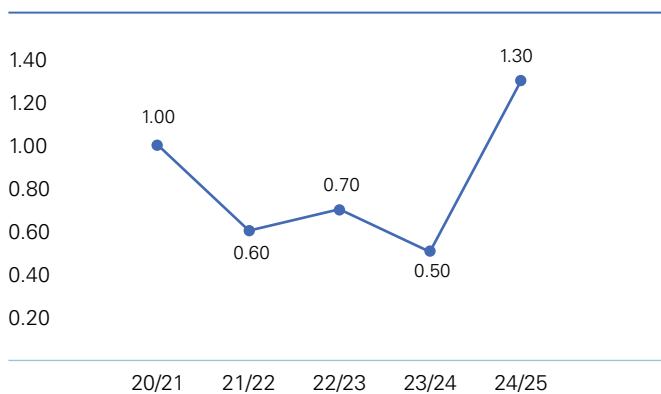
Total Assets (Rs.'000)



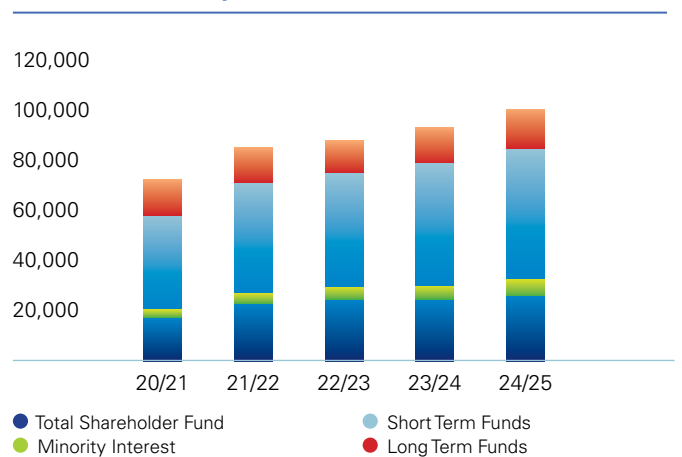
Operating Profit, PBT & PAT (Rs.'000)



Dividend Per Share (Rs.)



Capital Structure (Rs.'000)



FINANCIAL REVIEW

Overall Group Performance

During the financial year 2024/25, the Group was able to demonstrate resilient in the market in terms of revenue amounting to Rs. 76.9 bn, with an increase of 4% over the previous financial year. Consequently, the Group recorded a Profit before Tax of Rs. 7 bn and Profit after Tax of Rs. 4.6 bn.

Revenue Analysis

The group recorded an increase in its revenue by 4% when compared with previous year and which represents a mixed contribution from sectors where the group operates.

Retail Sector

The Retail sector emerged as the most significant contributor to the Group's revenue for yet another year, contributing 46% to the Group revenue. The sector reported revenue of Rs. 35.2 bn. The growth in the modern retail trade continued to expand with the emphasis by clients on convenience and availability becoming greater in urban areas due to increasingly busy lifestyles. The sustainable performance of the sector was supported with the various initiatives to enhance the customer satisfaction and experience.

Rubber Sector

The rubber sector continued its innovation and product diversification during the year with its revenue increased by 1% to Rs.737 bn. Increase in volumes along with the rupee depreciation induced the sector revenue during the year. Significant volume growth has been reported in European, Asia Pacific and the Latin American regions.

Tyre Sector

Revenue of the Tyre sector reached Rs. 5.46 bn, contributing 7.1% to the Group revenue in the reporting financial year. The re-treading segment continued to dominate the sector's revenue. Numerous product promotions initiated through dealer networks as well as at corporate levels resulted in a considerable contribution from the trading operation. The sector is gradually giving prominence towards its trading operations of its own and overseas branded products.

Plastics and Furniture Sector

Despite of the challenges imposed from the external environment, the Plastics and Furniture sector was able to report revenue of Rs. 10.58 bn for the financial year 2024/25 contributing 13.7% to the Group revenue. Plastic and furniture sector comprise key product categories such as mattresses, water tanks, PVC pipes, vinyl mats, electronic and rigiform products and the products are highly sensitive to the market sentiments. The sector employed market centric strategies by identifying the customer needs and optimizing the value for money throughout the entire value chain.

Plantation Sector

The sector ended the year by recording total revenue of Rs. 13.6 bn and continued to be the second highest contributor to the Group revenue, contributing 17.7% during the year under review.

Revenue from the palm oil and tea segments are known as the most contributory crops to boost the revenue in the plantation sector.

Financial Services Sector

The Financial Services sector comprises of the finance company, life insurance, stock broking and margin trading arm. The sector continued its growth momentum in the reporting and contributed to the group revenue by reporting Rs.4.5 bn contributing 5.8% of the Group Revenue.

Cost of Sales and Operating Expenses

The cost of sale of the Group decreased by 2% during the year under review, which absorbed 74% of the Group revenue. The cost of sales reported to be Rs. 56.8 bn in the period under review compared to Rs. 57.7 bn in the corresponding year.

Administration costs were reported to be Rs. 9.2 bn in the reporting year compared to Rs. 9.3 bn in the previous year. Meanwhile, the Group's distribution costs, which include advertising and promotional costs as well as sales related expenses, commissions paid on sales volumes, increased by 13% to reach Rs. 5.2bn during the year, accounting for 6.8% of the total revenue.

Profit from Operations

The gross profit was reported to be Rs. 20.14 bn for the reporting year 2024/25 compared to Rs. 16.14 bn in the financial year 2023/24. Other operating income for the year was recorded at Rs.2.2bn. Consequently, profit from operations of the Group increased by 103% to Rs. 7.7bn, which reflects an operating profit margin of 10% for the reporting financial year.

Retail Sector

Retail sector pivoted to be the second highest contributor to Group's profits generated from operations contributing 25% to the Group operating profit compared to 41% in the corresponding year. The operating profit of the Retail sector was Rs. 1.97 bn. The focus on producing energy through renewable energy sources in selected large format retail outlets and emphasis on key strategic initiatives in managing the cost structure.

Rubber Sector

The rubber sector emerged to be the only negative contributor for the Group operating profit accounting for -2% during the period under review. The operating loss reached to Rs. 162.7mn for the year under review compared to operating profit of Rs. 114.7mn reported in the previous financial year.

Tyre Sector

The tyre sector reported an operational profit of Rs. 727 mn for the reporting financial year contributing 9% to the Group operating profit. The key contributory factors to enhance the profitability due to material cost reduction, supported with the better cost controlling mechanism.

Plastics and Furniture Sector

The Plastic and Furniture sector reported revenue of Rs.10.58bn while recording an operating profit of Rs. 1.37bn. During the year, cost optimization, enhance product efficiencies and effective pricing strategies contributed towards increased operational profits with in the sector.

Plantation Sector

The plantation sector, which experienced a healthy performance and recorded the highest contribution for the operating profit of the group, recorded an operating profit of Rs. 4.8 bn and contributed by 62% of the operating profit of the group.

Financial Services Sector

The sector reported an operating profit of Rs. 33 mn for the reporting year, indicating a significant incline from its operating loss over the previous year.

induced trade and other payables also decreased to Rs. 12.7 bn. Accordingly working capital days were managed within the controllable limits. The total current assets of the Group accounted for 56% of its total assets while total current liabilities accounted for 77% of the total liabilities. The Group's current ratio was reported to be 1.08 and the quick ratio was reported at 0.82 compared to 1.07 and 0.80 times respectively in the corresponding period.

Capital Structure

Equity

The profit attributable to the shareholders for the year was recorded at Rs. 3.79bn, which in turn induced the reserves to reach Rs. 22.7bn.

Borrowing

In terms of borrowings, the net debt including cash balance was stationed at Rs. 13.8 bn compared to Rs. 12.8 bn in the previous financial year, a increase of Rs. 1 bn during the year mainly because the Group relied on external funding for the continuous expansion of its core businesses.

Market Capitalization

The market capitalization of the Company was Rs. 51.49 bn at the closing price of the share, increased from Rs. 41.72 bn recorded in the previous year. During the year under review, the highest traded price of the Group's share was Rs. 28.60, while the lowest price was Rs. 18.60. During the period under review 71,595,658 shares were traded and the share price closed for the year at Rs. 25.30.

Group Financial Position and Liquidity

Non-Current Assets

The non-current assets of the group represent Rs. 44 bn during the year, and as such represent 44% of total assets. The property, plant and equipment category, which accounts for 27% of the total assets, decreased by 4% over the previous financial year.

Working Capital

During the year, the current assets of the Group increased to Rs. 56 bn compared to Rs. 52 bn reported during the corresponding period, whilst current liabilities also reached Rs. 51.8 bn indicating an increase of 8% and 6% respectively. Inventory increased by Rs. 612mn and stock level reached to Rs. 13.7 bn. Trade receivables were reported to be Rs. 11.1 bn in the reporting year compared to Rs.11.7 bn in the previous financial year. The working capital cycle curtailed, which

OUR BUSINESS





RETAIL SECTOR

FINANCIAL HIGHLIGHTS OF 2024/25



Revenue

LKR 35.18 Bn

-0.8%



Operating Profit

LKR 1.97 Bn

+26.9%



Operating Assets

LKR 17.16 Bn

-12.7%



Property, Plant & Equipment

LKR 4.56 Bn

-7.8%

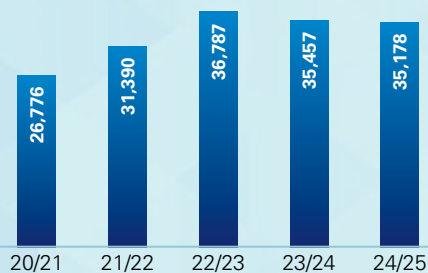


Capital Expenditure

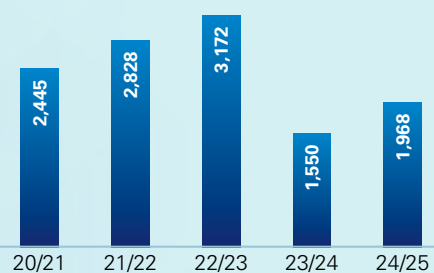
LKR 112 Mn

-59%

Revenue (Rs.'000)



Operating Profit (Rs.'000)



OUR BUSINESS - RETAIL SECTOR

The Retail sector, a strong and very important arm of the Richard Pieris Group, comprises of 4 entities: Richard Pieris Distributors Ltd, Arpimalls Development Company (Pvt) Ltd, RPC Retail Development Company (Pvt) Ltd, and RPC Real Estate Development Company (Pvt) Ltd. The primary objective of the sector is to manage and administrate the renowned chain of supermarkets under the 'Arpico' brand name. Despite the numerous challenges faced during the year in review, the Retail sector continued to be one of the significant contributors to the overall revenue and profits of the Group.

The Arpico brand of supermarkets continued to maintain a strong presence in the market by offering the widest range of high-quality products and excellent customer service. This approach has helped strengthen customer loyalty, improve brand reputation, and retain a competitive edge in the industry.

Richard Pieris Distributors Ltd.

Richard Pieris Distributors Limited currently manages a total of 22 Supercentres, 9 Superstores, 26 Arpico Daily outlets, and 11 showrooms. The Retail chain continues to be a go-to destination for customers which, provides family shopping experience, offering a wide assortment of Fast Moving Consumer Goods (FMCG), General Merchandise, Furniture, Mattresses, Bakery, Pharmacy and Electronic products. With the diverse product range, the Company provides customers with the convenience of shopping for all their needs under one roof.

One of the key differentiating factors of Arpico Supercentres and Superstores is the abundant retail space and ample parking, ensuring an unmatched and comfortable shopping

experience for the customers. In addition to the core offerings, the Company has introduced several added facilities such as banking services, utility bill payments, restaurants and laundry kiosks. These supplementary services enhance customer convenience and contribute to a comprehensive retail experience.

During the year under review, Richard Pieris Distributors Limited enhanced the customer experience by upgrading some of its outlets. These paved way the Company to provide greater customer shopping experience. Furthermore, the Company has been dedicated to improving the interior and exterior of the existing outlets, incorporating innovative trends and designs into the retail spaces. By continuously enhancing the stores, the Company aims to provide an engaging and modern shopping environment for customers.

As a socially responsible organization, Richard Pieris Distributors Limited remains committed to implementing green initiatives in the operations, aligned with global sustainability standards. Among the key initiatives implemented by the Company was the installation of solar panels in addition to energy-efficient lighting and equipment. This reflects the Company's commitment to implementing proactive measures aimed at minimizing environmental impact and contributing to a more sustainable and greener future.

Despite operating in a highly competitive environment, Richard Pieris Distributors Limited has consistently placed customer satisfaction at the forefront of its strategic priorities. Under the theme, "Shop Smart, Save More" the Company introduced attractive promotions and campaigns to



customers, ensuring they receive value for their purchases while maintaining their loyalty. The Company embarked on using digital platforms to reach out to its consumers at large.

The Company has taken various initiatives to improve the fresh produce category and focused on providing products of utmost quality and freshness aligned with international trends. State-of-the-art cool room facilities are integrated within the infrastructure to preserve the quality and freshness of fresh produce.

Throughout the year, the Company has achieved significant milestones and implemented strategic initiatives to enhance the retail experience for our valued customers.

Arpimalls Development Company (Pvt.) Ltd.

Arpimalls Development Company (Pvt) Ltd. owns the two large Arpico Supercentres in Battaramulla and Dehiwala operated by Richard Pieris Distributors Ltd. The Company continued its profit making record during the year under review.

RPC Retail Developments (Pvt.) Ltd.

RPC Retail Developments (Pvt) Ltd. owns the two large Arpico Supercentres in Negombo and Kadawatha and has continued recording profits in the year under review.

RPC Real Estate Development Company (Pvt.) Ltd.

RPC Real Estate Development Company (Pvt) Ltd. owns the Arpico Supercentre in Kandy. The Company also continued its profit making track record in the year under review.



OUR BUSINESS



PLANTATION SECTOR

FINANCIAL HIGHLIGHTS OF 2024/25



Revenue

LKR 13.65 Bn

+1.1%



Operating Profit

LKR 4.82 Bn

+35.6%



Operating Assets

LKR 33.14 Bn

+4.9%



Property, Plant & Equipment

LKR 13.87 Bn

+3.1%

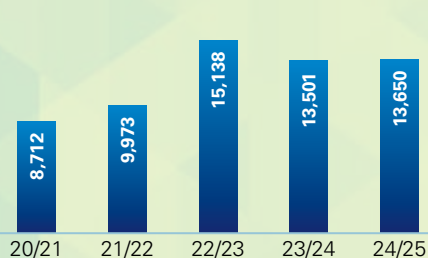


Capital Expenditure

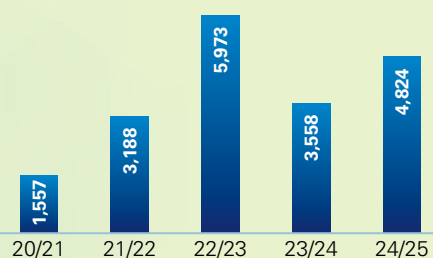
LKR 1.34 Bn

+0.61%

Revenue (Rs.'000)



Operating Profit (Rs.'000)



OUR BUSINESS - PLANTATION SECTOR

During the year under review the sector recorded the highest revenue and profits, despite the challenges that were faced. Whilst the effects of the global pandemic were waning off, the country continued to go through economic difficulties. The prohibitions on importing fertilizer and weedicide were removed during the year which is greatly welcomed by the industry.

The Plantation sector had to continue bearing a higher cost of raw materials and other inputs such as fuel and chemicals. The prices in the Colombo Tea Auctions increased significantly during the period under review. Prices of Oil Palm and Rubber too gained. In the year under review the Plantation sector continued to grow in profits posting an unprecedented Profit Before Tax of Rs.3.6 bn.

The Plantation sector continued to enhance stakeholder value by consolidating its position focusing on enhancing the crop and diversifying into other crops. The initiative taken to plant coffee has progressed satisfactorily and the Company continues to expand its coffee extent in estates managed by all the three companies. Much of the cultivation has been on lands which had been unproductive for tea cultivation.

The sector takes a key interest in uplifting the living standard of the estate communities in the aspects of health, safety training and education and infrastructure development.

Certifications have been pivotal to reach premium customers and a significant portion of estates are internationally certified with quality standards such as HACCP, ISO:22000:2005/2018, ISO:9001:2015, Rainforest Alliance, Ethical Tea Partnership, Global Organic Latex Standard (GOLS) Certification Fair Trade and Forest Stewardship Council TM Certification.

Namunukula Plantations PLC

As the second-largest oil palm producer in the island, Namunukula Plantations PLC is one of the most diversified plantation companies in Sri Lanka, producing five main crops comprising Tea, Rubber, Oil Palm, Coconut and Cinnamon - with a total extent of 11,779 hectares in 18 estates located in Badulla, Kalutara, Galle and Matara districts.

The oil palm plantations of Namunukula Plantations are located in Kalutara, Galle and Matara areas, where the climatic conditions are ideal for growing oil palm.

The tea sector of Namunukula Plantations represents all three major elevation categories such as High Grown, Mid Grown and Low Grown areas serving different market segments. During the year under review, the Company produced 1.5 million kilograms of tea, recording a harvest of 295,424 kg rubber and a crop harvest in the Oilpalm sector exceeding 29 Mn kgs.

The decision taken by the government banning the planting of oil palm without any scientific evidence has deprived the sector from progressing. Whilst repeated requests are made to the government to reconsider this decision, no change has taken effect to this date.

In view of the above, Namunukula Plantations PLC has taken a strategic decision to expand the cultivation of rubber and coffee and already established a nursery to meet the requirement of rubber plants for field planting. Despite absorbing the impact on the worker wage hike granted from September 2024, Namunukula Plantations PLC continue to remain one of the highest profit generating RPCs justifying the confidence of all stake holders.



Kegalle Plantations PLC

In the 2024/25 season, the company's production figures reflect broader market conditions in Sri Lanka, where competition and supply chain dynamics have influenced agricultural outputs. Total rubber production decreased to 2,681,000 kg from 3,295,000 kg the previous year, primarily due to increased competition in the rubber sector, which has affected both local and export markets. Meanwhile, tea production remained relatively stable, with a slight decline from 1,398,000 kg to 1,361,000 kg, amidst fluctuating global tea prices and changing export demands. Coconut output declined significantly from 993,000 nuts to 683,000, driven by adverse weather conditions and pests impacting coconut plantations. Conversely, oil palm production increased notably from 738,000 kg to 878,000 kg, supported by expanding cultivated areas and rising domestic and international demand for palm oil.

Yield per hectare improved for rubber and tea, indicating better productivity amidst these challenges. Rubber rose from 750 kg/ha to 791 kg/ha, and tea from 665 kg/ha to 697 kg/ha. However, yields for coconut and oil palm decreased, with coconut dropping from 2,348 nuts/ha to 1,644 nuts/ha, and oil palm from 8,019 kg/ha to 6,151 kg/ha. The significant expansion in oil palm cultivation, increasing from 92 ha to 143 ha, contributed to the increased output despite lower yields.

Pricing conditions for the company improved markedly, with net selling prices (NSA) rising across all commodities—rubber from Rs.661.65/kg to Rs.846.46/kg and tea from Rs.991.69/kg to Rs.1,081.82/kg—reflecting favorable market trends. Coconut and oil palm NSA also increased, enhancing overall profitability. Cost efficiencies and profit margins improved, with rubber profit per kg surging from

Rs.100.48 to Rs.234.89 and tea from Rs.50.27 to Rs.107.98. Overall, despite reductions in certain crop outputs, the company's performance has improved in terms of efficiency and profitability, aligning with the current macroeconomic environment in Sri Lanka characterized by rising commodity prices, inflationary pressures, and ongoing supply chain disruptions.

Maskeliya Plantations PLC

Maskeliya Plantations PLC manages tea estates located in the Maskeliya, Upcot, Talawakelle and Bandarawela Regions.

During the year under review the Company was able to record a revenue of Rs. 6.7 bn, an increase of 6% compared to the prior year. During the same period the crop increased by 2% and the costs too decreased by 6%. The Company NSA Increases by 11% compared to the last year but which provided massive contribution of increased Turnover.

The teas produced in Maskeliya remain one of the top-quality teas sought by premium buyers all over the world. The Company continues to focus on maintaining Good Agricultural Practices, Good Manufacturing Practices and Good Human Capital Management Practices along with Total Quality Management systems. With these, most of the estates and factories have been accredited with certifications such as HACCP, The Ethical Tea Partnership, RA FLO and ISO 22000.



OUR BUSINESS



RUBBER SECTOR

FINANCIAL HIGHLIGHTS OF 2024/25



Revenue

LKR 7.37 Bn

+1.4%



Operating Profit

LKR (163) Mn

-242%



Operating Assets

LKR 11.51 Bn

+7.9%



Property, Plant & Equipment

LKR 3.65 Bn

+7.6%

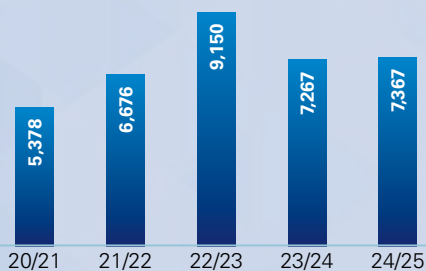


Capital Expenditure

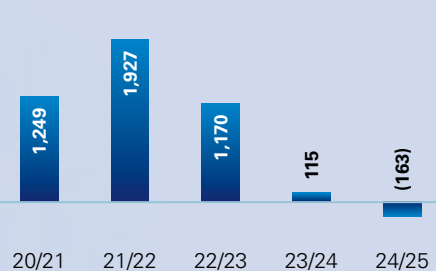
LKR 430 Mn

-37%

Revenue (Rs.'000)



Operating Profit (Rs.'000)



OUR BUSINESS - RUBBER SECTOR

Overview

The financial year 2024/25 presented a mixed operating landscape for Richard Pieris Exports PLC, with its subsidiaries - Richard Pieris Natural Foams Limited (RPNF) and Richard Pieris Exports PLC (RPE). While RPE recorded steady growth in both revenue and volume, RPNF saw a marked downturn in performance due to a combination of external market conditions and cost pressures. As a result, the sector's consolidated profitability declined during the year under review.

Macroeconomic Environment and External Challenges

The sector operated against a backdrop of volatile global and domestic conditions. The price of natural latex increased sharply, rising by nearly 25% over the year, which directly impacted product pricing and demand, particularly for RPNF. This price escalation coincided with reduced competitiveness in key export markets. The situation was exacerbated by the imposition of tariffs by the United States. Emerging regulatory frameworks, notably the European Union Deforestation Regulation (EUDR), introduced added compliance complexities for exporters.

Locally, the industry faced mounting pressure from escalating labour and energy costs. A significant proposed increase in private sector wages, amounting to around 30% over two stages, is expected to impact the sector's cost structure substantially in the coming year.

Recruitment too remained a challenge, as labour shortages driven by migration trends made it difficult to attract and retain factory workers. In response, the sector began pivoting its recruitment strategy by sourcing labour from surrounding communities while offering logistical support such as transportation, moving away from earlier practices of providing accommodation.

Segmental Performance

Natural Foam

Richard Pieris Natural Foams Limited (RPNF)

RPNF experienced a difficult year, with sales volumes contracting by approximately 5% year-on-year. The primary reason for this decline was the sharp increase in input costs, particularly natural latex, which significantly raised selling prices and impacted demand.

The Asian market, once a key contributor to RPNF's revenue, witnessed a steep fall in orders as regional competitors offered significantly lower prices. This led to a loss of nearly the entire Asian market segment. Although several new customers were onboarded during the second half of the year, their orders are expected to contribute meaningfully only in the upcoming financial year.

The decline in volume and profitability also affected the sector's planned expansion activities. The construction of the new factory is delayed, with commissioning timelines now tied to the recovery of export volumes and market demand.

In response to these challenges, RPNF is currently focused on improving export yields which would lower unit costs and enhance margins. Efforts are also underway to recapture lost market share in Asia by offering more competitive pricing. New designs and enhanced product features are being explored to increase value delivery, and the possibility of entering the finished mattress segment is under evaluation as part of a long-term diversification strategy. While a full recovery may take time, these initiatives are geared towards restoring sustainable operations in the medium term.



Hard Rubber

Richard Pieris Exports PLC (RPE)

RPE recorded a strong performance in 2024/25. Turnover increased by 11%, supported by a 15% growth in volume. This growth was largely driven by the ring segment, which saw a 32% increase in demand, particularly from the European market and a growth of 9% in sales to the US. The latter part of the year under review saw the commissioning of a new continuous sheeting line, which will enhance production capabilities and support commercial expansion in the upcoming financial year.

However, RPE was not immune to broader macroeconomic pressures. Prices of natural rubber rose by approximately 25%, while the favourable impact from exchange rate fluctuations was limited to around 2%, falling short of the 4% benefit typically expected. The Sri Lankan Rupee appreciated against the US Dollar by 6.31% (as per the Central Bank average monthly exchange rate) during the year. But despite this, the prices of natural rubber increased by approximately 25%.

Nonetheless, the company continued to strengthen its customer relationships and expand its market presence. New customer accounts onboarded during the year are expected to support continued volume growth in 2025/26. The sector also expects to realise long-term cost benefits through its planned sustainability initiatives, including the commissioning of a biomass boiler by September, which will reduce dependence on furnace oil and mitigate rising energy costs.

Arpitalian Compact Soles (Pvt) Ltd

Arpitalian Compact Soles (Pvt) Ltd., a joint venture with Davos SPA, an internationally renowned Italian manufacturer of shoe soles and soling sheets, maintained a stable performance during the year, in line with the previous financial period. The company continues to serve customers in India and Italy, while remaining open for potential joint venture opportunities to enhance its long-term strategic outlook.

Minerals Segment

Micro Mineral (Pvt) Ltd

Micro Mineral (Pvt) Ltd sustained its steady contribution to the sector's operations, delivering a performance consistent with the prior year. The Company processes essential mineral inputs used in RPE's manufacturing activities and supplies these raw materials at cost. As a strategic subsidiary, it plays a crucial role in supporting uninterrupted production across the Group's polymer-related businesses.

Sustainability

The sector remains committed to advancing its sustainability agenda. Both RPNF and RPE are undertaking investments to improve energy efficiency and reduce their environmental impact. The upcoming biomass boiler installation is expected to significantly reduce energy-related emissions.

Compliance

Compliance with international regulations, including the EUDR, remains a priority, with the sector actively aligning its operations to meet emerging environmental and labour standards across export destinations.

Human Resources

Labour availability continued to be a persistent challenge throughout the year. The sector's traditional model of recruiting rural youth and providing boarding facilities proved less effective due to ongoing migration and increasing living costs. As a result, the sector has adopted a more regionally focused recruitment model, prioritising workers from nearby communities and providing them with transport and other logistical support, thereby building a more sustainable and cost-effective workforce strategy.

Outlook

Operationally, the successful commissioning of our new continuous sheeting line during the latter part of the financial year has added a layer of production efficiency and capacity that will support our growth ambitions in 2025/26 and beyond.

Looking ahead to 2025/26, the sector anticipates continued challenges due to global trade policy shifts, compliance demands, and domestic cost pressures. However, with strategic initiatives in place to improve production efficiency, expand market reach, and strengthen sustainability credentials, the sector remains focused on stabilising operations in the short term and achieving long-term growth across both subsidiaries.



OUR BUSINESS



TYRE SECTOR

FINANCIAL HIGHLIGHTS OF 2024/25



Revenue

LKR 5.46 Bn

+7.1%



Operating Profit

LKR 727 Mn

+39.2%



Operating Assets

LKR 3.93 Bn

+5.7%



Property, Plant & Equipment

LKR 251 Mn

-15.7%

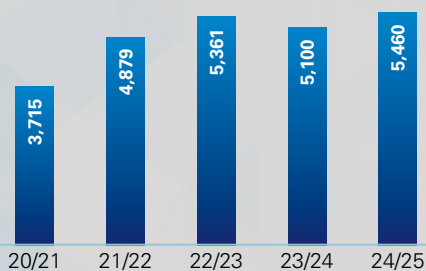


Capital Expenditure

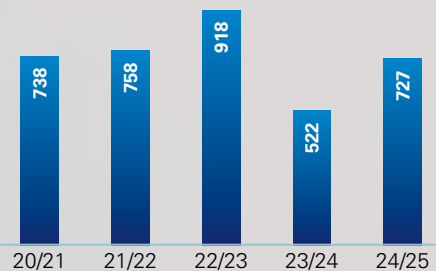
LKR 1.9 Mn

-93.2%

Revenue (Rs.'000)



Operating Profit (Rs.'000)



OUR BUSINESS - TYRE SECTOR

Amidst a backdrop of global economic shifts and local market pressures, the Tyre Sector of Richard Pieris & Company PLC delivered a year defined by agility, strategic focus, and steady performance. With a diverse business model encompassing tyre retreading, trading, and manufacturing, the sector continued to evolve strengthening its presence both locally and in selected international markets.

Strategic Performance Overview

Sustained Leadership in Retreading With a nationwide footprint and over two decades of operational expertise, our retreading operations continued to lead the market contributing over 61% of sectoral revenue. A steady 8% growth in retreading, despite macroeconomic headwinds, underscores the enduring demand and operational excellence in this segment.

Strengthening the Trading Portfolio The tyre trading arm saw increased traction with high-demand international brands like Nexen, Maxtrek, ARL, and Aufine, collectively contributing 39% of sectoral revenue a clear indicator of rising brand preference and customer confidence.

Optimizing for Resilience Operational efficiencies, lean resource utilization, and collaborative synergies among group companies helped mitigate margin pressures and stabilize performance.

Driving Green Innovation in the Tyre Sector At Richard Pieris Tyre Company Limited, sustainability is no longer a choice it is a strategic imperative. As a leading player in Sri Lanka’s tyre industry, we are committed to embedding environmentally responsible practices into every aspect of our value chain from sourcing raw materials to end-of-life tyre solutions.

Key Sustainability Initiatives

- Integration of circular economy practices via enhanced retreading reducing imports of new tyres.
- Introduction of recyclable tyres reusing buffering dust and reclaim rubber.
- Investment in R&D for low cost and sustainable raw materials like regenerated carbon black from Pyrolysis process.
- Reevaluate mixer capacity and optimized batch weights to increase productivity.
- Implement relevant methodical system to optimize usage of compound trimming received from Arpidag to reduce compound wastage.
- Implementation of cost effective substitutes keep material cost at reasonable level.

Sales Volume

Despite a challenging macroeconomic landscape, the Tyre Sector demonstrated notable volume performance across key product categories.

The volume growth in retreading and tubes reflects market resilience and effective distribution strategies, while the slight decline in flaps is being addressed through revised sourcing and sales initiatives.

New Product Introduction

In line with portfolio diversification, the company introduced a range of two wheeler tyres to the market.

The product has shown strong initial traction and promising market potential in the two-wheeler segment.



Entity-wise Highlights

Richard Pieris Tyre Company Limited

The flagship entity of the tyre sector, Richard Pieris Tyre Company Limited, upheld its leadership in Sri Lanka’s retreading industry while advancing sustainability and digital transformation initiatives. With over 65% of sector revenue generated from retreading and 35% from tyre trading, the company demonstrated strong market retention and growing brand equity. Despite macroeconomic volatility and increased import costs impacting profitability, strategic recovery plans were deployed focusing on process optimization, digitization, and market expansion through an extended Tyre dealer network. The company also led the sustainability charge with eco-conscious raw material sourcing, employee training on energy efficiency practices, and exploratory R&D in tyre technologies.

Arpidag International (Pvt) Limited

It serving as the sector’s foundation for high-grade precured tread rubber, Arpidag continued to support internal retreading operations. The company remained focused on production consistency, raw material efficiency, and quality excellence under ISO 9001-certified processes. Arpidag also embraced sustainability imperatives by addressing the environmental impacts of input materials, streamlining manufacturing for energy efficiency, and aligning its operations with circular economy principles.

Richard Pieris Rubber Compounds Limited

This entity continued to serve as the specialized provider of tailored rubber compounds, meeting internal group and external client needs. In FY 2024/25, the company prioritized technical precision, formulation consistency, and innovative research into sustainable compound alternatives. Its early-stage efforts set a solid foundation for future transitions

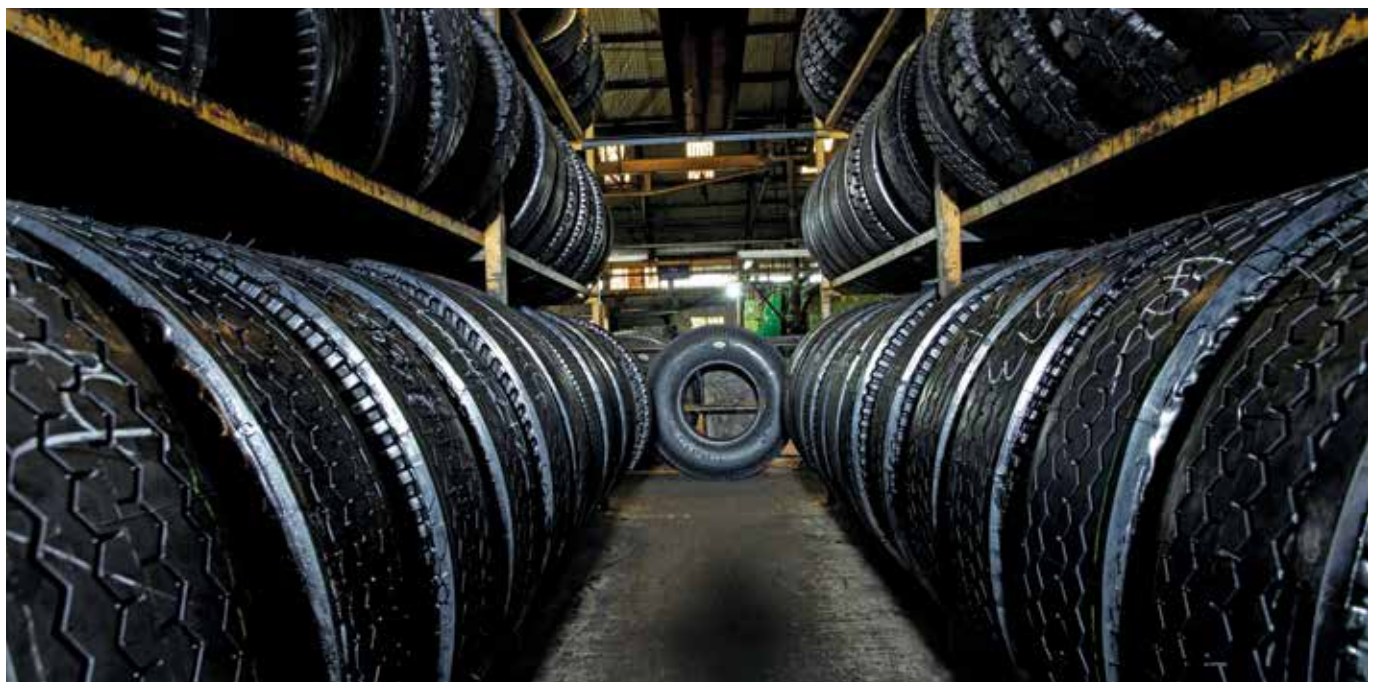
to sustainable production. Through enhanced supplier engagement and stringent quality controls, Richard Pieris Rubber Compounds Limited remains integral to the group’s long-term material sustainability strategy.

BGN Industrial Tyre (Pvt) Ltd

BGN Industrial Tyre (Pvt) Ltd delivered another year of performance exporting premium solid tyres under the well-established brands "Ecomaster" and "Compeer Plus" to key markets across Asia and the Middle East. Emphasizing manufacturing excellence, product diversification BGN responded effectively to global demand. Strategic investments in production technologies, alternative rubber formulations, and climate-resilient tyres have further solidified its standing as a globally competitive and environmentally forward-looking manufacturer. The company’s enduring customer relationships and innovative product roadmap underscore its readiness for the future of sustainable mobility.

Group-wide Resilience & Forward Strategy

- Overall Financials: The sector maintained stable revenue through its diversified portfolio and strong market presence.
- Sustainability at the Core: Greater emphasis on circular economy principles and energy-efficient operations defined the year’s sustainability roadmap.
- Innovation & Digitization: Investments in quality controls, and data-driven forecasting supported smarter decision-making and efficiency gains.
- Looking ahead with expanding brand visibility, a trusted dealer network, and a renewed commitment to innovation and sustainability, the Tyre Sector is well-positioned for continued progress. Each entity plays a strategic role in this journey collectively building a platform for long-term growth, operational strength, and market leadership.



OUR BUSINESS



PLASTICS, FURNITURE AND ELECTRONICS SECTOR

FINANCIAL HIGHLIGHTS OF 2024/25



Revenue

LKR 10.58 Bn

+37.9%



Operating Profit

LKR 1.37 Bn

+133.3%



Operating Assets

LKR 15.24 Bn

+7.4%



Property, Plant & Equipment

LKR 3.24 Bn

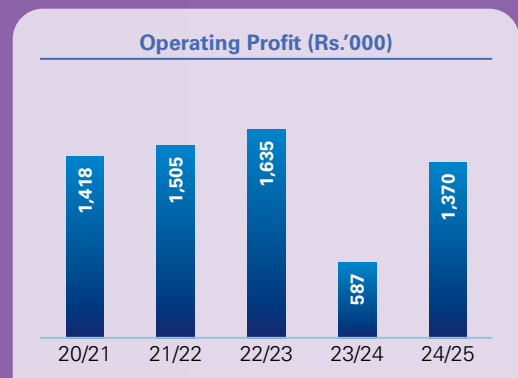
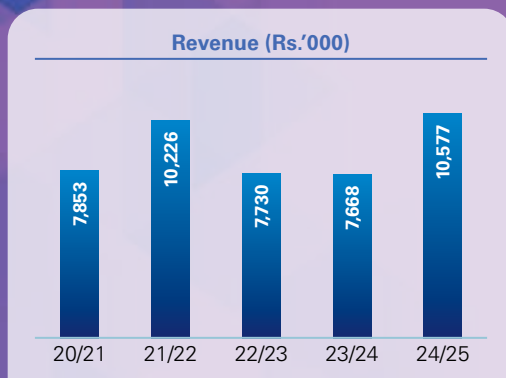
+1.5%



Capital Expenditure

LKR 209 Mn

+161.5%



OUR BUSINESS - PLASTICS, FURNITURE AND ELECTRONICS SECTOR

Sector Performance Overview

The Foam and Hardware Sector encompasses the manufacture and trade of a diverse range of products, including foam and spring mattresses, water tanks and utility items, Rigifoam products, PVC pipes and fittings, rubber products, Water Pump and other consumer durables.

In the financial year 2024/25, the sector achieved notable revenue growth, overcoming the challenges posed by the ongoing economic crisis and nationwide demand contractions. This recovery has been fueled by competitive market strategies and the execution of comprehensive business plans.

Despite the broader economic slowdown, the sector successfully advanced its market penetration and geographical expansion efforts, aiming to reach a larger customer base. Key to this progress has been a relentless focus on continuous product development and achieving cost efficiencies through automation. These initiatives have not only bolstered profitability but also ensured that customer expectations are consistently met.

Arpico Mattresses

Arpico Mattresses have been a trusted household name in Sri Lanka for decades, proudly recognized as the pioneer and the true market leader in the country's mattress industry. The product range includes spring mattresses, foam mattresses, sheets, cushions, and pillows all celebrated for their exceptional quality, comfort, and durability.

Certified under ISO 9001:2015 and SLS 893, Arpico ensures stringent quality standards across its entire product line. With a robust island-wide retail network, the brand has extended its reach beyond the local market, enhancing accessibility and customer trust.

Recent innovations, taking a new leap to change the game "The Arpico NextGen mattress" with the all new air cooling pocket technology using state-of-the-art German Computer Numerical Control (CNC) foam cutting technology to ensure cool comfort for the ultimate quality sleep. Also including the integration of Swiss technology and advanced coil systems, have further elevated Arpico's product offerings, reinforcing its position at the forefront of the industry and reaffirming its commitment to delivering superior sleep solutions.

Arpico Water Tanks

As a long-standing and trusted brand in Sri Lanka, Arpico Water Tanks are widely recognized for their unwavering commitment to superior hygiene and affordability. The product portfolio includes a comprehensive range of solutions such as molded water tanks, hybrid water tanks, septic tanks, and sump tanks, as well as garbage bins, compost bins, and traffic management accessories.

All products are manufactured in compliance with ISO 9001:2015 quality standards, further cementing Arpico's reputation as the preferred supplier in these categories. This dedication to quality, innovation, and customer satisfaction continues to reinforce Arpico's leadership in the industry.

PVC Operations

Arpitech (Pvt) Ltd is a specialized manufacturer of high-quality Polyvinyl Chloride (PVC) products, offering a diverse portfolio that includes pipes, fittings, conduit pipes, conduit fittings, garden hoses, and rainwater conveyance systems. The company has firmly established itself as the leading manufacturer of PVC pipes and fittings in Sri Lanka.

Arpitech's commitment to quality is demonstrated through its adherence to SLS 147, SLS 659, and SLS 935 standards,



alongside its ISO 9001:2015 certification, ensuring consistent product excellence and reliability.

During the year under review, the PVC segment experienced notable growth, supported by product diversification, an optimized sales mix, increased market competitiveness, and the continued expansion of its dealer network. These strategic initiatives have reinforced Arpitech’s market leadership and positioned the company for sustained growth in the PVC manufacturing sector.

Printing Rollers, Industrial Rubber Products, and Molded Rubber Products

During the financial year 2024/25, strategic investments in product quality and standardization significantly contributed to increased sales across this segment. The product portfolio includes printing rollers, conveyor belts, industrial rollers, molded rubber goods, and other industrial rubber products. The company remains committed to product innovation, recognizing it as a key driver of long-term growth and competitiveness.

Arpico Water Pumps

New Arpico-branded water pumps were introduced to the market, gradually gaining traction. Although a decline in commercial and construction activity led to modest revenue growth during the year, the segment is well-positioned to benefit from an eventual economic recovery. The company is actively implementing strategies to strengthen its market position and aims to emerge as a future market leader in this category.

Arpico Rigifoam

As the pioneer in the industry, Arpico Rigifoam continues to maintain its market leadership through a deep understanding of customer needs and market trends. The brand remains

the preferred choice for rigifoam products, supported by ongoing collaboration with institutions and direct dealers, particularly in industrial and fisheries transport applications. These partnerships have further reinforced brand visibility and market dominance.

“MITHUDAM CHARIKA” is not just a journey it is a meaningful initiative that brings together our key business partners, dealer assistants, and plumbers in a united platform to engage more closely with our operations. By fostering collaboration, sharing fresh ideas, and inspiring one another, we are continuously strengthening our relationships and reaffirming our leadership position in the hardware segment.

More than a business engagement, MITHUDAM CHARIKA focuses on building a loyal community rooted in trust, mutual growth, and shared values. Through this initiative, we aim to empower and motivate our extended network, ensuring they feel recognized and aligned with our vision.

Aligned with our broader corporate social responsibility (CSR) goals, the journey integrates community support activities such as skills development, local upliftment, and sustainability efforts contributing to the well-being of the regions we serve. This ensures our impact goes beyond commerce and extends into meaningful social contribution.

The initiative also strengthens ties with all stakeholders, including employees, customers, and local communities, ensuring their voices are heard in shaping our path forward.

Ultimately, MITHUDAM CHARIKA embodies our commitment to inclusive progress, reinforcing our leadership not just in products and services, but in values, community impact, and long-term partnership.



OUR BUSINESS



FINANCIAL SERVICES AND OTHER

FINANCIAL HIGHLIGHTS OF 2024/25



Revenue

LKR 4.74 Bn

-3%



Operating Profit

LKR 244 Mn

-126%



Operating Assets

LKR 45.51 Bn

+11%



Property, Plant & Equipment

LKR 381 Mn

-35%

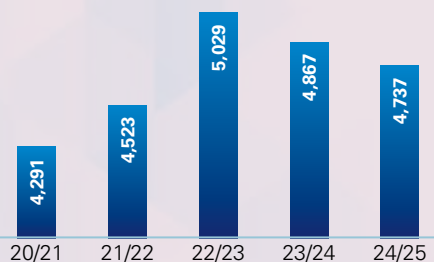


Capital Expenditure

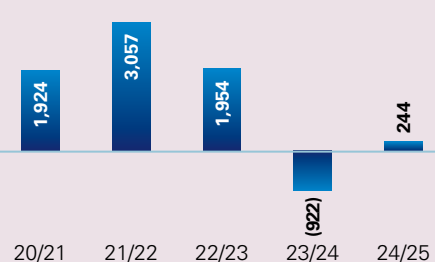
LKR 48 Mn

-47%

Revenue (Rs.'000)



Operating Profit (Rs.'000)



OUR BUSINESS - FINANCIAL SERVICES AND OTHER

About Arpico Insurance PLC

Arpico Insurance PLC is a life insurance company in Sri Lanka, focused on providing reliable, innovative, and customer-friendly insurance plans. Their goal is to become the most trusted and innovative provider for life insurance needs. They achieve this by offering excellent services through a dedicated and passionate team, using advanced technology, extra features, and unique service options.

As a part of Richard Pieris & Company PLC, a well-known Sri Lankan business with over 90 years of history, Arpico Insurance benefits from financial strength, a good reputation, and loyal customers. The company was started in 2011 and has grown quickly by focusing on quality service, innovation, and honesty. It became publicly listed on the Colombo Stock Exchange in 2015, showing its commitment to good governance.

In 2024, Arpico Insurance reached an important milestone with a profit after Tax of Rs. 200 million. The company has 69 branches across Sri Lanka, making it easy for customers to access their services. More than just an insurance company, Arpico Insurance sees itself as a strong and trustworthy organization that leads the way in Sri Lanka’s life insurance industry.

Richard Pieris Finance Limited

Richard Pieris Finance Limited continues to demonstrate financial resilience and strategic agility, as evidenced by its audited performance for the year ended 31 March 2025. The company has made significant progress in strengthening its financial position, expanding its operational footprint, and reinforcing compliance with evolving regulatory standards.

As of 31 March 2025, RPFL’s total asset base stood at Rs. 20.3 billion, officially positioning the company among financial institutions with assets exceeding Rs. 20 billion. This milestone reflects the success of its balanced lending and funding strategy.

The company recorded a Profit After Tax of Rs. 255 million for the financial year 2024/25, highlighting a notable recovery and sustained profitability.

The lending portfolio remains a key driver of growth, led by the expansion of gold loans and micro-leasing for two- and three-wheelers. By March 2025, the micro-leasing portfolio reached Rs. 3 billion, while the pawning and gold loan portfolio totaled Rs. 2.3 billion. These segments contributed significantly to income generation and asset quality improvements. Notably, the Non-Performing Loan ratio reduced from 40.40% in March 2024 to 27.46% by March 2025, demonstrating the effectiveness of enhanced recovery and credit risk strategies.

RPFL also launched a new mortgage loan product, “Sarumaga”, catering to long-term financing needs. On the operational front, the Kurunegala branch was successfully relocated in February 2025 to a more strategic location, and a gold loan center in Chilaw was upgraded to a fully-fledged branch, further strengthening customer outreach.

For the financial year 2024/25, the Richard Pieris Group invested Rs. 700 million in Richard Pieris Finance Limited, reinforcing its capital adequacy and supporting future growth initiatives. Deposit mobilization was further enhanced through targeted campaigns and the expansion of the branch network.

Operational efficiency improved through the digital transformation of key functions, restructuring of the recovery team, and adherence to the CBSL’s regulatory framework.

Looking ahead, RPFL remains focused on sustainable profitability, digital innovation, and strong governance. Through the disciplined execution of its strategic roadmap, the company is well-positioned to grow its market share and deliver long-term value to stakeholders in the dynamic non-bank financial services sector.



Richard Pieris and Company PLC

As the Group’s holding company, Richard Pieris & Company PLC holds a significant amount of shares from subsidiaries and leads each Business Unit’s particular strategy to generate wealth for shareholders, as well as deciding on primary corporate policy and decision-making. Group Companies relies on the Company’s many divisions for critical services such as information and communication, human resources, and procurement.

Information Technology (IT) drives innovation, and the Group makes full use of its in-house IT expertise to give its business operations a competitive advantage. The in-house IT team, which created and upgraded the software used throughout the firm, meets the Group’s specific business requirements. The IT team is focused on sustainability while modernizing the Group’s IT infrastructure. Printers have been centralized, and printing solutions have been streamlined, with the goal of minimizing paper usage and precisely tracking paper use. To improve internal operations, the IT unit is developing a complete access control and time and attendance system for transparency and ease of use. Furthermore, a new system is being developed to centrally monitor the factory’s production steps in order to eliminate waste.

Innovative e-commerce systems have been established, and great effort has been done on the back end to cope with the large rise in demand during the pandemic, in order to serve our client base through in-house IT. Improving the Group’s digital infrastructure has a positive impact on RPC’s culture and operations, providing several intangible and tangible benefits while giving the Group a competitive advantage in all industries.

Employees are the driving force behind the Company’s success. The Group Human Resource department is in charge of overall administration and policy, as well as satisfying the different demands and requirements of the Group’s companies.

The Central Commercial Division is critical to the performance of the subsidiaries because it maintains solid relationships, orders on time, and manages economies of scale while handling raw materials, consumables, and other trading commodities from a variety of local and global suppliers.

To keep up with the Group’s rapid growth and as financing requirements have become more substantial, the Group Treasury assists in advising on funding requirements of all businesses, negotiating bank facilities, and managing aspects such as foreign exchange exposure and interest rate risk. The Group Finance responsible for Group reporting and, when needed, project appraisals and feasibility studies.

The Centralized Internal Audit division builds the Group’s internal control system and proposes appropriate actions when necessary. The risks that each sector faces are diverse, necessitating a dynamic risk and mitigation action plan. The Internal Audit role is crucial since it supports the Group’s standing with improved systems while also increasing the confidence of shareholders and other stakeholders.

RPC Logistics Limited

RPC Logistics is primarily engaged in international freight forwarding, customs brokerage and transportation. At present, 74% of the Company’s revenue is generated from its freight forwarding and 16% from customs brokerage and 10% from transport operation. The Company’s portfolio of services includes air freight, sea freight, sea freight consolidation, customs brokerage, transshipment and local transport. The Company also provides total logistics solutions including door-to-door shipment logistics through our GLA Network Partners around the globe. GLA (Global Logistics Alliance) is one of the leading freight forwarding networks with over 7000 agents worldwide.



STATEMENT OF VALUE ADDED

	2024/2025		2023/2024	
	Rs.'000	%	Rs.'000	%
Revenue	76,965,281		73,859,225	
Cost of material and services purchased	(52,871,962)		(54,544,611)	
	24,093,319		19,314,614	
Other income	2,165,636		1,896,295	
	26,258,955		21,210,909	
Distribution of value added				
To employees				
- Remuneration	11,337,741	43%	10,308,723	49%
To government				
- Duties and taxes	3,189,429	12%	3,689,252	17%
To providers of capital				
- Interest on loan capital	2,138,262	8%	2,830,115	13%
- Non controlling interest	812,081	3%	450,860	2%
- Dividend to shareholders	2,645,550	10%	1,017,519	5%
Retained in the business				
- Depreciation and amortisation	2,348,040	9%	2,341,568	11%
- Profit retained	3,787,853	14%	572,872	3%
	26,258,955		21,210,909	

SUSTAINABILITY INTEGRATION

Sustainability

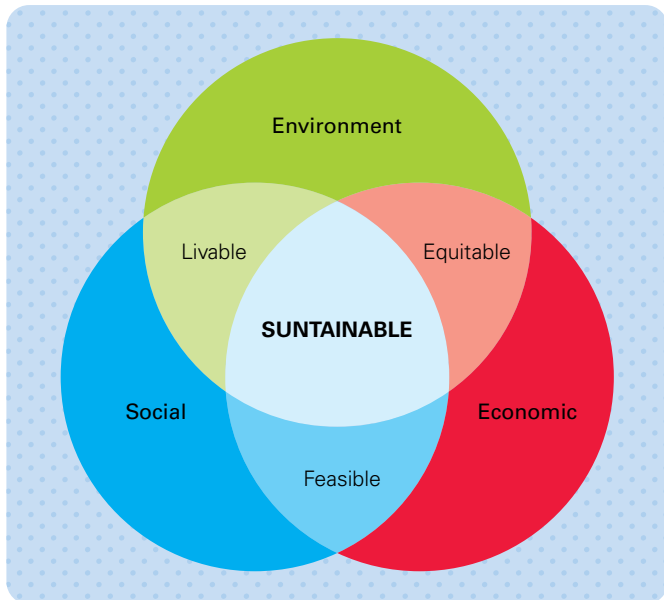
“The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs”

This principle is central to how Richard Pieris and Company PLC operates, balancing economic performance with environmental stewardship and social responsibility.

Sustainable Development & Triple Bottom Line in RPC

“The development that meets needs of current generation without compromising the ability of future generations to meet their; own needs”

The concept of three pillars of sustainability gained prominence with the Brundtland Report, officially titled OUR COMMON FUTURE.



Social Sustainability (People)

The Group places strong emphasis on social sustainability, recognising the critical role of human capital, community well-being, and ethical labour practices in long-term value creation. This commitment is reflected through the following key initiatives:

- Empowering employees with fair wages, continuous training opportunities, and safe, supportive working environments.
- Investing in community development initiatives, including education, healthcare, and livelihood support.
- Upholding ethical labour standards while fostering a diverse, inclusive, and respectful workplace culture across all operations.

Environmental Sustainability (Planet)

The Group remains steadfast in its commitment to environmental sustainability by actively reducing its ecological footprint and integrating responsible practices across operations. Key initiatives include:

- Responsible use of natural resources across production and distribution activities.
- Adoption of environmentally -friendly technologies and waste reduction strategies.
- During the financial year 2024/25, we successfully retreaded 296,929 tyres by extending product life cycles and promoting resource efficiency while reducing environmental impact.
- Supporting biodiversity and ecological balance through sustainable sourcing practices and reforestation programmes.
- Our mini-hydro plants in Talawakelle and Brunswick estates continue to contribute to renewable energy generation, supporting our commitment to clean and sustainable energy sources.

Economic Sustainability (Profit)

The Group upholds economic sustainability by fostering long-term profitability while safeguarding people and the planet. This commitment is demonstrated through the following measures:

- Integrating sustainable practices into the core business model to mitigate risks and enhance operational resilience.
- Developing innovative products that meet consumer demand for environmentally and socially responsible solutions.
- Upholding robust corporate governance, transparency, and ethical conduct across all business activities.

Richard Pieris & Company PLC remains firmly committed to driving long-term economic growth in a manner that is socially responsible, environmentally conscious, and culturally inclusive. The Group is dedicated to ensuring that its operations contribute positively to the communities it serves, without compromising their social fabric or ecological integrity. Emphasis is placed on the sustainable management and protection of natural resources, with the goal of preserving ecosystems and biodiversity for future generations. In parallel, the Group actively supports community development by facilitating access to basic needs, promoting equitable opportunities, and upholding the highest standards of ethical conduct. These efforts collectively foster social well-being, encourage cultural diversity, and underscore the Group’s commitment to inclusive and sustainable development.

SUSTAINABILITY INTEGRATION



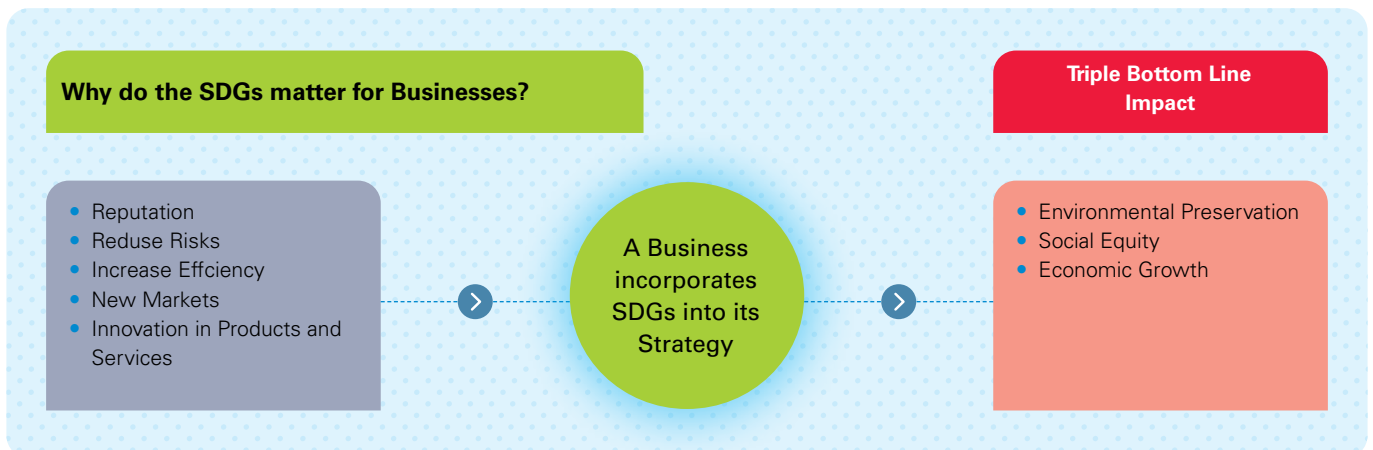
Strategic Alignment with the UN SDGs

The United Nations declared a set of 17 Sustainable Development Goals (SDGs) which cover a broad range of issues related to poverty, inequality, climate change, environmental degradation, peace and justice as a part of the 2030 Agenda for Sustainable Development.

Richard Pieris & Company PLC has aligned its corporate strategy with these SDGs, acknowledging that meaningful progress requires bold action, collaborative partnerships, and a commitment to equitable opportunity. The Group recognises

that sustainable development is a shared responsibility and has embedded these principles into its core business practices. Accordingly, the Group embraces the following principles:

- Actively collaborating with stakeholders to drive sustainable progress.
- Implementing strategic, high-impact initiatives across operations to support the global development agenda.
- Promoting inclusive growth that benefits diverse communities and all segments of society.



Integrating the SDGs into the Group’s business strategies delivers multifaceted benefits. It strengthens the Group’s reputation by demonstrating a clear commitment to addressing global challenges, while simultaneously reducing operational risks and enhancing resource efficiency. Moreover, alignment with the SDGs opens pathways to emerging markets and customer segments. This strategic approach also fosters innovation in products and services by promoting sustainability and ethical responsibility, positioning the Group for long-term competitiveness and resilient growth.

The Group contributes positively to the Triple Bottom Line, achieving impact in three critical areas: environmental preservation, social equity, and economic growth by integrating SDGs into its core strategy. This holistic approach supports global sustainability priorities while reinforcing the Group’s long-term business resilience. It enables the creation of shared value for both the organisation and the broader community, fostering responsible growth, enhancing stakeholder trust, and positioning the Group as a forward-looking leader in sustainable corporate practice.



VALUE CREATION MODEL



OUTPUTS

VALUE CREATED FOR STAKEHOLDERS

Output

Key Deliverables



Products & Services

- High-quality fast-moving consumer goods, furniture, rubber, and plantation products
- Financial solutions: loans, deposits, insurance

[SDG 02 Zero Hunger: Retail operations (Arpico Supercentres) enhance food accessibility and affordability while supporting local agricultural suppliers through responsible sourcing.]



Financial Returns

- Rs. 4.6 Bn profit after tax
- Rs. 26.2 Bn in value added



Employment

- Job creation and capacity building across Sri Lanka

[SDG 01 Poverty: Through job creation across its retail, manufacturing, plantation, and financial services sectors, the Group supports income generation for over 17,000 employees, significantly reducing poverty in local communities.]



[SDG 08 Decent Work and Economic Growth: Sustainable job creation, compliance with labor laws, and fair remuneration foster decent work and economic growth.]



Community Impact

- CSR programs
 - Environmental conservation
- [SDG 03 Good Health and Well-being:** Employee welfare, safety programs, and CSR initiatives in healthcare promote physical and mental well-being across stakeholders.]



[SDG 07 Affordable and Clean Energy: The Group's investment in solar energy infrastructure reduces dependence on non-renewable energy sources and promotes clean energy adoption.]



Stakeholder

Value Delivered



Shareholders

- Dividends and long-term value



Customers

- Accessibility
- Affordability
- Quality products
- Loyalty rewards



Employees

- Professional development
- Welfare benefits
- Safe working environment



Suppliers

- Long-term relationships and responsible sourcing



Investors

- Sustainable returns
- Transparency
- Governance



Communities

- Employment
- Environmental protection
- Community welfare



Environment

- Shift to solar energy
- Waste reduction initiatives.



Government

- Tax payments
- Compliance
- Contribution to economy

CAPITAL REPORTS



FINANCIAL CAPITAL

Financial capital serves as the pillar of our group, driving stability, growth, and resilience while enabling us to deliver sustained value creation across diverse business sectors in a dynamic economic environment.

Financial capital remains the foundation of our business, enabling long-term stability, sustainable growth, and consistent value creation. Throughout the financial year, the Group demonstrated resilience by effectively managing its financial resources, ensuring operational continuity across our diverse portfolio. This prudent approach to capital allocation and financial discipline was instrumental in supporting strategic initiatives and navigating a dynamic economic environment.

Key Metrics	2024/25 Rs.'000	2023/24 Rs.'000
Profit Before Tax	7,005,448	2,191,494
Profit for the Year	4,599,934	1,023,732
Operating Cash Flow	4,809,981	6,638,439
Debt to Equity Ratio	0.87	0.85
Return on Equity	14.99%	2.33%

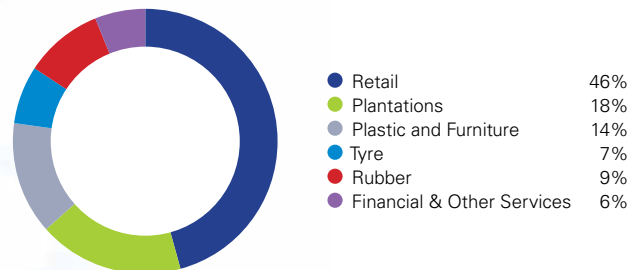
The following section outlines the key financial capital metrics that shaped our performance during the financial year 2024/25.

Revenue

The group recorded 76.97 Bn of integrated revenue for the financial year 2024/25 with the contribution of each business sector and marking 4.2% increase compared to the previous year.

The Group's revenue continues to be primarily driven by the retail sector, which contributed Rs. 35.17 billion - accounting for 46% of total revenue during the financial year. The sustained growth in modern retail is largely attributed to rising consumer demand for convenience and accessibility, particularly in urban areas shaped by increasingly fast-paced lifestyles. The strategic expansion of

Revenue Composition

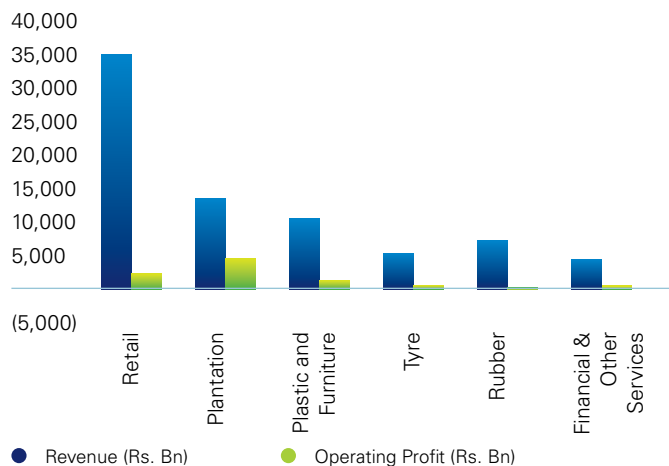


large-format stores has been a key driver of this performance, with the network now comprising 31 such outlets. In parallel, the industry is placing emphasis on diversifying product offerings and expanding its geographic reach across all store formats. This multifaceted approach not only aligns with evolving customer preferences but also reinforces our long-term commitment to operational excellence and sustainable growth. By continuously adapting to market dynamics, the Group remains well-positioned to capitalise on emerging retail trends and deliver enhanced value to stakeholders.

Profit from Operations

In the financial year 2024/25, the group reported a gross profit of Rs. 20.14 billion, an increase from Rs. 16.14 billion in the previous year. Additionally, the Company recorded other operating income of Rs. 2.16 billion for the year and the operating profit was Rs. 7.7 billion. This indicates a substantial increase in operational profitability compared to the prior year.

Sector-wise comparison of Revenue & Operating Profit



- Retail sector has the highest Revenue of Rs. 35.17 Bn.

Finance Cost

The group's finance expenses declined significantly during the year, reflecting improved financial discipline and effective cost management. Total finance costs reduced by 24.4%. This was primarily driven by the reduction of interest on short term borrowings from Rs. 1.6 Bn to Rs. 1.4 Bn and the decrease of long term borrowing interest which dropped from Rs. 0.6 Bn to Rs. 0.1 Bn.

Finance Income & Interest Cover

Throughout the year, the group's overall financial income faced 16% increase from Rs. 1.1 Bn to Rs. 1.3 Bn, primarily due to interest income from third party investments.

The interest cover ratio stood at 4.28, increase from 2.20 in the previous year. This was mainly attributed to a increase in profit before tax, reflecting the impact of decreased operational expenses and higher financial income.

Taxation

The group holds responsibility and remains committed to complying with all tax regulations and contributing to the economic development of the country. The tax expense of the group for the year 2024/25 reflects a significant increase to Rs.2.4 Bn from Rs. 1.2 Bn.

Profitability

Profit before tax of the Group increased drastically by 219.7%, amounting Rs.7 Bn for the year compared to Rs. 2.2 Bn recorded in the previous year. The significant increase was primarily attributed to a incline in gross profit, decreased operational costs and a increase in financial income.

The Plantation sector represents significant percentage of the group's profit as the highest contributor, generating an operating profit of Rs. 4.8 Bn.

Cash Flow

For the financial year 2024/2025, the Company recorded a net cash outflow of Rs. 205 Mn, highlighting increased financial commitments and liquidity challenges. The cash inflow from operating activities stood at Rs. 4.81 Bn at the Group level, whereas the Company reported an inflow of Rs. 1 Bn. The increase in operating cash flow was primarily due to a increase in profit before tax to Rs. 7 Bn from Rs. 2.19 Bn in the previous year.

Investing activities resulted in a net outflow of Rs. 1.6 Bn, with Rs. 2.14 Bn allocated for property, plant, and equipment. Financing activities recorded a net cash outflow of Rs. 2.9 Bn, mainly due to dividend payments shareholders amounting to Rs. 2.6 Bn, debt payments amounting to Rs. 2 Bn and lease liability settlements of Rs. 1.3 Bn. Despite these outflows, the Company remains committed to effective cash flow management to support its long-term financial stability and operational growth.

Financial Position and Liquidity

The non-current assets of the Group represent Rs. 44 Bn during the year, and as such represent 44% of total assets. The property, plant, and equipment category, which accounts for 27% of the total assets, decreased by 0.4% over the year.

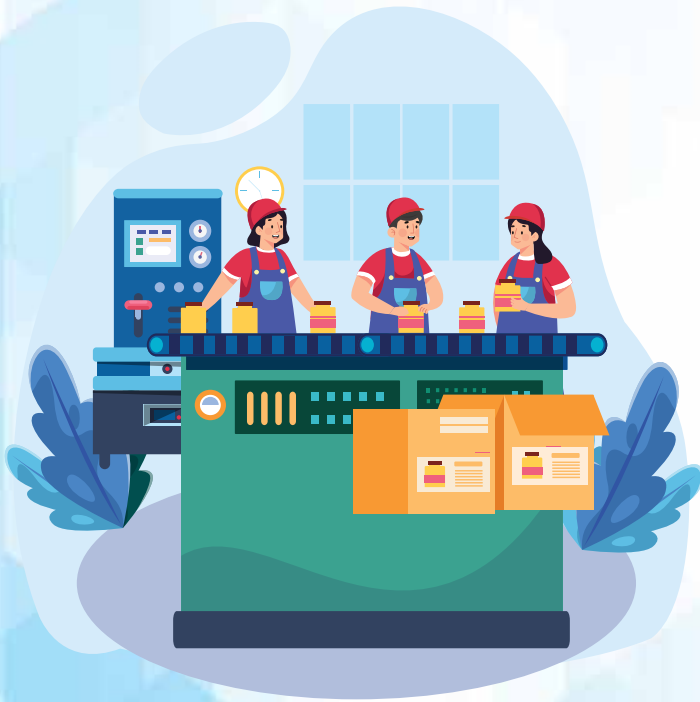
During the year, the current assets of the Group increased to Rs. 56 Bn compared to Rs. 52 Bn reported during the corresponding period, whilst current liabilities also reached Rs. 51.7 Bn indicating an increase of 8% and an increase of 6% respectively. Inventory increased by Rs. 612 Mn and stock level reached to Rs. 13.7 Bn. Trade receivables were reported to be Rs.11 Bn in the reporting year compared to Rs.11.7 Bn in the previous financial year. The working capital cycle expanded, which induced trade and other payables also increased to Rs.12.7 Bn. Accordingly working capital days were managed within the controllable limits. The total current assets of the Group accounted for 56% of its total assets while total current liabilities accounted for 77% of the total liabilities. The Group's current ratio was reported to be 1.08 and the quick ratio was reported at 0.82 compared to 1.07 and 0.80 times respectively in the corresponding period.

Capital Structure

The reserves reached Rs. 22.7 Bn as a result of Rs. 3.79 Bn of the profit attributable for the shareholders.

The market capitalization of the Company was Rs. 51.49 Bn at the closing price of the share, increased from Rs. 41.72 Bn recorded in the previous year. During the year under review, the highest traded price of the Group's share was Rs. 28.60, while the lowest price was Rs. 18.60. During the period under review, 71,595,658 shares were traded and the share price closed for the year at Rs. 25.30.

CAPITAL REPORTS



MANUFACTURING CAPITAL

Manufacturing capital forms the backbone of our operations, enabling innovation, efficiency and quality excellence while driving sustainable growth and strengthening our capacity to meet evolving market and stakeholder demands.

Manufacturing capital comprises physical assets and infrastructure that contribute to carry out daily operations while adding value to business operations.

	2024/25 Rs. Bn	2023/24 Rs. Bn
Property, plant and equipment	26.68	26.78
Investment properties	0.99	0.48
Consumable biological assets	2.10	1.76

Infrastructure Expansion

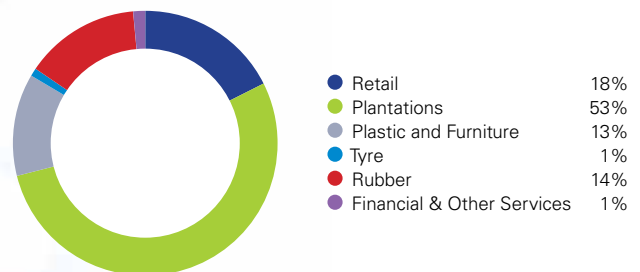
As a conglomerate, the Group has contributed to expand its physical assets and infrastructure actively to meet customer expectations and improve market competitiveness.

Supermarket Chain Upgrade

The Group operates a comprehensive retail network comprising 22 Supercenters, 9 Superstores, 26 Arpico Daily outlets, and 11 Showrooms under Richard Pieris Distributors Limited. During the year, strategic investments were made to upgrade retail outlets, aimed at enhancing the overall customer experience and aligning with evolving consumer expectations. Key improvements include:

Integration of value-added services: Introduced a range of convenient services such as banking facilities, utility bill payment counters, restaurants, and laundry kiosks within selected outlets.

Manufacturing Capital by Sector



Enhanced store layouts: Redesigned store configurations to improve customer navigation and in-store efficiency.

Modernised retail environments: Revamped interior designs to create contemporary, inviting, and customer-friendly shopping spaces.

Expansion of Supply Chain Operations and Logistics

Capacity enhancement: RPC Logistics invested in capacity enhancement through the acquisition of two 40ft and two 20ft prime movers, along with four trailers over the past two years. This strategic investment has significantly improved the company's ability to manage import and export cargo with greater efficiency and reliability.

New sheeting line: Richard Pieris Exports PLC commissioned a new sheeting line to increase the production capacity of rubber-based products while simultaneously reducing material waste through improved process efficiency.

New Latex Plant: A state-of-the-art latex foam manufacturing facility is scheduled to commence operations in 2025. This plant is expected to boost production capacity and enhance product quality to better serve international markets.

Expanded product line: Arpico Furniture expanded its manufacturing capabilities to cater to a growing demand for customised furniture solutions. In addition, the retail footprint was upgraded to deliver a modern, engaging customer experience.

Significant investments

Richard Pieris Plantations has undertaken substantial investments in facility upgrades, optimised land utilisation, and crop diversification initiatives, with the strategic objective of enhancing production efficiency while advancing long-term environmental sustainability across its agricultural and manufacturing operations.

Technology Integration

The Group has embraced digital transformation as a strategic enabler to enhance customer engagement, operational efficiency, and transparency across its business processes. Central to this transformation is the Group’s dedicated in-house IT team, which plays a pivotal role in developing and upgrading software solutions tailored to the evolving needs of each business unit. Key digitisation initiatives include the automation of critical workflows, enhancement of data management skills and capabilities, and the streamlining of internal operations to support more agile and informed decision-making.

In response to the growing shift towards online purchasing, the Group has significantly upgraded its e-commerce platforms to provide a seamless and secure digital shopping experience. These enhancements include advanced inventory management systems, real-time order tracking, robust cybersecurity measures for payment processing, and a user-friendly interface designed to improve customer satisfaction. Collectively, these various initiatives reflect the Group’s ongoing commitment to innovation, efficiency, and customer-centric service delivery in an increasingly digital marketplace.



CAPITAL REPORTS



HUMAN CAPITAL

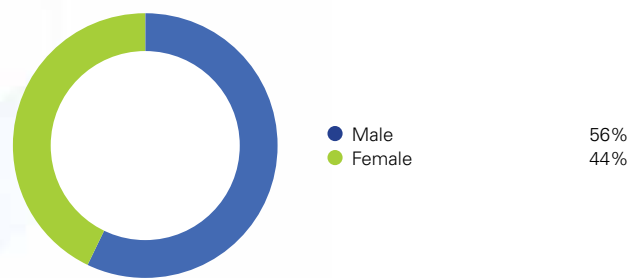
Human capital stands as the driving force of our success, empowering innovation, collaboration, and excellence while fostering sustainable growth and strengthening our ability to create long-term stakeholder value.

Human Capital remains one of the Group’s most valuable assets, playing a pivotal role in driving long-term sustainability, growth, and innovation. Our workforce represents a collective reservoir of knowledge, skills, experience, and expertise that underpins the continued success of the organisation. Recognising this, the Group places strong emphasis on investing in its people by attracting, developing, and retaining top talent to cultivate a high-performing and agile workforce. Key initiatives implemented include structured career development programmes, continuous learning and upskilling opportunities, and the promotion of a positive, inclusive, and supportive workplace culture. These efforts are designed not only to enhance employee engagement and productivity but also to align human capital strategies with broader business objectives. As a leading conglomerate, we remain committed to empowering our people, fostering leadership capabilities, and ensuring that our human capital is equipped to meet the evolving demands of a dynamic and competitive business environment.

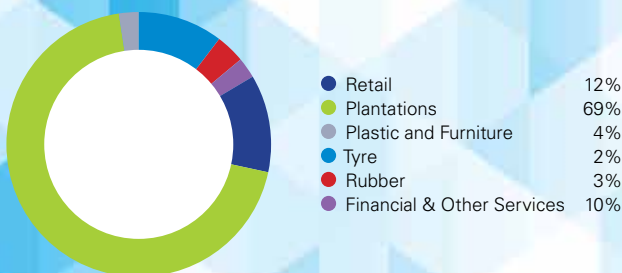
	2025	2024
No. of employees spread across sectors	17,656	17,588

Our Employee Cadre

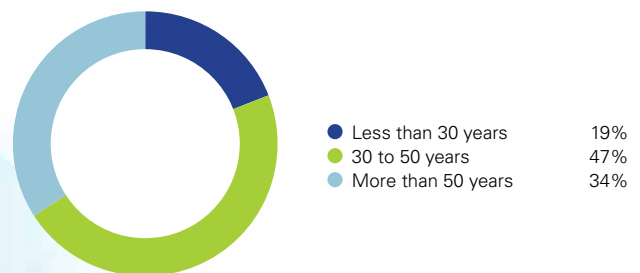
Employees by Gender



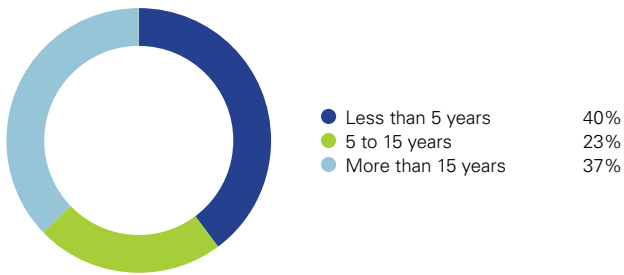
Employees by Sector



Employees by Age



Employees Categorised by Year of Experience



Employee Training & Development

In 2024, the Group continued to invest in the training and development of its employees, recognising that their skills, knowledge, and leadership potential are fundamental to long-term organisational growth and success. Acknowledging that people are our most valuable asset, we maintained a strong commitment to building human capital that is agile, future-ready, and capable of navigating a rapidly evolving business environment.

A key area of focus was strengthening the leadership pipeline through targeted initiatives such as executive coaching, structured mentoring programmes, and leadership development workshops. These efforts ensured that high-potential employees were equipped to take on greater responsibilities, supporting robust succession planning. In parallel, we expanded training in areas such as data analytics, artificial intelligence, and digital transformation to prepare our workforce for the demands of today’s digital economy.

Creativity and problem-solving workshops were introduced to nurture innovation and improve operational efficiency across the Group. Cross-functional training further encouraged collaboration and knowledge-sharing between business units, contributing to a more integrated and resilient organisational culture.

Employee Wellbeing

The Group has strengthened its employee well-being initiatives, with a strategic focus on promoting work-life balance, mental health, and stress management, recognising their critical role in nurturing a healthy, engaged, and productive workforce. A comprehensive insurance scheme is in place to support the health and welfare of all employees. In addition, the on-site medical facility offers free outpatient services and access to prescribed medication, ensuring timely and convenient healthcare.

Diversity & Workforce Engagement

The Company takes great pride in its diverse and inclusive workforce, comprising individuals from a wide range of religious, ethnic, and cultural backgrounds. Despite this

diversity, a strong sense of unity prevails, driven by shared goals, core values, and a collaborative work environment. This inclusive culture ensures that all employees feel valued, respected, and empowered to contribute meaningfully to the organisation’s success.

A key pillar of the Company’s approach to employee engagement is its open-door policy, which fosters transparent and constructive communication between management and staff at all times. This policy encourages employees to voice their concerns, share ideas, and engage in meaningful dialogue with leadership, thereby reinforcing a culture of trust, mutual respect, and responsiveness.

Beyond the office environment, the Company actively promotes team spirit and employee well-being through its Sports Club. The Club organises a variety of social events and recreational activities throughout the year to strengthen interpersonal and inter-departmental relationships, encourage collaboration, and enhance both mental and physical wellness. These initiatives help contribute in fostering a supportive and engaging work environment, reflecting the Company’s continued commitment to employee satisfaction, cohesion, and long-term organisational harmony. Through these collective efforts, the Group is able to successfully build a strong sense of community that drives a motivated and high-performing workforce.

Retention programs, such as benefits, career development, or work-life balance initiatives that help in maintaining a motivated workforce.

CAPITAL REPORTS

NATURAL CAPITAL

Natural capital is the foundation of our sustainability journey, guiding responsible resource use, environmental stewardship, and long-term value creation while ensuring balance between economic growth and ecological well-being.

At Richard Pieris & Company PLC, Natural Capital is integral to our operations spanning plantations, manufacturing, and retail. As stewards of extensive natural resources, we are firmly committed to responsible environmental management. Our sustainability-driven approach prioritises the preservation and enhancement of biodiversity, soil health, and water resources, ensuring long-term ecological balance. By embedding sustainable practices into our operations, we aim to safeguard the environment while supporting the well-being of the communities that rely on these natural ecosystems.

Estates Owned by Plantation Companies

Namunukula Plantation		Maskeliya Plantation		Kegalle Plantation	
Estate	Extent (Ha)	Estate	Extent (Ha)	Estate	Extent (Ha)
Gonakelle	762.13	Brunswick	676.26	Allagolla	243.75
Canavarella	799.70	Glentilt	456.85	Ambadeniya	583.25
Kandahena	746.33	Glenugie	309.15	Atale	1,150.36
Pingarawa	703.55	Mocha	422.25	Doteloya	572.64
Hindagala	1,130.05	Strathspey	703.62	Eadella	801.79
Kinellan	154.88	Brownlow	245.75	Etana	483.26
Eladuwa	611.60	Hapugastenne	323.77	Gampaha	348.99
Miriswatte	500.75	Laxapana	737.05	Hathbawe	477.79
Pallegoda	878.25	Moray	682.35	Higgoda	302.23
Sirikandura	634.00	Mousakelle	558.75	Kirklees	480.70
Yatadola	621.35	Ferham	313.21	Luckyland	488.75
Pelawatte	455.50	St.Clair	519.69	Madeniya	551.92
Baddegama	634.36	Talawakelle	399.23	Pallegama	863.91
Citrus	472.37	Troup	287.75	Parambe	795.41
Walpita/Monarawila	338.03	Ampittiakande	1,241.62	Udapola	577.78
Akuressa	749.15	Craig	418.48	Weniwella	709.90
Hulandawa	643.40	Leangawella	460.79	Yataderiya	324.30
Tennahena	536.00	Poonagalla	1,804.76		

Sustainable Land Use and Agriculture

- Our Plantation Sector, among the largest in Sri Lanka, manages over 11,000 hectares dedicated to the cultivation of Tea, Rubber, Palm Oil, Coconut, Cinnamon, and Coffee.
- Emphasising agricultural diversification, we have strategically expanded into coffee cultivation by utilising previously underproductive land.
- Our operations are guided by internationally recognised Good Agricultural Practices (GAPs) and validated through certifications such as Rainforest Alliance, Ethical Tea Partnership, Fair Trade, HACCP, ISO 22000, and Global Organic Latex Standards (GOLS).

Forest Conservation and Biodiversity

- The Group actively manages and regulates tree felling, implements forest fire prevention measures, and oversees the conservation of forest reserves adjacent to estate lands.
- Our estates host rich micro-ecosystems, including endangered species of butterflies, birds, and other wildlife, which are safeguarded through rigorous environmental management practices.
- We promote reforestation and biodiversity through tree planting programmes and have introduced species such as Balsa (*Ochroma Pyramidale*), positioning us as the only commercial cultivator of this species in Sri Lanka outside of the botanical gardens.

Water and Soil Conservation

- We implement terracing, mulching, weeding, and cover cropping (e.g., Maana grass) to prevent soil erosion and maintain soil fertility.
- Efficient water use is maintained through controlled irrigation systems, water recycling, and rainfall management, particularly on our upcountry tea estates.

Clean Energy and Carbon Reduction

- The Group remains committed to transitioning towards renewable energy, with solar power systems now operational across selected retail and manufacturing facilities to reduce dependency on conventional energy sources.
- Mini hydro power plants located in the Talawakelle and Brunswick estates generate clean electricity for internal consumption, while also contributing surplus energy to the national grid.
- As part of our broader environmental sustainability agenda, we are actively pursuing carbon neutrality through reforestation initiatives and the continued expansion of renewable energy projects, with the aim of earning carbon credits and reducing our overall carbon footprint.

Waste Management and Green Practices

Across all our various sectors, the Group remains committed to minimising waste and promoting sustainable practices through the following initiatives:

- Implementation of eco-friendly packaging solutions to reduce environmental impact and promote responsible consumption.
- Advancement of digital transformation efforts to significantly reduce paper usage across office operations.
- Adoption of responsible rubber waste management and energy-efficient manufacturing practices within the Rubber Sector.
- Promotion of the environmentally conscious 'Green Gas' concept in the Plastics and Furniture Sector, contributing to the reduction of carbon emissions during the production process.

Looking Ahead

Richard Pieris & Company PLC remains steadfast in its commitment to enhancing the long-term value of its Natural Capital through a comprehensive and forward-looking environmental strategy:

- Continued investments in renewable energy initiatives and sustainable land management practices to reduce environmental impact and improve resource efficiency.
- Ongoing expansion of organic agriculture and biodiversity-conscious farming methods to promote ecosystem preservation and responsible cultivation.
- Strategic alignment with both national policies and global environmental frameworks, including the United Nations Sustainable Development Goals (SDGs), with a focused contribution to SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 15 (Life on Land).

Our approach goes beyond regulatory compliance and is a proactive commitment to protecting and preserving natural resources for the benefit of future generations of Sri Lanka.

CAPITAL REPORTS

SOCIAL & RELATIONSHIP CAPITAL

Social and relationship capital serves as a vital pillar of our business, fostering trust, collaboration, and shared value creation while strengthening partnerships that drive sustainable growth and community impact.

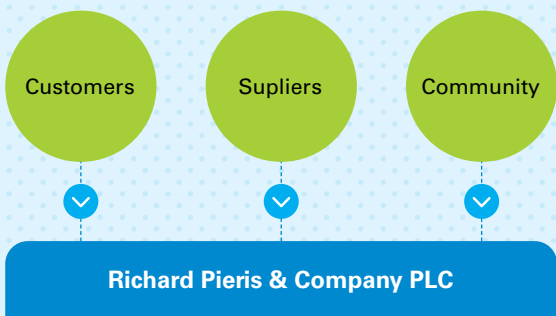


For over 93 years, Richard Pieris & Company PLC has remained one of Sri Lanka’s most enduring and sustainable enterprises, consistently balancing economic success with environmental stewardship and social responsibility. This commitment is deeply embedded in the Company’s corporate culture and operational philosophy. The Group recognises that long-term success is not determined solely by financial outcomes, but also by the strength, trust, and resilience of our relationships with stakeholders. Our social and relationship capital continues to play a vital role in fostering collaboration, strengthening stakeholder engagement, and contributing meaningfully to the sustainable development of the communities and markets in which we operate. By nurturing these relationships, we ensure not only the continuity of our business but also the creation of shared value for all stakeholders.

Customers

The Group places strong emphasis on nurturing long-term relationships with customers, guided by the Group goal of ‘touching lives’ and creating better experiences together every day. Even amid an unprecedented year of challenges, we remained steadfast in our commitment to putting customers first. By consistently delivering high-quality products, offering exceptional service, and proactively adapting to evolving market trends, we have not only strengthened our existing customer relationships but also successfully expanded our customer base. This customer-centric approach remains a cornerstone of our strategy for sustained growth and brand loyalty.

As a unified team, we maintain close engagement with our customers, consistently seeking ways to enhance our product and service offerings while minimising any environmental impact through responsible use of water and energy. We actively promote energy efficiency across operations and champion innovation that extends our positive influence beyond traditional business boundaries. Through strategic partnerships with suppliers, corporations, government entities, and other stakeholders, we continue to drive value and sustainability throughout our value chain. A notable achievement in our retail operations includes one of our stores in Sri Lanka receiving the prestigious Platinum Class Green Retail Building certification - an acknowledgment of our commitment to sustainable building practices. Furthermore, we take pride in being industry pioneers, having introduced the country’s first retail loyalty programme, which has evolved through multiple promotional campaigns. These initiatives, combined with meaningful rewards, have



enabled us to offer enhanced value to our customers, reinforcing loyalty and deepening our relationship with the end consumer.

- **Good Agricultural Practices (GAPs):** Agricultural practices adopted on estates conform to TRI (Tea Research Institute) guidelines and regulations and internationally certified standards such as Rainforest Alliance, Ethical Tea Partnership, and Fair trade Labelling Organization (FLO).
- **Good Manufacturing Practices (GMPs):** Good Manufacturing Practices, which adhere to widely recognized standards like HACCP/ISO 22000 and ISO 22000: 2005 System Certifications - Food Safety Management System Certification, are practiced in our factories from the time tea is harvested from the field until it is packaged.

Suppliers

The Group acknowledges the vital role suppliers play in the value chain, significantly contributing to operational efficiency, cost management, and sustainability. Committed to fostering long-term, productive relationships, the Company prioritizes the establishment and maintenance of strong partnerships with its suppliers. Through the promotion of transparency, fairness, and integrity in all transactions, the Group aims to strengthen these relationships, ensuring mutual benefit and long-term success.

The Group's dedicated supply chain team continuously strives to develop innovative solutions while upholding responsible sourcing standards in close collaboration with all suppliers. By engaging with a diverse global network, the Company ensures competitive pricing, maintains high-quality standards, and strengthens the resilience of its supply chain. This strategic approach enhances operational efficiency and reinforces the Group's commitment to sustainability and long-term value creation.

Richard Pieris & Company PLC is committed to responsible procurement by ensuring that all raw materials and products are sourced ethically and sustainably. The Group strictly complies with international safety and quality standards, including Good Manufacturing Practices (GMPs), while also adhering to principles of fair trading.

The Group is dedicated to supporting local suppliers as part of its broader corporate responsibility, fostering economic growth and encouraging entrepreneurship within communities. To ensure a robust and competitive supply chain, the Company actively collaborates with these suppliers, encouraging them to maintain high standards of product quality and innovation. This approach strengthens the Group's operations and contributes to the sustainable development of local economies, creating shared value for all stakeholders.

- **Fair Trading:** Our guiding principle centers on fulfilling commitments, practicing fairness and integrity in every transaction, and maintaining accessibility and transparency. To accomplish this, we prioritize building relationships based on honesty and trust, and actively pursue solutions that benefit all parties involved.

Community

Richard Pieris & Company PLC remains steadfast in its commitment to fostering sustainable community development through well-structured and impactful social initiatives. As a responsible corporate citizen, the Group actively engages with local communities to drive meaningful change, aligning its efforts with national development priorities and broader societal well-being.

Our community engagement spans key areas such as education, healthcare, environmental sustainability, and economic empowerment. These initiatives are designed to promote inclusive growth and long-term value creation, strengthening the positive impact of our operations on the communities we serve. Key highlights of our engagement include:

- **Education & Youth Empowerment:** We are committed to supporting underprivileged schools by investing in infrastructure development, providing essential learning materials, and offering scholarship programs. These efforts ensure that students, regardless of background, have access to high-quality education and the opportunity to realize their full potential.
- **Healthcare Support:** Our health and wellness initiatives focus on providing medical assistance, conducting health screenings, and running awareness campaigns. These programs are designed to address the immediate needs of underserved communities while promoting long-term well-being and healthier lifestyles.
- **Environmental Sustainability:** Our reforestation initiatives, waste management programs, and commitment to green practices enable us to actively contribute to environmental preservation. These efforts align with our goal to foster sustainability, reduce our ecological footprint, and promote responsible environmental stewardship across communities.
- **Livelihood & Economic Development:** We empower small and medium-sized enterprises (SMEs), especially in the agricultural sector, by offering targeted training, resources, and financial assistance. These initiatives aim to improve productivity, enhance economic resilience, and foster long-term sustainability in local economies.
- **Employee Volunteerism & CSR Engagement:** Our employees are at the heart of our community outreach efforts, dedicating their time, expertise, and skills to various social causes. This strong culture of volunteerism reinforces our commitment to giving back and creating positive change within society.

By continuously investing in these initiatives, Richard Pieris & Company PLC strengthens its social and relationship capital, reinforcing our commitment to creating shared value for all stakeholders and contributing to a more sustainable and equitable society.

CAPITAL REPORTS



INTELLECTUAL CAPITAL

Intellectual capital represents the engine of innovation and competitiveness, harnessing knowledge, technology, and expertise to drive operational excellence, strategic growth, and enduring value creation across our diverse business sectors.

Intellectual capital is central to the Group's strategy, driving value creation, shaping strategic decisions, and ensuring long-term sustainable growth. By leveraging knowledge, innovation, and digital transformation, the Group secures a competitive edge and achieves operational excellence.

The Group's intellectual capital supports informed decision-making, enhances operational efficiency, and fosters a culture of continuous innovation. Investments in research, technology, and human expertise enable the organization to stay ahead of market trends, delivering sustained value to stakeholders.

At the core of our business strategy is intellectual capital, which fuels innovation, optimizes efficiency, and enables well-informed, data-driven decisions. Through investments in human capital, technological advancement, and research, we create lasting value for our stakeholders while adapting to the dynamic and evolving market landscape.

Digital Transformation

In response to the rapid evolution of technology, we remain dedicated to integrating digital solutions that drive operational efficiency and enhance the customer experience. Our investments in automation, data analytics, and AI-powered technologies streamline processes, improve decision-making, and elevate service delivery, positioning the Group for future success in a digital-first world.

Research & Development (R&D) and Innovation

Innovation is a key pillar of our growth strategy. Through ongoing R&D initiatives, we actively explore new business

opportunities, refine existing products and services, and ensure we stay at the forefront of industry developments. Our innovation-driven culture fosters creativity, adaptability, and the ability to quickly respond to shifting market demands.

Organizational Capital

Our organizational capital consists of robust internal structures, efficient processes, and a corporate culture that underpins operational excellence. By emphasizing knowledge-sharing, leadership development, and strong governance practices, we build resilience and adaptability within the Group. These efforts ensure that we remain well-positioned for long-term sustainability and growth in a dynamic business environment.

Recognizing the dynamic nature of intellectual capital, we implement proactive risk management strategies to safeguard our intangible assets. These include:

- **Cybersecurity and Data Protection:** Ensuring the security of digital assets and customer data through advanced cybersecurity measures.
- **Talent Retention and Development:** Investing in employee training, leadership programs, and a positive work environment to retain skilled professionals.
- **Regulatory Compliance:** Adhering to industry standards and regulatory requirements to mitigate legal and operational risks.
- **By continuously strengthening our intellectual capital, we reinforce our commitment to innovation, efficiency, and long-term value creation.**

SLFRS S1 & S2

Introduction to SLFRS Standards

As a leading public listed company in Sri Lanka, Richard Pieris & Company PLC recognizes the importance of aligning with evolving global sustainability reporting frameworks. The introduction of SLFRS S1: General Requirements for Sustainability-Related Financial Disclosures and SLFRS S2: Climate-Related Disclosures by the Sri Lanka Accounting Standards Committee marks a significant step forward in enhancing transparency and accountability in corporate reporting.

The SLFRS S1 standard requires entities to disclose sustainability-related risks and opportunities material to their financial performance and resilience. It emphasizes governance, strategy, risk management, and metrics. Meanwhile, SLFRS S2 focuses specifically on climate-related risks, aligned with the Task Force on Climate-related Financial Disclosures (TCFD). These standards aim to provide stakeholders with a clear understanding of the financial implications of sustainability risks, particularly those related to climate change.

Steps Taken in FY 2024/25

While mandatory compliance with SLFRS S1 and S2 begins for financial years starting on or after January 1, 2025, Richard Pieris & Company PLC has proactively begun preparations to ensure a seamless transition. Key activities undertaken during FY 2024/25 include the following:

1

Establishment of Governance Structures

Initial steps have been taken to form a dedicated sustainability committee under the oversight of Board. of Directors to spearhead sustainability-related initiatives. This committee is responsible for:

- Identifying and prioritizing sustainability risks and opportunities.
- Overseeing the integration of SLFRS standards into corporate reporting.
- Regularly monitoring compliance with sustainability reporting requirements.

The Sustainability Committee works closely with our Risk Management and Compliance teams, ensuring a cohesive approach to addressing sustainability challenges.

2

Materiality Assessment Initiated

To determine the sustainability-related risks and opportunities most relevant to our operations, a comprehensive materiality assessment was initiated in Q4 FY 2024/25. This assessment is being conducted in consultation with key stakeholders, including investors, employees, customers, and regulators.

Preliminary findings have identified the following priority areas:

- Climate change and its impact on our manufacturing operations.
- Transition risks related to regulatory changes in energy and emissions.
- Resource efficiency, particularly in water and energy usage.
- Social risks, including employee well-being and community impact.

3

Preliminary Data Collection

We have designed processes to collection of baseline data for key sustainability metrics, including:

- Energy consumption across manufacturing facilities.
- Greenhouse gas (GHG) emissions (Scope 1 and Scope 2).
- Water usage and waste generation.

This data forms the foundation for future reporting under SLFRS standards.

4

Integration with Risk Management

Sustainability risks have been integrated into our Risk Management framework to ensure they are systematically identified, assessed, and mitigated. For example, climate-related risks are now classified under both operational and strategic risks.

Planned Actions for FY 2025/26

To achieve full compliance with SLFRS S1 and S2 by FY 2025/26, we have developed a detailed implementation roadmap:

1. Completion of Materiality Assessment

The ongoing materiality assessment will be finalized by Q3 FY 2025/26, with results informing our strategy and reporting priorities.

2. Implementation of Data Management Systems

We will invest in technology and processes to enhance the accuracy and reliability of sustainability data collection and reporting. For instance, automated systems will be deployed to monitor energy usage and emissions in real-time.

3. Alignment with TCFD Principles

In compliance with SLFRS S2, we will structure our climate-related disclosures according to the TCFD framework, covering:

- Governance of climate-related risks.
- Strategic response to climate impacts.
- Risk management processes.
- Metrics and targets for climate performance.

4. Capacity Building

Training programs will be conducted for employees across all levels to enhance understanding of SLFRS standards and sustainability principles.

BOARD OF DIRECTORS



1



2



3



4



5



6



7



8



9

Dr. Sena Yaddehige

Chairman/Managing Director/Chief Executive Officer

1

The business legacy of Dr. Sena Yaddehige spans not only time but also the depth of multiple industries and sectors. Renowned as a pioneer in the field of engineering and as a revered global business icon, Dr. Yaddehige is also a Swiss-based industrialist, with numerous ventures in multiple countries.

Under the leadership of Dr. Yaddehige, Richard Pieris Group has evolved into one of the leading diversified business conglomerates in Sri Lanka with the footprint extending from manufacturing, to exports, to retail, to plantations, to financial services, creating value across the national economy in multiple sectors. Dr. Yaddehige also served as a Director on the Board of the National Development Bank PLC (NDB) from 2007 to 2010.

As a businessman and industrialist with wide global recognition, his companies are established in the USA, UK, Germany, and Singapore. In addition, Dr. Yaddehige is also the founding Managing Director of a European manufacturing firm, which develops and exports automotive components and systems, which are based on his innovations and conceptions.

His repertoire of innovations and developments includes contactless sensor technology and drive by wire systems. Furthermore, as a radiation specialist, Dr. Yaddehige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world. Locally, he holds the patent for slow release fertiliser, which provides relatively better results than quick release fertilisers while being a safer alternative for the environment. Dr. Yaddehige also pioneered the development unit for lithium batteries in Sri Lanka.

Apart from his professional and scientific accolades, he was awarded with three doctorates, one of which is a Doctor of Science (D.Sc.), awarded as a high commendation for his original findings and research in radiation, radiation processing, Electromechanical sensor technology, Non-contact sensor technology, and automotive pedal systems, and as recognition of his patents in these respective arenas.

Mr. Viville Perera

Director

2

Mr. Viville Perera is a Science graduate from Kelaniya University with Second Class Honours and is a Fellow Member of the Chartered Institute of Management Accountants and an Associate Member of the Chartered Institute of Marketing in the United Kingdom. Mr. Perera has over 33 years' experience in senior managerial capacities

in leading business organizations such as Associated Newspapers of Ceylon Limited, Middleway Ltd. (Ceylinco Group), Amico Group of Companies, and Alliance Finance Co. PLC.

He served as Treasurer from 1992 to 1997 and Vice President from 1999 to 2002 of the Sri Lanka Institute of Packaging. Mr. Perera represented Richard Pieris and Company PLC as an Ex-Co member from 2011 to 2020 and was the Deputy Vice Chairman for 2018/19 and 2019/20 of the Industrial Association of Sri Lanka, an affiliated trade association under the aegis of the Ceylon Chamber of Commerce. He was the Chairman of Arpico Insurance PLC from 05th November 2019 to 30th June 2022 and is on the Board of Directors of several companies in the Richard Pieris Group.

Mr. E P I Fernando

Director

3

Mr. E. P. I. Fernando brings over 38 years of management experience, all of which in foreign and local banks specializing in operational management, retail and institutional banking. He began his career at ANZ Grindlays and thereafter at Standard Chartered Bank, where he held various senior positions, including head of retail products and business development. He also worked at Pan Asia Bank PLC as the head of institutional liability sales. His leadership roles over decades in multiple functions of operations, marketing, and strategy led to strengthened business and contributed to significant growth in the organizations he served.

His contribution and expertise have also been extended through many institutional and government bodies. Mr. Fernando served as the Chairman/CEO of the Vocational Training Authority (VTA). He has also served as a board member of the National Apprentice and Industrial Training Authority (NAITA), the Board of the Tea Research Institute of Sri Lanka, the Export Development Board (EDB) and the Industrial Development Board (IDB). He was also a committee member of the National Sports Council and the Advisory Council of the Sri Lanka Export Development Board. Mr. Fernando also served as a board director of Richard Pieris Securities and Namanukala Plantations PLC.

Mr. Shaminda Yaddehige

Director

4

Mr. Shaminda Yaddehige is an Executive Director and also the Chief Operating Officer of the Company. Mr. Yaddehige was educated at Charter House-United Kingdom and graduated in Chemical Engineering from University College London. In addition, he also possesses a Masters Degree in Business Administration from IE Business School, which is ranked amongst the top 10 business schools in the world.

BOARD OF DIRECTORS

Mr. Yaddehige worked as a Management Consultant at Price Waterhouse Coopers-UK and also at the world renowned international ultra high net worth banking giant, Credit Suisse of Switzerland. He has extensive experience in international marketing and has built a very strong marketing network in Europe.

Mr. Yaddehige has been in the Directorate of Richard Pieris Exports PLC, Richard Pieris Natural Foams Limited, Richard Pieris Distributors Limited and also in several other companies within the Richard Pieris Group.

Dr. Jayatissa de Costa P.C.

Director

5

Dr. Jayatissa De Costa LL.B. (Cey), LL.M. (Lond), ph.D (Colombo) is a Presidents' Counsel. He was admitted to the Legal Profession in Sri Lanka in January, 1971 and has an unbroken practice of more than 53 years at Bar specializing in Civil Matters. In addition, he has held numerous positions both in the Public Sector and Private Sector including the Chairmanship of the Public Utilities Commission of Sri Lanka and membership of the Law Commission. He was also the Principal of Sri Lanka Law College. Dr. Jayatissa De Costa had functioned as a Law Lecturer in a number of universities both at home and abroad and has published a large number of books in Law. He had his education at Dharmapala Vidyalaya, Pannipitiya, London School of Economics and Political Science, School of Oriental and African Studies and Kings' College, University of London.

Mr. J Felix Fernandopulle

Director

6

Mr. Fernandopulle is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and of the Institute of Certified Management Accountants of Sri Lanka.

He is the Managing Director of Mahaweli Coconut Plantations PLC, where he also worked in the capacity of Finance Director and was the former Chairman of Richard Pieris Finance Ltd.

He served on the Board of Chilaw Finance PLC after the takeover by Richard Pieris Finance Ltd until the merger. He has served as a Director of the Coconut Development Authority and Coconut Research Institute and has also served on the Advisory Committee on Coconut at the Ministries of Plantation Industries and Coconut Industries. He has represented Sri Lanka's Desiccated Coconut Manufacturers Association at the Asian & Pacific Coconut Council.

Mr. Shiron Gooneratne

Director

7

Mr. Shiron Gooneratne is a fellow member of the Institute of Chartered Accountants of Sri Lanka and holds an MBA from the University of Leicester, United Kingdom.

Mr. Gooneratne brings a wealth of experience, both from Sri Lanka and overseas. Having trained at Ernst and Young, he has held the positions of Finance Director - GlaxoSmithKline Consumer HealthCare, Chief Financial Officer of Sri Lanka Telecom PLC, Chief Financial Officer of Dilmah Ceylon Tea Company PLC, Group Chief Financial Officer and Executive Director of Richard Pieris & Company PLC. Currently he functions as a Non-Executive Director of Richard Pieris & Company PLC.

Mr. Udeni K Samararatne

Director

8

Udeni K Samararatne is an experienced Senior Finance Professional with a career spanning over thirty-five years. He has worked in senior finance positions in quoted companies such as Sri Lanka Telecom plc which is one of Sri Lanka's largest companies where he worked as the Chief Financial Officer. He has worked in senior positions in leading companies such as Lanka Ashok Leyland Plc, Kelani Tires plc where he was seconded to the Ceat Tires and ACME plc. He has also worked in senior positions in Noritake group a leading porcelainware Japanese company, Ferrero a large confectionary manufacturer Ceat group a large tire producer which is joint venture with Kelani Tires plc.

He is qualified in ACCA (UK) and CIMA (UK). He holds a MBA from the Swiss Business School Zurich Switzerland. He holds Masters in Financial Economics and a Masters in International Relations from the University of Colombo.

He is a Board Director of National Credit Guarantee Institute Ltd, Board Director of Peoples Leasing plc, Board Director of Alliance Finance Plc Bangladesh, Board Director of Gadimah Ltd Dubai and formerly a Board of Director Peoples Bank and the Former Chairman of Peoples Travels Ltd.

Mr. Pamuditha Hennayake

Director

9

Pamuditha Hennayake is a graduate in B.Sc (Finance) with a First Class from the University of Sri Jayewardenepura and he is also a Member of the Institute of Certified Management Accountants of Sri Lanka. He was awarded the CMA President's award for the best overall performance and he is also a First in Order of Merit Prize holder for three stages in CMA.

He was also a lecturer at various institutes for Accounting Qualifications including ACCA, CMA, B.Sc. in Business Administration.

Currently he is serving as the Chairman of M I Synergy (Pvt) Limited, an IT firm specializing in the FINTEC application workflow and solutions workspace for the financial services sector. He is also a member of the Digitalization Committee at the International Chamber of Commerce, Sri Lanka.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of Richard Pieris and Company PLC are pleased to present to their members the Annual Report together with the audited Financial Statements of its Group and the Company, for the year ended 31 March 2025.

The Directors approved the Financial Statements on 28 August 2025.

Principal Activities & Operational Review

Richard Pieris and Company PLC is the holding company that owns, directly and indirectly, investments in a number of companies constituting the Richard Pieris Group. The principal activities of the Group are described under the Group Structure on pages 15 - 21 of the report.

A review of the Group's business and its performance during the year, with comments on financial results and future developments, is contained in the Chairman Review, Sector Reviews and the Financial Review of this Annual Report. The measures taken by the Company to manage its risks are detailed in the report titled Risk Management on pages 100 - 102 of this report.

Future Developments

The Group intends to continue to pursue a strategy of focusing on its core business activities. In order to achieve this, the Group will concentrate on enhancing the performance of its retail, plantation, tyre, rubber, plastics and financial services business sectors. Further information on future developments is provided in the Chairman Review and Sector Reviews of this report.

Group Revenue

The revenue of the Group was Rs.77 bn. A detailed analysis of the Group's turnover identifying the contributions from different sectors is given in Note 3 to the Financial Statements. The Group's exports from Sri Lanka were Rs. 7.8 bn. Trade between Group companies is conducted at fair market prices.

Results & Dividends

Details relating to the Group profits are given in the table on Page 108. The Group reported a Profit after tax amounting to Rs. 4.60 bn.

Group Investments

The Group Invested in Treasury Bonds & Fixed Deposits other than investments in subsidiary companies during the year. Details of this are given in Note 16 to Financial Statements.

Property, Plant & Equipment

Capital expenditure on property, plant, equipment and work-in-progress incurred during the year under review amounted to Rs. 2.1 bn. Information relating to this is given in Note 12 to the Financial Statements. Land is included as described

in accounting policies in the financial statements. Capital expenditure approved and contracted for after the year-end is given in Note 36 to the Financial Statements. The value of property stated in the Financial Statements is not in excess of its current market values.

Freehold Property

A description of the property owned by the Group is shown under the Group Real Estate portfolio on page 186.

Stated Capital

The stated capital of the Company as at 31 March 2025 was Rs. 1.9 bn. The details of the stated capital are given in Note 24 to the Financial Statements.

Reserves

Total Group Reserves as at 31st March 2025 amount to Rs. 22.7 bn. (Rs. 22.5 bn as at 31 March 2024). The details of which, is given in the Statement of Equity in page 112.

Taxation

The general corporate income tax rate in effect during the year was 30%. Companies that enjoy tax holiday status and other concessionary rates are listed in Note 8.1 to the Financial Statements.

In computing the Group's tax liability, the maximum relief available to investors under the provisions of the Inland Revenue Act has been claimed.

It is the Group's policy to provide for deferred taxation on all known temporary differences, on the liability method.

Details on the Group's exposure to taxation are disclosed in Note 8 to the Financial Statements.

Share Information

Information relating to earnings, dividend, net assets and market value per share is given in the Ten Year Summary on pages 184 - 185 of this report.

Substantial Shareholdings

The twenty major shareholders and the percentage held by each one of them as at 31st March 2025 are given in page 183 under Shareholder Information.

Directors

The names of Directors who served during the year are given on pages 76 and 79 of this report, under the caption of 'Board of Directors'.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Four Ordinary Resolutions have been received by the Company,

1. Mr. Joseph Felix Fernandopulle of No.28A, Police Park Avenue, Colombo 05, a shareholder of the Company.
“That Dr. Sena Yaddhegige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom, who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddhegige”

The Company has also received a letter dated 14th August 2025 from Dr. Sena Yaddhegige declaring his willingness to be elected to the Directorate of the Company.

2. Mr. Kalinga Perera of 54/4, Ananda Balika Mawatha, Pitakotte, Kotte, a shareholder of the Company.
“That Dr. Henry Jayatissa De Costa of No. 496/3, Havelock Road, Colombo 06, who is 83 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Henry Jayatissa De Costa”

The Company has also received a letter dated 07th August 2025 from Dr. Jayatissa De Costa declaring his willingness to be elected to the Directorate of the Company.

3. Mr. Adrian Oswald of No. 32, St. Sebastian Road, Galwetiya, Wattala, a shareholder of the Company.
“That Mr. Viville P Perera of 33, C 1, King’s Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya who is 77 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said “Mr. Viville P Perera”

The Company has also received a letter dated 05th August 2025 from Mr. Viville Perera declaring his willingness to be elected to the Directorate of the Company.

4. Mr. Nilantha Randeniya 201/1/A, Wattegedera Lane, Wattegedera, Maharagama, a shareholder of the Company.
“That Mr. Felix Fernandopulle of 28A, Police Park Avenue, Colombo 05 who is 71 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said “Mr. Felix Fernandopulle”

The Company has also received a letter dated 01st August 2025 from Mr. Felix Fernandopulle declaring his willingness to be elected to the Directorate of the Company.

The Directors who considered the contents of the letters received by the Company from Mr. J F Fernandopulle, Mr. Kalinga Perera, Mr. Adrian Oswald, Mr. Nilantha Randeniya, Dr. Sena Yaddhegige, Dr. Jayatissa De Costa, Mr. Viville Perera and Mr. Felix Fernandopulle decided to notify the Shareholders of the Company of the said Notices received by the Company and the proposed Resolutions, which are to be moved at the Annual General Meeting of the Company for the purpose of considering and if thought fit passing the said Resolutions as Ordinary Resolutions.

Mr. Udeni Samararatne, Independent Non Executive Director has been appointed with effect from 1st January 2025.

Mr. Pamuditha Hennayake, Senior Director has been appointed with effect from 1st January 2025.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Group Profits	2024/2025 Rs.'000	2023/2024 Rs.'000
The net profit earned by the Group after providing for all expenses, known liabilities and depreciation on property plant and equipments was	7,005,835	2,191,494
From which the deduction of income tax and transfer to the deferred taxation account was	(2,403,759)	(1,164,932)
Leaving the group with a profit after tax from continuing operations of	4,602,076	1,026,563
From which the loss after tax from discontinued operations deducted was	(2,143)	(2,830)
Leaving the group with a profit for the year of	4,599,934	1,023,732
From which Non - controlling interest deducted was	(812,081)	(450,860)
Leaving a profit attributable to the equity holders of the parent was	3,787,853	572,872
To which the retained profits brought forward from the previous year added was	22,531,452	23,163,920
Adjustments and transfers	(728,607)	3,986
Subsidiary dividend to minority shareholders	-	(4,812)
Other comprehensive income/(loss)	(249,593)	(186,995)
Leaving a profit available for appreciation of	25,341,106	23,548,970
Appropriations		
The amount available has been appropriated as follows		
Dividends	(2,645,550)	(1,017,519)
Leaving a retained profit to be carried forward amounting to	22,695,555	22,531,452

Directors' Interest in Contracts with the Company and the Interest Register

Directors' interests in contracts or proposed contracts with the Company both direct and indirect are disclosed on page 180 to 181. These interests have been declared at the meetings of Directors. The Directors have no direct or indirect interest in any other contract or proposed contract of the Company. The Company maintains an interest register as required by the Companies' Act No. 07 of 2007. Information pertaining to directors' interest in contracts, their remuneration and their share ownership are disclosed in the interest register.

Transactions with Related Undertakings

The list of Directors at each of the subsidiary and associate companies has been disclosed in the Group structure on page 15 to 21.

Directors' Shareholding

Directors' Shareholding in Richard Pieris and Company PLC is stated in page 183.

Directors' Interest in Contracts

Directors' interest in contracts in relation to transactions with related entities, transactions with Key Management Personnel and other related disclosures are stated in Note 39 (Related party disclosures) to the Financial Statements. In addition, the Company carried out transactions in the ordinary course of business with entities having one or more Directors in common which is summarised above.

Directors' Remuneration

Directors' fees and emoluments, in respect of the Group and the Company for the financial year ended 31st March 2025 are disclosed in Note 39.6 to the Financial Statements.

Vision & Long Term Goals

The Group's Vision and Long Term Goals are given in page 08 of this report.

Environmental Protection

The Company has not engaged in any activities detrimental to the environment. The Group's efforts in relation to environmental protection are set out in the Corporate Social Responsibility Report in pages 24 to 29.

Employment Policies

Group employment policies are based on recruiting the best people, providing them training to enhance their skills, recognition of innate skills and competencies of each individual while offering equal career opportunities regardless of gender, race or religion and to retain them with the Group as long as possible. Health and safety of the employees has always received priority in the HR agenda.

Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to employees have been made up to date.

Events after the Reporting Date

There have not been any material events that occurred subsequent to the Reporting date that require disclosure or adjustments to the Financial Statements, other than those disclosed if any, in Note 38 to the Financial Statements.

Corporate Governance / Internal Control

The Directors acknowledge their responsibility for the Group's corporate governance and the system of internal control. The practices carried out by the Company in relation to corporate governance and internal controls are explained in pages 84 to 92 of this report. The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the Financial Statements.

Directors' Responsibility for Financial Reporting

The Statement of Directors' Responsibility for financial reporting of the Company and the Group is set out in page 99 of this report.

Compliance with Other Laws & Regulations

The Directors, to the best of their knowledge and belief, confirm that the Group has not engaged in any activities that contravene the laws and regulations applicable in Sri Lanka. Financial Statements are published quarterly in line with the listing rules of the Colombo Stock Exchange.

The Group has successfully adopted the new Sri Lanka Accounting Standards (new SLAS) comprising LKAS and SLFRS applicable for financial periods commencing from 1st January 2018 as issued by the Institute of Chartered Accountants of Sri Lanka.

The Company is in compliance with the CSE rules on related party transactions which was made mandatory with effect from 1st of January 2016.

Annual General Meeting

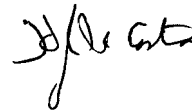
The Annual General Meeting will be held at the Registered Office of the Company, No. 310, High Level Road, Nawinna, Maharagama, on 26th September 2025. The Notice of the Annual General Meeting is on page 191 of this report.

Auditors

The Financial Statements for the year have been audited by Messrs. Ernst & Young, Chartered Accountants.

In accordance with the Companies Act No. 7 of 2007, a resolution proposing the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as auditors to the Company and authorizing the Directors to determine their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



Jayatissa de Costa
Director



W. J. Viville Perera
Director



Richard Pieris Group Services (Pvt) Limited
Secretaries

No. 310, High Level Road,
Nawinna, Maharagama.

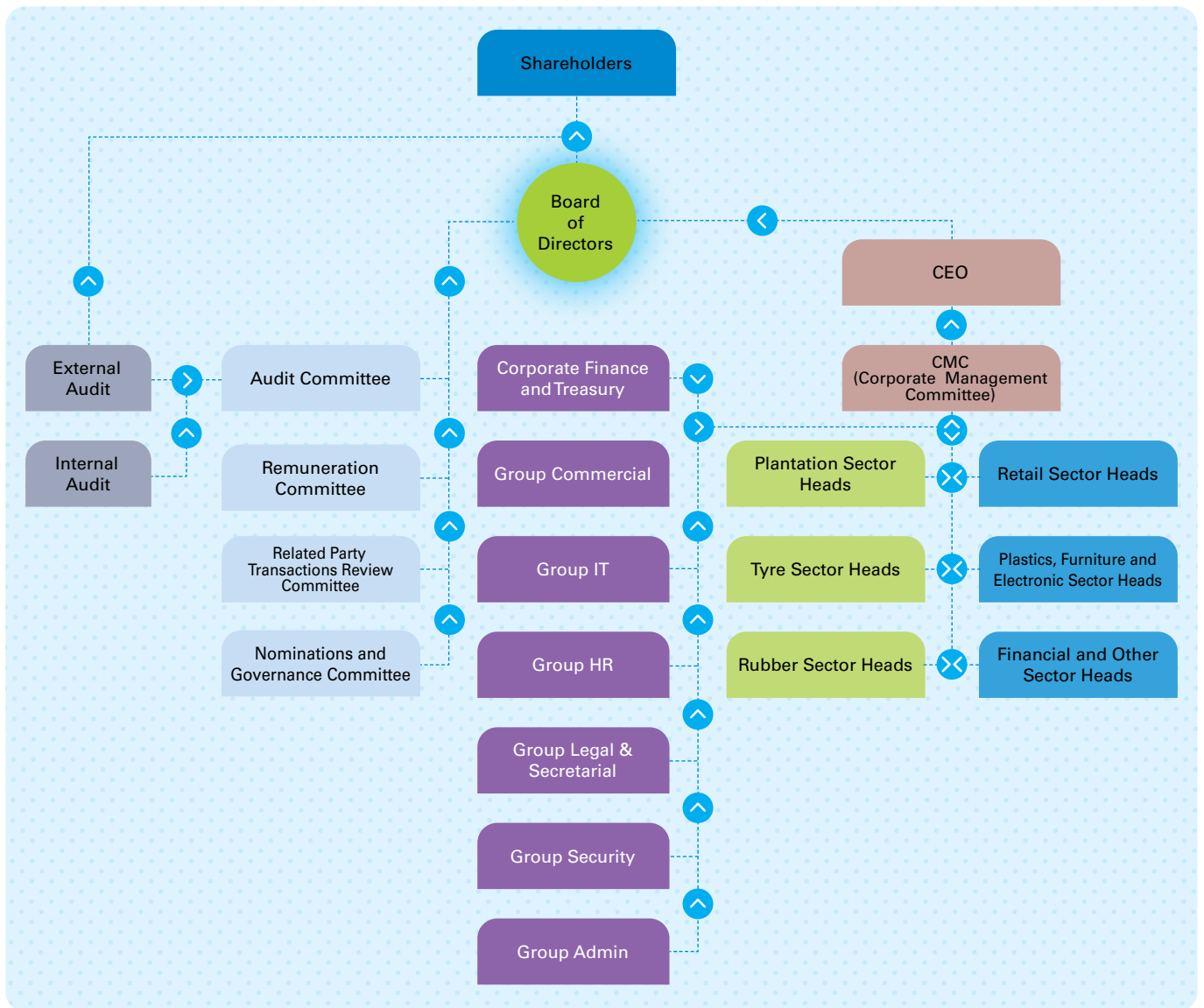
28 August 2025

CORPORATE GOVERNANCE

The structure that guides and manages organizations, known as Corporate Governance is essential to fostering an ethical environment that produces strong financial performance and sustainable growth. Thus the Board of Directors of Richard Pieris and Company PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance guidelines at all organization level in order to ensure that business operations are conducted ethically and benefited to all stakeholders.

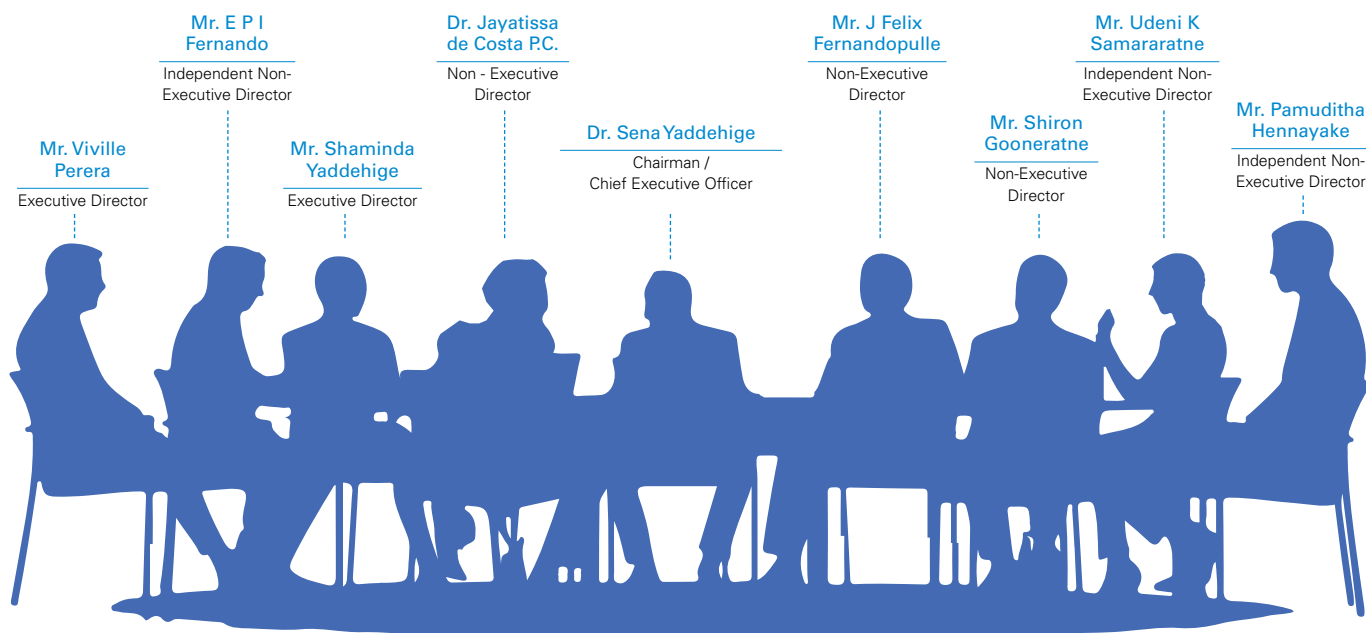
Richard Pieris' has designed its' Corporate Governance policies and practices to ensure that the Company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The Company recognizes the interests of all its stakeholders including shareholders, employees, customers, suppliers, consumers and the other communities in which it operates. The Group complies with the rules on Corporate Governance, included in the Listing Rules of the Colombo Stock Exchange, and is guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

Structure of the Company



The Board and its Operations

The Company is governed by its Board of Directors, who directs and supervises the business and affairs of the Company on behalf of the shareholders.



The Board comprises nine Directors, of which three are Executive Directors whilst six are Non-Executive Directors, ensuring an independent outlook to temper the expediency of the experts. Brief profiles of the Directors are set out on pages 76 to 79. The Board has assessed the independence of the Non-Executive Directors.

During the year the Board met on one occasions. Prior to each meeting, the Directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions. Board Papers are submitted in advance on Group performance, new investments, capital projects and other issues which require specific Board approval. A separate information memorandum is provided on statutory payments at each Board Meeting.

Name of the Director	Director Status	Eligibility	Attendance
Dr. S. Yaddehige	Chairman/ ED	1	1
Mr. W. J. V. P. Perera	ED	1	1
Mr. Shaminda Yaddehige	ED	1	1
Mr. Shiron Gooneratne	NED	1	1
Mr. Wasantha Abesirigunawardena (*)	NED	0	0
Dr. Jayatissa De Costa P.C.	NED	1	1
Mr. Prasanna Fernando	INED	1	1
Mr. J. F. Fernandopulle	NED	1	1
Mr. Udeni Samararatne (**)	INED	1	1
Mr. Pamuditha Hennayake (**)	INED/ SID	1	1

(*) - Resigned on 30th September 2024

(**) - Appointed on 01st January 2025

ED - Executive Director

NED - Non - Executive Director

INED - Independent Non - Executive Director

SID - Senior Independent Director

CORPORATE GOVERNANCE

The Chairman, who is also the Chief Executive Officer, is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the Company. He is responsible for all aspects of the Group's overall commercial, operational and strategic development and assisted by the Executive Management Committee comprising Executive Directors and Heads of the Strategic Business Units (SBU). The Senior Independent Director was appointed during the last financial year who provides comments and suggestions which taken from the meetings taken by inclusively of independent directors of the board to Chairman and other non-independent directors. The Finance function evolves on the Group Chief Financial Officer, who is present by invitation at Board meetings when financial matters are discussed. The Board of Directors has access to independent professional advice as and when deemed necessary for decision making.

The main functions of the Board are to:

- Direct the business and affairs of the Company.
- Formulate short and long term strategies, as a basis for the operational plans of the Company and monitor implementation.
- Report on their stewardship to shareholders.
- Identify the principal risks of the business and ensure adequate risk management systems are in place.
- Ensure internal controls are adequate and effective.
- Approve the annual capital and operating budgets and review performance against budgets.
- Approve the interim and final Financial Statements of the Group.
- Determine and recommend interim and final dividends for the approval of shareholders.
- Ensure compliance with laws and regulations.
- Sanction all material contracts, acquisitions or disposal of assets and approve capital projects.

Three Non-Executive Directors are independent with no direct or indirect material relationship with the Company and have duly submitted the annual declaration as per the Colombo Stock Exchange Listing Rules. Their wide range of expertise and significant experience in commercial, corporate and financial activities bring an independent view and judgment to the Board.

Sub Committees of the Board

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. The Board has delegated responsibilities to four Board Sub Committees which operate within clearly defined terms of reference.

Audit Committee

The Committee is comprised of three Non-Executive Directors out of which two directors are independent - namely Dr. Jayatissa De Costa P.C. (Resigned from 31st December 2024), Mr. Udeni Samararatne (Appointed from 1st January 2025), Mr. Prasanna Fernando and Mr. J F Fernandopulle. The Group Chief Financial Officer, Group Internal Audit Manager and functional heads of subsidiaries attend meetings by invitation.

The Audit Committee Report on page 93 describes the activities carried out by the Committee during the financial year.

Remuneration Committee

The Remuneration Committee is comprised of three Non- Executive Directors out of which two directors are independent –its Chairman, Mr. Udeni Samararatne (Appointed from 1st January 2025), Mr. Prasanna Fernando, Dr. Jayatissa de Costa P.C and Mr. J F Fernandopulle (Resigned on 31st December 2024),

The Report of the Remuneration Committee on page 95 highlights its main activities.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee is comprised of three Non-Executive Directors out of which two directors are independent - namely Dr. Jayatissa De Costa P.C. (Resigned from 31st December 2024), Mr. Udeni Samararatne (Appointed from 1st January 2025), Mr. Prasanna Fernando and Mr. J F Fernandopulle. The Report of the Related Party Transactions Review Committee on page 96 highlights its main activities.

Nomination and Governance committee

The Nomination and Governance Committee is comprised of three Non-Executive Directors out of which two directors are independent - namely Dr. Jayatissa De Costa P.C. (Resigned from 31st December 2024), Mr. Udeni Samararatne (Appointed from 1st January 2025), Mr. Prasanna Fernando and Mr. J F Fernandopulle. The Report of Nomination and Governance Committee on page 97 highlights its main activities.

Relationship with Shareholders

The Board maintains healthy relationships with its shareholders. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, its principal methods of communication include the corporate website, the annual report, quarterly Financial Statements.

Internal Controls

The Board is responsible for instituting an effective internal control system to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 100 to 102.

Apart from the strategic plans covering a three year time horizon, a comprehensive budgetary process is in place, where annual budgets, identifying the critical success factors and functional objectives, prepared by all subsidiaries are, approved by the Board, at the commencement of a financial year, and its achievement monitored monthly, through a comprehensive monthly management reporting system. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

The Group Internal Audit Division regularly evaluates the internal control system across the organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board reviewed the internal control procedures in existence and is satisfied with its effectiveness.

Relationship with Other Stakeholders

The Board identifies the importance of maintaining a healthy relationship with its key stakeholders and ensures the Group as a whole inculcates this practice. Internal communication is mainly conducted through e-mails, memos and circulars.

The Board also ensures that the Group policies and practices are in line with the Company's values and its social responsibilities. The Group promotes protection of the environment, health and safety standards of its employees and others within the organization. The relevant measures taken are given in detail in the Corporate Social Responsibility report on pages 24 to 29.

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 includes 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.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Group are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards (LKAS and SLFRS) and other statutory regulations. Financial Statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the Financial Statements, after careful review of the financial position and cash flow status of the Group. The Board of Directors believes that the Group has adequate resources to continue its operation for the foreseeable future.

CORPORATE GOVERNANCE

Compliance with CSE Continuing Listing Rules – Section 7.6

Code Ref.	Principle	Compliance Status	Page Reference
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Complied	Board of Directors pages 76 to 79
7.6 a(iii), (iv)	Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, no. of public shareholders and minimum required public shareholding	Complied	Share information pages 182 to 183
7.6 (v)	Directors' and CEO's(MD's) holding in shares	Complied	Share information pages 182 to 183
7.6.(vi)	Material foreseeable risk factors of the entity	Complied	Risk management pages 100 to 102
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Human Capital pages 68 to 69
7.6 (viii)	Extents, locations, valuations, number of buildings	Complied	Group Real Estate Portfolio pages 186 to 188
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Share information pages 182 to 183
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Complied	Share information pages 182 to 183
7.6 (xi)	Ratios and Market Price Information	Complied	Share information pages 182 to 183
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Complied	Group Real Estate Portfolio pages 186 to 188
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	Company did not raise funds during the Year
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	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	Complied	Corporate Governance Report pages 84 to 92

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

The corporate governance requirements applicable to listed entities were revised during the FY 2023/24 with effect from 01st October 2023. The status of compliance for the salient amendments of revised requirements is as follows,

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.2	Policies		
9.2.1	Policies	<p>The following policies which are mandated by the revised CSE listing rules are currently in place;</p> <ul style="list-style-type: none"> • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations & Re-election • Policy on Remuneration • Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Risk Management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Corporate Disclosures • Policy on Whistle Blowing • Policy on Anti-Bribery and Corruption <p>Aforementioned polices includes in the company website.</p>	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer section 9.2.1.	Complied
9.2.4	Availability of Policies to Shareholders	The Company will provide any of the above policies to its shareholders, upon a written request.	Complied
9.3	Board Committees		
9.3.1	Establishment of Board Committees	The Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are in place.	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of existing Committees is in line with the revised CSE listing rules. The Responsibilities of these committees are in line with the rule set out and required disclosures have been made.	Complied
9.3.3	Chairperson of Board Committees	The Chairperson of the Board is not the Chairperson for any of the Sub Committees.	Complied
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	Record maintain	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Complied
9.4.2	Communication and relation with Shareholders and Investors	The company has a policy on effective communication and relations with shareholders and investors.	Complied
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on Matters relating to the Board of Directors	Complied
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors	Complied
9.6	Chairperson and CEO		
9.6.1	Chairperson and CEO	The Chairperson is the CEO of the Company.	Complied
9.6.2	Rationale for appointing of a Senior Independent Director (SID)	<p>The Company has appointed a Senior Independent Director (SID) with effect from 01st November 2023 as per the provisions of Listing rules.</p> <p>The Company made a market announcement on 01st November 2023 highlighting the rationale for appointing of a Senior Independent Director (SID).</p>	
9.6.3 (b) & (c)	Meetings by Senior Independent Director (SID)	The SID held separate meeting with the Non-Executive Directors without the presence of Executive Directors and Chairman, to discuss matters and concerns Pertaining to the Company.	Complied
9.6.3 (e)	Disclosure of SID	Please refer to the statement by Senior Independent Director (SID) given in this report, refer to Page No. 98.	Complied

CORPORATE GOVERNANCE

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.7	Fitness of Directors and CEOs		
9.7.1	Appointment of "Fit and Proper" Persons	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules	Complied
9.7.2			
9.7.3			
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from directors and CEO before effective date	Complied
9.7.5	Disclosures in the Annual Report	Page 87 of the Annual Report provides the relevant disclosure.	Complied
9.8	Board Composition		
9.8.1	Board at minimum to consist of Five (5) Directors	The Board of Directors of the Company consists of Nine (9) Directors as of 31st March 2025.	Complied
9.8.2	Minimum number of independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of Three (3) Independent Directors as of 31st March 2025.	Complied
9.8.3	Criteria for determining independence & Declarations	Company assesses the independence of directors according new revised rules.	Complied
9.8.4			
9.8.5			
9.9	Alternate Directors		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A
9.10	Disclosures relating to Directors		
9.10.1	Policy on the maximum number of Directorships	Company Policy on maximum number of Directorships which a Director can hold in listed companies is 07.	Complied
9.10.2	Appointment of new Director	The Company has made immediate market announcements on appointment of new Directors.	Complied
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Complied
9.10.4	Disclosures in the Annual Report	Please refer page 76 to 79 for profiles of Directors, names of Companies in which the Director serves in Directorships, names of committees in which the Director serves as Chairperson, the nature of Director's expertise. Please refer page 98 for statement by the Senior Independent Director. Please refer page 85 for details of meeting attendance.	Complied
9.11	Nominations & Governance Committee		
9.11.1	Nominations & Governance Committee	The company has the Nominations & Governance Committee.	Complied
9.11.2	Formal Procedures	Company has a formal procedure for the appointment of new directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.11.4	Composition	The Committee comprises of Two Independent Non-Executive Directors.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 95.	Complied
9.12	Remuneration Committee		
9.12.1	Definition of Remuneration	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Complied
9.12.2	Remuneration Committee	The Company's has Remuneration Committee which determines the remuneration for Executive and Non - Executive Directors.	Complied
9.12.3	Remuneration Policy - Executive Directors/ Non-Executive Directors	The remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non- discriminatory pay practices ensuring their independence is not impaired.	Complied
9.12.4			
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.12.6	Composition	The Committee comprises of Two Independent Non-Executive Directors.	Complied
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 95.	Complied
9.13	Audit Committee		
9.13.1	Audit and Risk Committees	The Company has established Audit Committee to perform the Audit and Risk Functions.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied
9.13.3	Composition	The Audit Committee comprises of Two Independent Non-Executive Directors. The Audit Committee met five times during the year. The Group Chief Financial Controller, Group Internal Audit Manager of the Company and Functional Heads of Subsidiaries attend the Committee meeting by invitation.	Complied
9.13.4	Functions	The Functions of the Committee are effectively summarized in the Audit Committee Report on page 93.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in page given 93.	Complied
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of Related Party Transactions Review Committee	The company has Related Party Transactions Review Committee.	Complied
9.14.2 (1) & (2)	Composition	The Committee comprises of three Independent Non-Executive Directors.	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Committee Report on page 96.	Complied

CORPORATE GOVERNANCE

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.14.4	General requirements	The Related Party Transaction Committee met five times during the year.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said CSE listing rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Complied
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in note no. 39 of the Page 180. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 96.	Complied
9.14.9	Acquisition and Disposal of assets from/to related parties	The Company has not acquired/disposed substantial assets from/to related parties.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.16	Additional Disclosures		
9.16	(i) Declaration of all material interest (ii) Review of internal controls and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material Non-Compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on page 80. Material non-compliance with any Law or Regulation has not arisen during the year 2024/25.	Complied

REPORT OF THE AUDIT COMMITTEE

The Committee is comprised of three Non-Executive Directors out of which two directors are independent. The Company Secretary serves as the Secretary to the Nomination & Governance Committee.

Dr. Jayatissa De Costa P.C (Resigned on 31st December 2024)	INED
Mr. Udeni Samararatne (Appointed from 01st January 2025)	INED
Mr. Prasanna Fernando	INED
Mr. Felix Fernandopulle	NED

INED - Independent Non-Executive Director

NED - Non-Executive Director

Meetings and Attendance

The Audit Committee held five meetings during the year under review.

The Group Chief Financial Officer, Group Internal Audit Manager and functional heads of the Strategic Business Units (SBUs) were invited if deemed necessary for audit committee meetings. Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

Director Name	Eligibility	Attendance
Dr. Jayatissa De Costa P.C	4	4
Mr. Udeni Samararatne	1	1
Mr. Prasanna Fernando	5	4
Mr. Felix Fernandopulle	5	5

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

The key responsibilities of the Committee include:

- Overseeing compliance of the financial statements with the requirements of the Companies Act No. 7 of 2007, accounting and financial reporting requirements. The Listing rules of the Colombo Stock Exchange (CSE) and Securities and Exchange Commission (SEC), and making informed decisions regarding accounting and regulatory policies, judgments, practices and disclosures.
- Reviewing the adequacy of the Company's control framework for financial regulatory reporting.
- Reviewing the scope and results of Internal Audit reviews and external audits.

- Assessing the effectiveness of the Company's key controls in relation to accounting and financial records and reporting and, referring matters relating to the duties and responsibilities of other Board sub-committees to the appropriate Committee.
- Assessing the effectiveness of Internal Audit plan and execution strategies within the stipulated framework.

The Board Audit Committee (the "Committee") assists the Board in fulfilling their responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting of the Company.

Internal Audit and Risk Management

The Internal Audit Programme was reviewed by the Committee to ensure that it covered the major business units of the Group.

The Group Internal Audit Manager was invited to be present at Audit Committee deliberations. He presented a summary of the salient findings of internal audits and details of the investigations carried out by his department for the period. The responses Heads of the SBUs to the internal audit findings were reviewed and where necessary corrective actions were recommended and implementation monitored.

Internal Controls

During its meetings, the Committee reviewed the adequacy and effectiveness of the internal control systems and the Group's approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of financial statements.

A comprehensive Management Report and Accounts are produced at every month end highlighting all the key performance criteria pertaining to the Company's SBUs which is reviewed by the Senior Management on a monthly basis and SBU Boards review performance on a quarterly basis.

Financial Statements

The Committee reviewed the Group's Quarterly Financial Statements, the Annual Report and Accounts for reliability, consistency and compliance with the Sri Lanka Accounting Standards and other statutory requirements, including the Companies Act, No 7 of 2007, prior to issuance. The committee also reviewed the adequacy of disclosures in the published Financial Statements.

REPORT OF THE AUDIT COMMITTEE

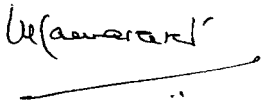
External Auditors

The Audit Committee has reviewed the other services provided by the External Auditor to the group to ensure their independence as Auditors has not been compromised. The external auditors kept the Audit Committee informed on an on-going basis of all matters of significance. The Committee met with the Auditors and discussed issues arising from the audit and corrective action taken when necessary.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young be re-appointed as Auditors for the financial year ending 31st March, 2025 subject to the approval of the shareholders at the next Annual General Meeting.

Conclusion

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable assurance regarding the reliability of the financial reporting of the Group, the assets are safeguarded and that the Listing Rules of the Colombo Stock Exchange have been complied with.



Mr. Udeni Samararatne

Chairman of the Audit Committee

28 August 2025

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two Independent Non-Executive Directors and one Non-Executive Director.

Dr. Jayatissa De Costa P. C	NED
Mr. Udeni Samararatne (Appointed from 01st January 2025)	INED
Mr. Felix Fernandopulle (*) (Resigned on 31st December 2024)	NED
Mr. Prasanna Fernando	INED

INED - Independent Non-Executive Director

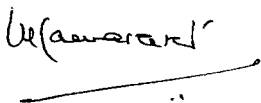
NED - Non-Executive Director

Meetings and Attendance

The Committee held one meeting during the year under review.

Director	Eligibility	Attendance
Dr. Jayatissa De Costa P. C	1	1
Mr. Udeni Samararatne	0	0
Mr. Felix Fernandopulle	1	1
Mr. Prasanna Fernando	1	1

The Remuneration policy of the company is formulated to attract and retain high caliber personnel and motivate them to develop and implement the business strategy in order to optimize long term shareholder value. The Committee considers competition, market information and business performance in deciding the overall remuneration policy.



Mr. Udeni Samararatne
Chairman

28 August 2025

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Committee is comprised of three Non-Executive Directors out of which two directors are independent. The Company Secretary serves as the Secretary to the Nomination & Governance Committee.

Dr. Jayatissa De Costa PC (Resigned on 31st December 2024)	INED
Mr. Udeni Samararatne (Appointed from 01st January 2025)	INED
Mr. Prasanna Fernando	INED
Mr. J F Fernandopulle	NED

INED - Independent Non-Executive Director
NED - Non-Executive Director

Meetings and Attendance

The Related Party Transactions Review Committee held five meetings during the year under review. The activities and views of the Committee have been communicated to the Board of Directors where appropriate

Director	Eligibility	Attendance
Dr. Jayatissa De Costa PC	4	4
Mr. Udeni Samararatne	1	1
Mr. Prasanna Fernando	5	5
Mr. Felix Fernandopulle	5	5

The Related Party Transactions Review Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

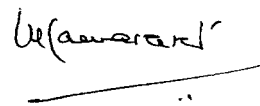
The key responsibilities of the Committee include:

- To exercise oversight on behalf of the Board, that all Related Party Transactions (“RPTs”, other than those exempted by the CSE listing rules on the Related Party Transactions) of Richard Pieris & Company PLC is carried out and disclosed in a manner consistent with the CSE listing rules.
- To advise and update the Board of Directors on the related party transactions of the company on a quarterly basis.
- To ensure compliance with the CSE listing rules on the Related Party Transactions.
- To review policies and procedures of Related Party Transactions of the Group.

- To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee reviewed the policy framework for adoption on Related Party Transactions for Richard Pieris & Company. In such process the committee considered and reviewed Related Party Transactions which requires approval of the Board of Directors in accordance with the, various thresholds set out by the Colombo Stock Exchange listing rules and disclosure requirements, etc.

Details of the related party transactions entered into by the Group/ Company are disclosed on pages 180 to 181



Mr. Udeni Samararatne
 Chairman of the Related Party Transactions Review Committee

28 August 2025

REPORT OF THE NOMINATION AND GOVERNANCE COMMITTEE

The Committee is comprised of three Non-Executive Directors out of which two directors are independent. The Company Secretary serves as the Secretary to the Nomination & Governance Committee.

Dr. Jayatissa De Costa PC (Resigned on 31st December 2024)	INED
Mr. Udeni Samararatne (Appointed from 01st January 2025)	INED
Mr. Prasanna Fernando	INED
Mr. Felix Fernandopulle	NED

INED - Independent Non-Executive Director

NED - Non-Executive Director

Meetings and Attendance

The Nomination and governance Committee held one meeting during the year under review.

Director	Eligibility	Attendance
Dr. Jayatissa De Costa PC	1	1
Mr. Udeni Samararatne	0	0
Mr. Prasanna Fernando	1	1
Mr. Felix Fernandopulle	1	1

The meetings were conducted to review matters relating to Board composition, governance frameworks, and succession planning.

The Committee operates under the guidelines established in its Charter, which is approved by the Board of Directors. The Charter outlines the purpose, authority, composition, and responsibilities of the Committee in line with the Corporate Governance rules.

Purpose of the Committee

The primary purpose of the Nomination & Governance Committee is to:

1. Ensure the Board comprises an appropriate mix of skills, experience, and diversity to effectively discharge its responsibilities.
2. Recommend the appointment and re-election of Directors to the Board, ensuring adherence to established Corporate Governance principles.
3. Oversee the development and implementation of sound governance policies and practices across the Group.
4. Evaluate the independence of Non-Executive Directors annually and ensure compliance with regulatory requirements.

Governance and Oversight

The Committee reviewed the Group's compliance with the Corporate Governance Code prescribed by the Colombo Stock Exchange and other applicable regulations. The framework for governance policies, including Board performance evaluations and training initiatives for Directors, was strengthened to align with emerging best practices.

Director Nominations and Succession Planning

During the year, the Committee:

- Recommended the appointment of two Directors to fill vacancies arose from retirements. The nominations were based on a structured assessment of the candidates' qualifications, experience, and alignment with the Group's strategic objectives.
- Develop succession plan for board of directors and key management roles across of the company.

Board Effectiveness and Independence

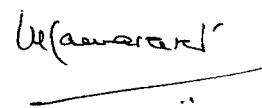
The Committee conducted an annual review of the Board's composition, independence, and performance. Feedback was collected from Directors to identify areas for improvement. The independence of all Non-Executive Directors was assessed, ensuring adherence to governance standards.

Training and Development

The Committee facilitated training sessions for Directors on key topics, including sustainability, risk management, and regulatory updates. Continuous development programs were designed to enhance Directors' capabilities in fulfilling their roles where necessary.

Conclusion

The Nomination & Governance Committee is satisfied that its activities during the year have supported the Group's governance framework and strategic direction. The Committee remains committed to uphold the highest standards of governance, ensuring the Board's effectiveness, and facilitating sustainable long-term growth for the Group.



Mr. Udeni Samararatne

Chairman of the Nomination & Governance Committee

28 August 2025

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

Statement by the Retiring Senior Independent Director

I served as the Senior Independent Director (SID) from my appointment on 01st November 2023 until 31st December 2024, in accordance with Section 9.6.3 of the Listing Rules on Corporate Governance. During my tenure, I acted as a point of contact for the Board and stakeholders, ensuring that governance practices were upheld and fostering a culture of transparency and accountability.

Under the leadership of the Chairperson, the Company continued to strengthen its position as a leading diversified conglomerate with significant domestic and international presence. The decision for the Chairperson to hold the dual role of CEO was carefully reviewed by the Board, ensuring it aligned with the Company's strategic direction.

In line with my responsibilities as SID, I chaired a meeting of Independent Non-Executive Directors to discuss matters related to governance, board dynamics, and the Company's operations. The outcomes of this meeting were shared with the Chairperson and the Board, fostering an open dialogue and further strengthening the governance framework. I conclude my tenure as SID due to reaching the age limit of 70, and I express my gratitude to the Board and stakeholders for their collaboration and trust during my time of service.



J F Fernandopulle
Senior Independent Director

28 August 2025

Statement by the Newly Appointed Senior Independent Director

I was appointed by the Board as the Senior Independent Director (SID) on 01st January 2025, succeeding my predecessor in compliance with Section 9.6.3 of the Listing Rules on Corporate Governance. I undertake this role to serve as a conduit between the Board, shareholders, and other stakeholders, ensuring that their concerns are addressed in a fair and transparent manner.

The role of the SID is particularly significant given the combined position of Chairperson and CEO within the Company. I will act as a sounding board for the Chairperson, providing independent counsel and fostering a governance culture that aligns with the long-term interests of all stakeholders.

In the upcoming year, I will oversee and chair meetings of Independent Non-Executive Directors, ensuring that their perspectives are communicated effectively to the Chairperson and the Board. I remain committed to enhancing the governance framework and contributing to the sustainable growth of the Company.



Pamuditha Hennayake
Senior Independent Director

28 August 2025

STATEMENT OF DIRECTORS' RESPONSIBILITY

In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Richard Pieris and Company PLC, acknowledge their responsibility in relation to financial reporting of both, the Company and that of its Group. These responsibilities differ from those of its Auditors, M/s. Ernst & Young, which are set out in their report, appearing on pages 104 and 107 of this report.

The financial statements of the Company and its subsidiaries for the year ended 31st March 2025 included in this report, have been prepared and presented in accordance with the new Sri Lanka Accounting Standards (LKAS and SLFRS), and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the financial statements exhibited on pages from 108 to 181 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these financial statements are reasonable and prudent.

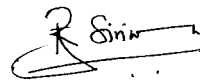
The Directors confirm their responsibility for ensuring that all companies within the Group maintain accounting records, which are sufficient to prepare financial statements that disclose with reasonable accuracy, the financial position of the Company and its Group. They also confirm their responsibility towards ensuring that the financial statements presented in the Annual Report give a true and fair view of the state of affairs of the Company and its Group as at 31st March 2025, and that of the profit for the year then ended.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors' are of the view that the Company and its Group have adequate resources to continue operations in the foreseeable future and have continued to use the going - concern basis in the preparation of these financial statements.

The Directors' have provided the Auditors M/s. Ernst & Young Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the financial statements together with all financial records and related data and express their opinion which appears as reported by them on pages 104 and 107 of this report.

By Order of the Board,



Richard Pieris Group Services (Pvt) Limited
Secretaries

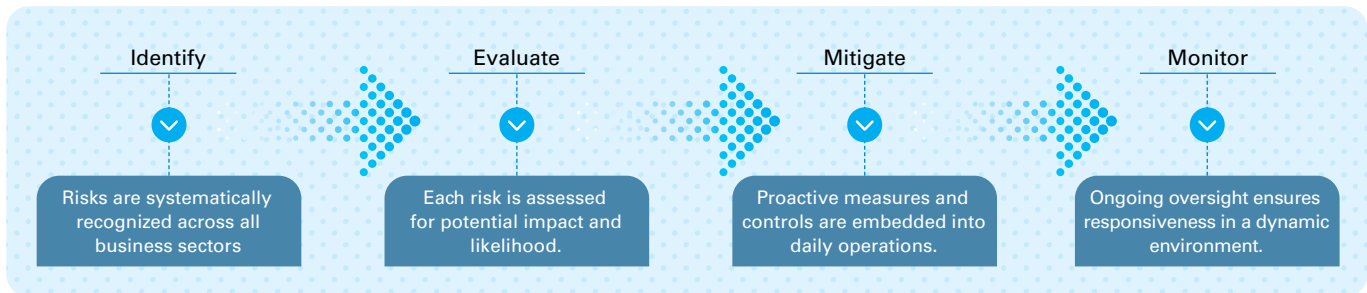
310, High Level Road, Nawinna, Maharagama

28 August 2025

RISK MANAGEMENT

At Richard Pieris & Company PLC, we believe effective risk management is the cornerstone of sustainable growth. Our framework combines strong internal controls, continuous monitoring, and independent assurance to safeguard the Group’s interests and build long-term stakeholder confidence.

Our Approach to Risk



Three Lines of Assurance



This multi-layered approach not only protects against uncertainties but also creates opportunities, ensuring resilience, accountability, and long-term value creation for all our stakeholders.

Managing business and financial risks are fundamentally important in maintaining sustainable growth and making steady progress towards the achievement of corporate goals and objectives. ‘Risk’ being a factor which is not possible to ‘eliminate’ completely, the group ensures the ‘minimization’ of risks by adopting various strategies for continuous reviewing of the group operations. Various strategies are developed and implemented to achieve this goal.

Risk Exposure	Group Objectives	Risk Minimisation Strategies
Financial Risk Management		
1. Liquidity and Cash Management	To ensure faster response to market opportunities by ensuring instant funding ability. To maintain a ‘sufficient’ liquidity position at all times.	<ul style="list-style-type: none"> Funding of long term assets through Equity and Long Term Loans. Availability of short term borrowing facilities to the Group at all times. Funding of inventory by short term creditors. The Group owns land and buildings with market values significantly in excess of its book values that can be offered as collateral for future funding requirements. Sourcing of funding requirements through many financial institutions.
2. Interest Rate Risk	To minimise adverse effects of interest rate volatility. To ensure cost of borrowing is at minimum level. To optimise the return on the Shareholder’s Fund and Life Policy Fund of Insurance Company. Optimize the interest spread through matching the maturities of assets and liabilities of the Finance Company.	<ul style="list-style-type: none"> Structuring the loan portfolio to combine foreign currency and local currency denominated borrowings. Continuous monitoring is being done to match the mix of foreign and local denominated borrowings to the mix of export and local revenue of the Group. Using fixed and variable rate borrowings to strike a balance. Centralised Treasury that coordinates Group funding requirements thus ensuring more effective borrowing terms. Practicing effective hedging techniques whenever deemed necessary. Centralised Treasury function to get the advantage of the total pooling of funds. Matching the Assets and Liabilities of maturities. Duration Management.

Risk Exposure	Group Objectives	Risk Minimisation Strategies
3. Currency Risk	To minimise risk associated with the fluctuation in foreign currency rates in relation to export proceeds, import payments and foreign currency debt transactions	<ul style="list-style-type: none"> • Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge. • Ensuring effective Treasury operations through various hedging techniques such as forward bookings, forward sales, swaps and options contracts etc.
Business Risk Management		
1. Credit Risk	To minimise risks associated with debtor defaults.	<ul style="list-style-type: none"> • Obtaining insurance cover for export debtors. • Developing and implementing Credit Policies • Obtaining bank guarantees, deposits and collateral for all major local customers. • Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit. • Demarcating the local areas and appointing new distributors thus increasing the number of customers with the objective of reducing credit exposure due to the reliance of a few customers. • Closely monitoring the debtor balances, laying action plans, and determining the same are under control.
2. Asset Risk	To minimise risk from fire, theft and machinery and equipment breakdown.	<ul style="list-style-type: none"> • Obtaining comprehensive insurance covers for all tangible assets. • Adoption of stringent procedures with regards to the moving of assets from one location to another. • Carrying out mandatory preventive maintenance programs. • Carrying out frequent employee training programs in areas such as fire prevention.
3. Internal Controls	To maintain a sound system of internal control to safeguard shareholders' wealth and Group assets.	<ul style="list-style-type: none"> • Carrying out of system audits and other control mechanisms such as inventory and cash counts throughout the Group by our central Internal Audit Department. • Having in place a budgetary process and a budgetary control mechanism on a monthly basis to ensure that the Group's performance is in line with its targets.
4. Reputation Risk	To prevent the causes that damage our reputation. To minimise the impact if, despite our best endeavours, a reputation crisis should occur.	<ul style="list-style-type: none"> • Adopting stringent quality assurance policies with regard to goods bought out from third parties as well as the inputs, processes and outputs of own brand and in-house manufactured products. • Ensuring effective communication with various stakeholders including employees, bankers, media, regulators, customers, suppliers, shareholders and the community at large. • Providing the front line managers and the sales staff with adequate training in order to improve service standards as well as to educate staff on the importance of customer service. • Ensuring Public Liability Cover to make certain of the safety of the customers and public at all times.
5. Human Capital and Labour Risk	To ensure a smooth flow of operations without any undue disruptions. To project our selves as a human employer, successful in motivating, developing, retaining and attracting the best of human capital.	<ul style="list-style-type: none"> • Maintaining healthy relationships with trade unions through regular dialogue • Entering into agreements with trade unions. • Improving employee benefits by way of incentives and welfare activities. • Improving the Human Resource function of the Group with regards to employee recruitment, performance appraisals and in-house as well as external training programs. • Promoting Performance driven culture.
6. Technological Risk	To keep pace with the current technological developments and safeguard against obsolescence.	<ul style="list-style-type: none"> • Continuous investment in new technologies and automation. • Investing in Research and Development activities throughout the year. • Investing in hardware and developing software in-house.
7. Procurement Risk	To minimise risk associated with price and availability.	<ul style="list-style-type: none"> • Introduction of total Supply Chain framework including correct procurement process system. • Establishing relationships with many global and local suppliers for raw materials and commodities in order to reduce over-dependency on a single supplier/brand. • Ensuring effective category management to reduce the risk of non-availability of goods at our retail outlets. • Adoption of backward integration strategies. • Centralised purchasing division which has enabled us to create a reliable network of global suppliers. • Entering into forward contracts for raw material purchases. • Ensure Goods in Transit are insured.

RISK MANAGEMENT

Risk Exposure	Group Objectives	Risk Minimisation Strategies
8. Inventory	To reduce stock obsolescence and manage stock holding costs. Reducing the risk associated with theft and shrinkage.	<ul style="list-style-type: none"> Adopting a monthly declaration policy. Identifying slow-moving stocks and effectively laying out a channel for these to be sold off. Adopting security systems at the Retail outlets such as security tags with alarm systems, surveillance cameras and deployment of security to manage theft. Ensure raw material and finished goods stocks are insured.
9. Risk of Competition	To maximise our market share and maintain market leadership in the respective industries.	<ul style="list-style-type: none"> Ensuring high standards of quality. Increasing productivity and efficiency in order to ensure our prices remain competitive despite increasing wage, energy and transportation costs. Carrying out Research and Development activities to identify needs. Further strengthening our Arpico brand through aggressive advertising campaigns and target marketing. Introducing pioneering products. The introduction of a CRM programme in our retail chain. The provision of various value added services at our key retailing outlets.
10. Intellectual Capital Risk	To protect ourselves against possible violations, fraudulent usage and infringements on the Group's copyrights.	<ul style="list-style-type: none"> Registering our brands and trademarks. Successfully obtaining patents for manufactured products. Furthering our Arpico brand image through promotions and advertising whilst ensuring value of the brand image is resolute.
11. Capital Investments Risk	To minimise risk of not meeting profit expectations.	<ul style="list-style-type: none"> Adopting a stringent approval procedure for Capital expenditure based on the level of investment and the expected pay back. Carrying out extensive feasibility studies for large scale investments. External expertise is obtained wherever required.
12. Information Systems Risk	To minimise risk associated with Data Security, Hardware and Communication and Software.	<ul style="list-style-type: none"> Maintaining of spare servers. Mirroring of hard disks with critical data. Data back-ups stored in off-site locations. Vendor agreements for support service and maintenance. Regular upgrading of Virus Scanners, Firewalls etc. Compliance with statutory requirements for environmental preservations. Carrying out Application Control Audits. Having a Disaster Recovery Site.
13. Environmental, Political and Regulatory Risk	To minimise the negative impact from the changes in the external environment which are beyond our control. To comply with the regulatory requirements.	<ul style="list-style-type: none"> Compliance with statutory requirements for all tax and other payments. Prioritise the IT requirements for reporting Set up internal deadlines for each criterion Meet the deadline for Statutory Returns and review all returns by Group Finance before the submission. Continuous dialogue with statutory bodies to get the updated reporting requirements.
14. Underwriting Risk	To minimise the claims and to ensure proper pricing.	<ul style="list-style-type: none"> Assessing the risk exposed by accepting the policy and carrying out proper ratings and loadings before underwriting any policy. Adhering to the guide lines provided by re-insurer Referring any complicated matters to the re-insurer before accepting the risk. Checking validity and accuracy of all the proofs given by the client before accepting the risk.

FINANCIAL INFORMATION

Financial Calendar

Interim Financial Statements

1st Quarter	-	31st July 2024
2nd Quarter	-	06th November 2024
3rd Quarter	-	10th February 2025
4th Quarter	-	29th May 2025

Annual Reports

2024/25 Annual Report	-	28th August 2025
2023/24 Annual Report	-	29th August 2024

Meetings

Annual General Meeting	-	26th September 2025
Annual General Meeting	-	27th September 2024

Dividends

First Interim Dividend of Rs. 0.60 per share declared on 05th August 2024

Second Interim Dividend of Rs. 0.70 per share declared on 06th March 2025

Financial Contents

Independent Auditor's Report	104
Statement of Profit or Loss	108
Statement of Comprehensive Income	109
Statement of Financial Position	110
Statement of Changes in Equity	112
Statement of Cash Flows	113
Notes to the Financial Statements	115

INDEPENDENT AUDITOR'S REPORT



Shape the future
with confidence

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: eysi@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF RICHARD PIERIS AND COMPANY PLC

Report on the Financial Statements

Opinion

We have audited the Financial Statements of Richard Pieris and Company 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 2025, and 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 2025, 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

Assessment of Impairment of Goodwill

The Group's Statement of Financial Position includes an amount of Rs. 1,115 Mn relating to Goodwill as further described in Note 14 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).

Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill have been allocated. A deficit between the recoverable value and the carrying values of the CGUs including Goodwill would result in an impairment.

Impairment testing of Goodwill was a key audit matter due to:

- the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations.

Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 2.10.12 and 14 to the financial statements.

How our audit addressed the key audit matter

Our audit procedures included the following:

- We gained an understanding of how Management has forecasted its discounted future cash flows.
- We tested the calculations of the discounted future cash flows and agreed the underlying data used to supporting documents and accounting records.
- We assessed the reasonableness of significant assumptions including long term growth rates and discount rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations.
- We assessed the adequacy of the disclosures made in Note 14 and in the financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, 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, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera 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 Shakhthivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

Key Audit Matter	How our audit addressed the key audit matter
<p>Allowances for Loans and Advances</p> <p>Allowances for expected credit losses of Loan, Lease and Hire Purchase receivables amounting to Rs. 1,588 million arising from Loans and Advances of Rs. 16,194 million (Note 21) is determined by the management based on the accounting policies described in Note 2.11.2. to the financial statement.</p> <p>This was a key audit matter due to</p> <ul style="list-style-type: none"> the involvement of significant management judgements, assumptions and level of estimation uncertainty associated in estimating future cashflows to recover such loans and receivables to customers; and the materiality of the reported amount of allowances impairment and other credit losses. <p>Key areas of significant judgements, assumptions and estimates used by management in the assessment of the allowances for impairment and other credit losses of loans and receivables to customers include forward-looking macroeconomic scenarios and their associated weightages. These are subject to inherently heightened levels of estimation uncertainty and subjectivity.</p> <p>Further information on the key estimates, assumptions and judgements is disclosed in Note 2.11.2.</p>	<p>In addressing the adequacy of the allowances for expected credit losses of Loan, Lease and Hire Purchase receivables, our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> Assessed the alignment of the entity's allowances for expected credit losses computations and underlying methodology including responses to economic conditions with its accounting policies, based on the best available information up to the date of our report. Evaluated the design, implementation, and operating effectiveness of controls over estimation of expected credit losses, which included assessing the level of oversight, review and approval of allowances for impairment and other credit losses, policies and procedures by the Board and the management. Tested the completeness, accuracy and reasonableness of the underlying data used in the impairment and other credit losses computations by cross checking to relevant source documents and accounting records of the Company. Evaluated the reasonableness of credit quality assessments and related stage classifications. Tested the key inputs and the calculations used in the impairment and other credit losses. Assessed the reasonableness of judgements, assumptions and estimates used by the Management in the underlying methodology and the management overlays. Our testing included evaluating the reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each scenario. Assessed the adequacy of the related financial statement disclosures set out in notes 2.11.2 and 21.
<p>Measurement of bearer biological assets</p> <p>As of 31 March 2025, the Group's bearer biological assets amounted to Rs. 9.95 Bn and represented 10% of the Group's total assets. Bearer Biological Assets comprised of Rs. 3.6 Bn Immature Plantations and Rs. 6.4 Bn of Mature plantations, as disclosed in Notes 2.10.6 and 12 to the financial statements.</p> <p>Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following:</p> <ul style="list-style-type: none"> The materiality of the reported bearer biological asset balance and The degree of management's judgement involved in identification of costs to be capitalized as immature plantations, point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Notes 2.10.6 and 12 to the financial statements. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations. Tested the significant expenses incurred by capital expenditure authorizations and other corroborative evidence. Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indicators of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. <p>We also assessed the adequacy of the related disclosures given in Notes 2.10.6 and 12 in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

Other Information included in the 2025 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 management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2471.



28 August 2025
Colombo

STATEMENT OF PROFIT OR LOSS

For the year ended 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Continuing operations					
Revenue from contracts with customers	3.1	72,504,540	69,248,473	1,088,411	1,045,097
Revenue from insurance contracts	3.1	1,848,006	2,074,699	-	-
Interest Income from Finance company	3.1	2,612,736	2,536,054	-	-
Dividend Income	3.1	-	-	1,234,125	1,593,685
Other revenue	3.1	-	-	244,158	49,689
Total Revenue		76,965,282	73,859,226	2,566,694	2,688,471
Cost of sales		(56,828,343)	(57,717,578)	-	-
Gross profit		20,136,939	16,141,648	2,566,694	2,688,471
Other operating income	4.1	2,163,056	1,893,838	67,129	215,400
Selling and distribution expenses		(5,215,917)	(4,599,818)	-	-
Administrative expenses		(9,155,458)	(9,283,880)	(582,727)	(631,849)
Other operating expenses	4.2	(193,419)	(334,492)	(41,649)	(26,334)
Operating profit	4.3	7,735,201	3,817,296	2,009,445	2,245,688
Finance costs	5	(2,138,262)	(2,830,115)	(1,109,838)	(1,744,405)
Finance income	6	1,268,587	1,091,510	102,094	153,019
Share of profit of an associate	7	140,309	112,802	-	-
Profit before tax from continuing operations		7,005,835	2,191,494	1,001,701	654,301
Tax expense	8	(2,403,758)	(1,164,932)	(139,456)	75,514
Profit for the year from continuing operations		4,602,077	1,026,562	862,245	729,815
Discontinued operations					
Loss after tax for the year from discontinued operations	9	(2,143)	(2,830)	-	-
Profit for the year		4,599,934	1,023,732	862,245	729,815
Attributable to:					
Equity holders of the parent		3,787,853	572,872		
Non-controlling interests		812,081	450,860		
		4,599,934	1,023,732		
Earnings per share					
Basic	10	Rs. 1.86	Rs. 0.28		
Earnings per share for continuing operations					
Basic	10	Rs. 1.86	Rs. 0.28		
Dividend per share	11	Rs. 1.30	Rs. 0.50		

Figures in brackets indicate deductions.

The accounting policies and notes from pages 115 to 181 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Profit for the year		4,599,934	1,023,732	862,245	729,815
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax);					
Net gain/(loss) on financial instruments at fair value through other comprehensive income		146,686	158,771	-	-
Fair value movement of AFS reserve transferred to life fund		(146,686)	(158,771)	-	-
Exchange differences on translation of foreign operations		(11,323)	(79,017)	-	-
Net other comprehensive income to be reclassified to profit or loss		(11,323)	(79,017)	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax);					
Net gain/(loss) on equity instruments at fair value through other comprehensive income		1,142,114	808,007	1,001,232	649,316
Gain / (loss) on actuarial valuation on defined benefit obligation	32	(456,963)	(299,979)	8,445	(10,446)
Income tax effect		129,346	84,844	(2,533)	3,134
Net other comprehensive loss not to be reclassified to profit or loss		814,497	592,872	1,007,144	642,004
Other comprehensive loss for the year, net of tax		803,174	513,855	1,007,144	642,004
Total comprehensive income for the year, net of tax		5,403,108	1,537,587	1,869,389	1,371,819
Attributable to:					
Equity holders of the parent		4,646,602	1,113,526		
Non-controlling interests		756,506	424,061		
		5,403,108	1,537,587		

Figures in brackets indicate deductions.

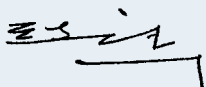
The accounting policies and notes from pages 115 to 181 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Assets					
Non-current assets					
Property, plant and equipment	12.1	26,676,969	26,784,504	85,714	282,583
Investment properties	13	985,716	481,168	2,911,979	2,722,879
Right-of-use assets	29	4,403,208	3,636,175	105,498	156,136
Intangible assets	14	1,155,042	1,137,044	-	-
Consumable biological assets	15	2,104,636	1,763,300	-	-
Investments in subsidiaries	16	-	-	5,260,275	4,960,275
Investment in associates	16	542,552	473,063	-	-
Other non-current financial assets	17	6,788,851	5,441,642	2,859,806	1,729,670
Deferred tax assets	18	1,462,947	1,179,214	10,466	19,546
		44,119,920	40,896,110	11,233,738	9,871,089
Current assets					
Inventories	19	13,741,428	13,129,119	1,561	2,225
Produce on bearer biological assets	15	96,543	60,715	-	-
Trade and other receivables	20	11,069,351	11,736,922	443,526	768,184
Loans and advances	21	14,605,782	12,265,444	-	-
Tax receivables		387,192	212,370	204,553	-
Amounts due from subsidiaries		-	-	5,379,466	5,825,547
Other current financial assets	17	1,295,042	1,701,180	-	-
Cash and short-term deposits	23	14,783,897	12,915,837	1,159,196	1,203,271
		55,979,234	52,021,587	7,188,302	7,799,227
Total assets		100,099,154	92,917,697	18,422,040	17,670,316
Equity and liabilities					
Equity					
Stated capital	24	1,972,829	1,972,829	1,972,829	1,972,829
Revenue reserves	25	22,695,555	22,531,452	557,317	2,334,710
Statutory reserve fund	25.1	101,174	88,438	-	-
Other components of equity	26	1,147,640	39,299	711,605	(289,627)
Equity attributable to equity holders of the parent		25,917,198	24,632,018	3,241,751	4,017,912
Non-controlling interests		6,865,042	5,562,018	-	-
Total equity		32,782,240	30,194,036	3,241,752	4,017,912
Non-current liabilities					
Interest-bearing loans and borrowings	28	2,099,303	1,854,804	-	-
Lease liabilities on Right-of-use Assets	29	4,076,347	3,453,184	130,542	226,245
Insurance provision	27	2,762,501	2,906,873	-	-
Provisions	30	250,597	196,451	-	-
Government grants	31	489,234	492,804	-	-
Employee benefit liabilities	32	3,026,701	2,561,214	66,571	67,302
Deferred tax liabilities	18	2,816,798	2,619,872	-	-
		15,521,481	14,085,203	197,113	293,547

As at 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Current liabilities					
Trade and other payables	34	12,739,779	13,132,327	633,235	219,690
Customer deposits	35	10,344,495	10,332,211	-	-
Current portion of interest-bearing loans and borrowings	28	2,752,561	1,790,265	-	-
Current portion Lease liabilities on Right-of-use Assets	29	1,269,963	944,463	95,703	75,229
Amounts due to subsidiaries		-	-	129,736	573,350
Income tax payable		917,200	330,698	-	1,741
Short term borrowings	22	23,771,434	22,108,494	14,124,500	12,488,847
		51,795,433	48,638,458	14,983,175	13,358,857
Total liabilities		67,316,914	62,723,661	15,180,288	13,652,404
Total equity and liabilities		100,099,154	92,917,697	18,422,040	17,670,316

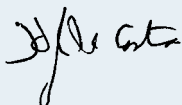
I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.



Sudheera Epitakumbura

Head of Finance

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:



Jayatissa De Costa

Director



W J V P Perera

Director

The accounting policies and notes from pages 115 to 181 form an integral part of these financial statements.

28 August 2025

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Attributable to equity holders of the parent					Total	Non controlling interest	Total equity
	Stated capital	Revenue reserves	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Statutory reserve fund			
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1st April 2023	1,972,829	23,163,920	(1,132,233)	443,883	88,438	24,536,837	5,274,162	29,810,999
Profit for the year	-	572,872	-	-	-	572,872	450,860	1,023,732
Other comprehensive income	-	(186,995)	778,779	(51,130)	-	540,654	(26,799)	513,855
Total comprehensive income	-	385,877	778,779	(51,130)	-	1,113,525	424,061	1,537,587
Dividends	-	(1,017,519)	-	-	-	(1,017,519)	-	(1,017,519)
Amount transferred due to changes in holdings	-	3,986	-	-	-	3,986	(7,036)	(3,050)
Subsidiary dividend to minority shareholders	-	(4,812)	-	-	-	(4,812)	(129,169)	(133,981)
At 31st March 2024	1,972,829	22,531,452	(353,454)	392,753	88,438	24,632,018	5,562,018	30,194,036
As at 1st April 2024	1,972,829	22,531,452	(353,454)	392,753	88,438	24,632,018	5,562,018	30,194,036
Profit for the year	-	3,787,853	-	-	-	3,787,853	812,081	4,599,934
Other comprehensive income	-	(249,593)	1,115,269	(6,928)	-	858,749	(55,575)	803,174
Total comprehensive income	-	3,538,260	1,115,269	(6,928)	-	4,646,601	756,506	5,403,108
Dividends	-	(2,645,550)	-	-	-	(2,645,550)	-	(2,645,550)
Amount transferred due to changes in holdings	-	(715,871)	-	-	-	(715,871)	715,871	-
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	(169,353)	(169,353)
Transfers during the year	-	(12,736)	-	-	12,736	-	-	-
At 31st March 2025	1,972,829	22,695,555	761,815	385,825	101,174	25,917,198	6,865,042	32,782,240
Company								
As at 1st April 2023	1,972,829	2,629,726	(938,943)	-	-	3,663,612	-	3,663,612
Profit for the year	-	729,815	-	-	-	729,815	-	729,815
Other comprehensive income	-	(7,312)	649,316	-	-	642,004	-	642,004
Total comprehensive income	-	722,503	649,316	-	-	1,371,819	-	1,371,819
Dividends	-	(1,017,519)	-	-	-	(1,017,519)	-	(1,017,519)
At 31st March 2024	1,972,829	2,334,710	(289,627)	-	-	4,017,912	-	4,017,912
As at 1st April 2024	1,972,829	2,334,710	(289,627)	-	-	4,017,912	-	4,017,912
Profit for the year	-	862,245	-	-	-	862,245	-	862,245
Other comprehensive income	-	5,911	1,001,232	-	-	1,007,144	-	1,007,144
Total comprehensive income	-	868,156	1,001,232	-	-	1,869,389	-	1,869,389
Dividends	-	(2,645,550)	-	-	-	(2,645,550)	-	(2,645,550)
At 31st March 2025	1,972,829	557,317	711,605	-	-	3,241,751	-	3,241,751

Figures in brackets indicate deductions.

The accounting policies and notes from pages 115 to 181 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Operating activities					
Profit before tax from continuing operations		7,005,835	2,191,494	1,001,701	654,301
Loss from discontinued operations		(2,143)	(2,830)	-	-
Profit before tax		7,003,692	2,188,664	1,001,701	654,301
Non-cash adjustment to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant and equipment and Investment properties	12,13	1,479,681	1,459,885	13,827	21,434
Amortization of ROUA	29	863,707	877,745	50,639	52,027
Amortization and impairment of intangible assets	14	4,651	3,939	-	-
Gain on disposal of property, plant and equipment		(13,180)	(6,700)	-	-
(Gain)/loss arising from changes in fair value of biological assets	15.3	(35,828)	4,703	-	-
Net change in the fair value of financial assets at FVTPL		(16,093)	(102,699)	-	-
Fair value adjustment of biological assets	15.1	(284,641)	(148,969)	-	-
Finance income	06	(1,268,587)	(1,091,510)	(102,094)	(153,019)
Finance costs	05	2,138,262	2,830,115	1,109,838	1,744,405
Share of profit of an associate	07	(140,309)	(112,802)	-	-
Provision for bad debts	20	266,960	158,329	15,232	-
Provision/(Reversal of provision) for slow moving stocks	19	(235,846)	280,451	-	-
Provision for defined benefit plan	32	515,538	580,789	13,462	14,625
Provision on warranties	30	54,146	4,636	-	-
Grants amortized	31	(36,807)	(38,070)	-	-
Impairment of loans and advances	21	(146,006)	45,967	-	-
Impairment of Subsidiaries				-	20,000
Exchange differences on translation of foreign currency		(9,435)	(67,682)	(4,073)	(23,305)
		10,139,907	6,866,789	2,098,532	2,330,469
Working capital adjustments:					
(Increase) / decrease in trade and other receivables and prepayments		400,611	(1,795,368)	321,111	(1,272,591)
(Increase) / decrease in inventories		(376,463)	1,981,486	664	2,348
(Increase) / decrease in trade and other payables		(368,325)	931,412	(488,796)	(229,101)
Changes in operating assets	21	(2,194,332)	(560,674)	-	-
Changes in operating liabilities	35	12,284	1,930,371	-	-
Increase in insurance provision		(144,372)	653,075	-	-
Cash generated from operations		7,469,311	10,007,091	1,931,511	831,125
Interest paid		(1,491,853)	(2,272,391)	(1,109,838)	(1,744,405)
Gratuity paid	32	(507,016)	(760,536)	(5,748)	(11,996)
Interest received		1,268,587	1,091,510	102,094	153,019
Income tax paid		(1,929,048)	(1,427,235)	(2,052)	(76,461)
Net cash flows from / (used in) operating activities		4,809,981	6,638,439	915,966	(848,718)

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Investing activities					
Proceeds from sale of property, plant and equipment		783,397	124,826	-	-
Purchase of property, plant and equipment	12	(2,142,201)	(2,486,103)	(5,850)	(26,334)
Purchase of investment properties	13	(514,949)	(107,285)	(207)	(22,895)
Intangible assets acquired	14	(22,649)	-	-	-
Increase in biological assets due to new planting	15	(56,695)	(11,025)	-	-
Purchase of financial instruments		(189,001)	(4,943)	-	-
Proceeds from sale of financial assets		406,139	(262,660)	-	-
Dividend Received from associate		50,330	50,330	-	-
Increase in holding in a subsidiary		-	(3,050)	(300,000)	(161,304)
Receipt of government grants	31	33,237	48,480	-	-
Net cash flows used in investing activities		(1,652,393)	(2,651,430)	(306,058)	(210,533)
Net cash (outflow) / inflow before financing		3,157,587	3,987,009	609,908	(1,059,249)
Financing activities					
Proceeds from borrowings	28	3,233,959	1,220,041	-	-
Repayment of borrowings	28	(2,027,164)	(2,860,905)	-	-
Lease Liability - Rentals paid	29	(1,344,360)	(1,319,450)	(106,454)	(102,280)
Dividends paid to equity holders of the parent	11	(2,645,550)	(1,017,519)	(2,187,256)	(1,017,519)
Dividends paid to non-controlling interests		(169,353)	(133,981)	-	-
Net cash flows used in financing activities		(2,952,468)	(4,111,814)	(2,293,710)	(1,119,799)
Net increase/(decrease) in cash and cash equivalents		205,120	(124,806)	(1,683,801)	(2,179,048)
Net foreign exchange difference		-	-	4,073	23,305
Cash and cash equivalents as at the beginning of the year	23	(9,192,657)	(9,067,851)	(11,285,576)	(9,129,833)
Cash and cash equivalents at the end of the year		(8,987,537)	(9,192,657)	(12,965,304)	(11,285,576)
Analysis of Cash & Cash equivalents at 31st March					
Bank and cash balances	23	14,783,897	12,915,837	1,159,196	1,203,271
Short term borrowings	23	(23,771,434)	(22,108,494)	(14,124,500)	(12,488,847)
		(8,987,537)	(9,192,657)	(12,965,304)	(11,285,576)

Figures in brackets indicate deductions.

The accounting policies and notes from pages 115 to 181 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Reporting Entity

Richard Pieris & Company PLC (“Company”) is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principle business place of the Company is situated at 310, High Level Road, Nawinna, Maharagama.

In the Annual Report of the Board of Directors and in the Financial Statements, “the company” refers to Richard Pieris and Company PLC as the holding Company and “the Group” refers to the companies whose accounts have been consolidated therein.

1.2. Principle Activities and Nature of Operations

The principal activities of the Group are stated in the Annual Report of the Board of Directors.

1.3. Parent Entity and Ultimate Parent Entity

The Company does not have an identifiable parent on its own. Richard Pieris & Company PLC is the ultimate parent of the group.

1.4. Directors Responsibility

The Board of Directors is responsible for these Consolidated Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards.

1.5. Approval of Financial Statements

The Consolidated Financial Statements of the Group for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 28th August 2025.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the Companies Act No. 7 of 2007.

2.2. Basis of measurement

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for:

- Financial instruments reflected as fair value through profit or loss which is 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. Presentation and Functional Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, the Group’s functional and presentation currency, which is the primary economic environment in which the holding Company operates. All values are rounded to the nearest thousand (Rs. ‘000), except when otherwise indicated.

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

2.8. 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)

Subsidiaries and equity accounted investees are disclosed in Note 16 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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

- Power over the investee (i.e., existing rights that give 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 with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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 (OCI) are attributed to the 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 de-recognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any

resultant gain or loss is recognised in the Statement of Profit or Loss. Any investment retained is recognised at fair value.

2.8.1 Consolidation of subsidiaries with different accounting periods

The financial statements of all subsidiaries in the Group other than Arpico Insurance PLC are prepared for a common financial year, which ends on 31 March.

Subsidiary 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. 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.

2.8.1. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the 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 reassessment 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.

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 acquire 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.

2.8.2. Foreign Currencies Foreign Currency Transactions

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.

Foreign Operations

The results and financial position of all Group entities that have a functional currency other than the Sri Lanka Rupee are translated into Sri Lanka Rupees as follows:

- Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Sri Lanka Rupees at the exchange rate at the reporting date
- Income and expenses are translated at the average exchange rates for the year

Foreign currency differences are recognised in Statement of Other Comprehensive Income. When a foreign operation is disposed of, the relevant amount in the translation reserve is transferred to Statement of Profit or Loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is re-attributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to Statement of Profit or Loss.

Arpitalian Compact Soles (Pvt) Limited uses US dollars as its functional currency as it conducts the majority of its business in US dollars and is entitled to the benefits provided to companies approved by the Board of Investment of Sri Lanka. Arpitalian Compact Soles (Pvt) Limited adopted US dollars as its measurement and functional currency in line with LKAS 21 which deals with "effects of Changes in Foreign exchange Rates" and has been translated to the presentation currency of the Group, Sri Lankan Rupees, for consolidation purpose.

NOTES TO THE FINANCIAL STATEMENTS

Richard Pieris Trading Company PTE Limited uses Singapore dollars as its functional currency as it conducts the majority of its business in Singapore Dollars and the financials has been translated to the presentation currency of the Group, Sri Lankan Rupees, for consolidation purpose.

2.9. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions which may affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty exists at the date of preparation, about these assumptions and estimates and hence, may result in outcomes that require a material adjustment to the recorded carrying amount of the asset or liability as at the reporting date or in future periods.

2.9.1. Judgements

In the process of applying the Group's accounting policies, management has made following judgements which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Going Concern

When preparing Consolidated Financial Statements, management has made assessment of the ability of the constituents of the Group to continue as a going concern, taking into account all available information about the future, including intentions of curtailment of businesses, as decided by the Board, as disclosed in Note 09 to the Consolidated Financial Statements.

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.. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Tax on Financial Statements

The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws and timing of future taxable income, including but not limited to those that can arise due to treatment of effect of adoption of Sri Lanka Financial Reporting Standards, Interpretations and Transfer Pricing, at the time of the preparation of these Financial Statements.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in Note 08 to the Consolidated Financial Statements.

Transfer pricing regulation

The Group is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Impairment of receivables

The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Statement of Profit or Loss. The management uses judgment in estimating such amounts in the light of the duration of, outstanding and any other factors management is aware of that indicates uncertainty in recovery.

Impairment of loans and advances

The Company assessed loans and advances collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to expected loss. The collective assessment takes in to account data from the loan portfolio (such as levels of arrears, credit utilisation, loan-to-collateral ratios, etc.), and judgements on the effect of concentrations of risks and economic data (including levels of unemployment, inflation, interest rates, exchange rates). Further details are given in in Note 2.11.2 to the consolidated Financial Statements.

Determination of performance obligations

Significant judgments relating to determination of performance obligations in relation to Group's revenue recognition are given in note 2.10.1.1.2

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 ageing of items of inventories, dates for possible expiry and expectations in relation to how the inventories will be utilised or sold. Judgment has also been applied by management in determining net realisable value of inventories (NRV). The estimates and judgements applied in the determination of NRV are influenced by expectations of sales relating to identified goods and historically realised sales prices.

2.9.2. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates, on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

a. Non-financial assets other than Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from an active market, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b. Goodwill

The Group tests annually whether goodwill requires impairment, in accordance with the accounting policy stated in Note 2.10.16. The basis of determining the recoverable amounts of cash generating units and key assumptions used are given in Note 14 to the Financial Statements.

Defined benefit plans – Gratuity

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details are given in Note 32 to the Consolidated Financial Statements.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible Assets

For the purposes of impairment testing, goodwill is allocated to cash generating units when cash generating units to which goodwill has been allocated are tested for impairment annually, using Value in Use method. The calculation of value in use for the cash generating unit is most sensitive to the assumptions of sales growth, discount rates and cost increases due to inflation. Further details are given in Note 14 to the Financial Statements.

Liability Adequacy Test (LAT)

At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by using an existing liability adequacy test as laid out under SLFRS 4. The liability value is adjusted to the extent that is insufficient to meet future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policy holder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on the managements prudent expectation of current market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

Any deficiencies shall be recognized in the Statement of Profit or Loss by setting up a provision for liability adequacy. Further details are given in Note 27 to the Financial Statements.

Incremental Borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.10. Summary of Significant Accounting Policies Applied

2.10.1. Revenue Recognition

2.10.1.1. Revenue from Contracts with Customers

Revenue from contracts with customers is recognized 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.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognized upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Services transferred over time

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

Disaggregation of revenue

The Group presented disaggregated revenue with Group's reportable segments based on timing of revenue recognition and geographical region in the operating segment information section.

Reconciliation of revenue

Reconciliation between Revenue from contracts with customers and revenue information that is disclosed for

each reportable segment has been provided in the operating segment information section of Note 03 to the Financial Statements.

2.10.1.1.1. Contract balances

Contract assets

Contract assets are Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time, upon satisfaction of the conditions. The Group has not held contract assets as at the reporting date.

Contract liabilities

Contract liabilities are Group's obligation to transfer goods or services to a customer for which the group has received consideration (or the amount is due) from the customer. Group contract liabilities mainly include loyalty points not yet redeemed. Contract liabilities of the Group have been disclosed under trade and other payables and warranty provisions.

2.10.1.1.2. Performance Obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Retail

The Retail sector focuses on modern organised retailing through a chain of supermarkets. Revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Loyalty points programme

The Group has a loyalty point programme – Arpico Privilege Points, which allows customers to accumulate points that can be redeemed for free products. 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.

Sale of Rubber, Tyre, Plastic, Furniture and Electronics

The Group is in the business of selling rubber based articles, tyres, plastic products, furniture items and electronic items. 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 of those good or services.

Right to return

Certain contracts provide the customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned. Based on the assessment performed, the Group concluded that refund liabilities do not have a material impact on the Group's financial statements that need an adjustment in Financial Statements.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 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.

Warranty obligations

The Group typically 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.

Sale of Plantation produce

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

There is no element of financing present as the Group's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.

Financial Services and others

Financial Services provides a complete range of financial solutions including leasing, insurance, stock broking and fund management. The services under one contract can be identified as one performance obligation. Entity determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the entity recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The output method will provide a faithful depiction in recognising revenue.

2.10.1.2. Insurance Revenue**Gross Premium**

Gross recurring premiums on life are recognised as revenue when payable by the policyholder. For single premium business revenue is recognized on the date on which the policy is effective.

Reinsurance Premium

Gross reinsurance premiums on insurance contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums are decided based on rates agreed with re-insurers.

Fees and Commission Income

Insurance policyholders are charged for policy administration services and other contract fees. These fees are recognised as revenue upon receipt or becoming due.

Investment Income

Interest incomes for all interest-bearing financial assets are recognised within 'investment income' in the Statement of Profit or Loss using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

f) Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss.

2.10.1.3. Finance Company Revenue**Interest Income and Interest Expense**

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS

The calculation of EIR takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR. However, for a reclassified financial asset for which the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.10.1.4. Other revenue

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

Royalties

Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the Statement of Profit or Loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are presented in aggregate basis (reported and presented on a net basis)

2.10.2. Grants and Subsidies

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

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to Statement of Profit or Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.10.3. Taxes

Current Income Tax

Current income tax assets and liabilities for the current period 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.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in Statement of Other Comprehensive Income 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.

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 and associates 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, carry forward of unused tax credits and unused tax losses, 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, and associates 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 (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities arising from investment properties at fair value are measured based on the tax consequence of the presumption that the carrying amount of the investment properties measured at fair value will be recovered entirely through sale.

Deferred tax relating to items recognised outside Statement of Profit or Loss is recognised outside Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Where 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.
- 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.

Surcharge Tax

The Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022, confirming the imposition of a one-time tax of 25% on entities in which the taxable income exceeded Rs. 2 bn for the financial year ended 31st March 2021. The surcharge tax is applicable to the Richard Pieris Group as the cumulative taxable income of group entities calculated in accordance with the provisions of the Act, exceeded the set threshold.

VAT on Financial Services

VAT on Financial Services is calculated in accordance with VAT Act No. 14 of 2002 and subsequent amendment thereto.

IFRIC interpretation 23 uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions and Group determined that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group

2.10.4. *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 rather than through continuing use. Non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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.

2.10.5. *Property, plant and equipment*

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

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

Depreciation is calculated on a straight-line basis over the useful life of assets or components as follows.

Buildings	20-60 years
Plant, machinery tools and electrical installations	5-30 years
Furniture, fixtures and fittings	4-10 years
Office and other equipment	5-10 years
Computers	3-10 years
Motor vehicles	4-10 years
Land improvements	20 years
Replanting and new planting	
- Tea	33 years
- Rubber	20 years
- Coconut	50 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 when the asset is de-recognised.

Capital expenditure incurred in relation to fixed assets which are not completed as at the Reporting date are shown as capital work-in-progress and is stated at cost.

On completion, the related assets are transferred to property, plant and equipment. Depreciation on such assets commences when the assets are ready for their intended use.

2.10.6. *Biological Assets Imature and Mature Plantations*

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Rubber, tea and other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes rubber, tea plants and coconut palms, those that are not intended to be sold or harvested, however used to grow for harvesting agriculture produce. Consumable biological assets includes managed timber those that are to be harvested as agricultural produce from biological assets or sold as biological assets.

The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is possible that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property, Plant and Equipment.

The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 15 to the Financial Statements.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

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 such cost 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.

2.10.7 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.

2.10.7.1 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.

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 over the useful life which is the shorter of the estimated useful life of the asset as follows.

Bare land	53 years
Mature plantations	30 years
Leasehold buildings	25 years
Machinery	15 years
Land improvements	30 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 more fully described In Note 2.10.16 Impairment of non-financial assets.

Lease liabilities

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss.

NOTES TO THE FINANCIAL STATEMENTS

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.

The Group's lease liabilities are included in Note 29 to the Financial Statements.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the 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.

2.10.7.2 Group as a lessor for operating leases

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.

2.10.8. Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of assets that takes a substantial period of time to get ready for its intended use or sale, is capitalized.

2.10.9. Investment Properties

Investment properties are measured initially at cost, including transaction costs and subsequently measured at cost less accumulated depreciation and impairment.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit or Loss in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

2.10.10. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost 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 accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit or Loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category 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.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is de-recognised.

2.10.11. Inventories

Inventories are valued at the lower of cost and net realizable value after making due allowances for obsolete and slow moving items. Net realizable value is the estimated selling price less estimated costs of completion and estimated costs necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition, are accounted for as follows;

a) Raw Material

At actual cost on first in first out and weighted average cost.

b) Work in Progress

At the cost of direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity.

c) Finished Goods

At purchase cost and/or cost of direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity.

d) Goods in Transit

At actual cost

e) Growing Crop Nurseries

At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

f) Consumables and Spares

At actual cost

2.10.12. 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 such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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.

The following criteria are also applied in assessing impairment of non financial assets.

Goodwill

Goodwill is tested for impairment annually 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. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.10.13. Cash and short-term deposits

Cash 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.

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 which are settled within 90 days.

2.10.14. Dividend Distributions

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in income as a separate line in the Statement of Comprehensive Income.

2.10.15. Provisions

General

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. Where the Group expects some or all of a provision to be

NOTES TO THE FINANCIAL STATEMENTS

reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit or Loss net of any reimbursement.

2.10.16. Contingent Assets and Contingent Liabilities

Provisions are made for all obligations existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed in Note 33 to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.10.17. Post-Employment Benefits

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuary 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 32 to the Financial Statements. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The basis of payment of retiring gratuity as follows:

Length of service (years) of service	No. of months' salary for each completed year
00-04	0
05-10	½
11-20	¾
21-30	1
Over 30	1 ¼

The basis of payment of retiring gratuity was revised for employees recruited on or after 1st August 2011 to be in line with the provisions of the Gratuity Act No.12 of 1983. In accordance with revised LKAS 19 Employee Benefits, the Group has recognized all actuarial gains and losses in the Statement of Other Comprehensive Income.

The actuarial valuation was carried out by a professionally qualified actuary firm Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2025. Provision made for the year is in compliance with the actuarial valuation report as at 31 March 2025.

Defined Contribution Plans:

Employees are eligible for Arpico Employees' Provident Fund Contributions/Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Companies contribute 12% and 3% of gross emoluments of employees to the Arpico Employees' Provident Fund /Ceylon Planter's Provident Fund/ Employees' Provident Fund and Employees' Trust Fund respectively.

2.10.18. Financial Instruments

2.10.18.1. Financial assets

Financial assets within the scope of SLFRS 9 are classified as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Initial recognition and measurement

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. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of 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.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and quoted financial instruments and unquoted financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost include trade receivables and short term investments.

Financial assets designated at fair value through OCI

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.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified

and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. 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. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Financial assets-de-recognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Based on the assessment performed, the Group concluded that SLFRS 9 does not have a material impact on the Group's Financial Statements.

Impairment losses were evaluated based on ECL s for debt instruments of the Group which are held to maturity. Impairment losses for Loans & advances of Richard Pieris Finance Ltd were accounted based on the modified retrospective method without restating the comparatives.

2.10.18.2. Financial liabilities 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 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, loans and borrowings including bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

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 as defined by SLFRS 9. 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.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in 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 as finance costs in the statement of profit or loss.

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.

2.11. Significant Accounting Policies that are Specific to Other Businesses

2.11.1. Insurance Company

2.11.1.1. Actuarial Valuations of the Insurance Provisions

The valuation of long term Insurance Provision was carried out by Messrs'. Actuarial Partners Consulting Sdn Bhd and the Directors agree to the long term nature of insurance business provisions on the recommendation of the said actuary.

The actuarial valuation takes into account all liabilities including contingent liabilities and is based on assumptions recommended by the independent external actuary. The

liability for life insurance contracts is based on current assumptions or on assumptions established at inception of the contract, incorporating regulator recommended minimum requirements.

The main assumptions used relate to mortality, morbidity, investment returns and discount rates. Industry and Company experience on mortality and morbidity is considered, adjusted when appropriate to reflect the product characteristics, target markets and own claims severity and frequency experiences. Discount rates are based on current and historical rates, adjusted for regulator recommended basis.

2.11.1.2. Reinsurance Contracts

The Company cedes insurance risk in the normal course of business to recognised re-insurers through formal reinsurance arrangements.

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from re-insurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the re-insurer's policies and are in accordance with the related reinsurance contract.

Reinsurance is recorded gross in the Statement of Financial Position unless a right to offset exists. Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the re-insurer. The impairment loss, if any is recorded in the Statement of Profit or Loss. Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

2.11.1.3. Premium Receivable

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Statement of Profit or Loss.

Life Insurance premiums (only the premiums due in the 30 day grace period) are recognized at each reporting date and will be reversed if the premiums are not settled during the subsequent month, and thus the policies will be lapsed as per the Company policy.

2.11.1.4. Life Insurance Contract Liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the net premium method as specified by the Insurance Board of Sri Lanka (IBSL) based on the recommendation of the Independent Consultant Actuary. The liability is determined as the sum of the discounted value of the expected future benefits, less the discounted value of the expected future premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is computed based on IBSL specified guidelines and current assumptions which vary based on the contract type.

Furthermore, adjustments are performed to capture the likely liabilities that may arise due to currently lapsed contracts reviving in the future.

2.11.1.5. Liability Adequacy Test

As required by the SLFRS 4- Insurance Contracts, the Company performed a Liability Adequacy Test (LAT) in respect of Life Insurance contract liabilities with the assistance of a qualified actuary. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. If that assessment that the carrying amount of the liabilities (less related assets) is insufficient in light of the estimated future cash flows, the deficiency is recognised in the Statement of Profit or Loss by creating an additional provision in the Statement of Financial Position.

2.11.2. Finance Company

2.11.2.1. Impairment of Financial Assets

The Company applies a three-stage approach to measuring Expected Credit Losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

Debt Instruments

- Instruments measured at amortised cost and fair value through other Comprehensive Income;
- Financing and Receivables commitments; and
- Financial Guarantee Contracts

ECL is not recognised on equity instruments.

Financial Assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Company determines 12 months ECL from customers who are not significantly credit deteriorated (i.e. less than 30 days past due).

Stage 2: Lifetime ECL – not Credit Impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the Financial Asset) is recognised. In being consistent with the policies of the Company, significant deterioration is measured through the rebuttable presumption of 30 days past due in line with the requirements of the standard.

Stage 3: Lifetime ECL – Credit Impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and Financing Income is calculated by applying the Effective Rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for Impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment loss reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Company's investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for impairment loss for these Financial Assets is based on a 12-months ECL. When

NOTES TO THE FINANCIAL STATEMENTS

an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the Statement of Profit or Loss.

The Company assesses whether the credit risk on an exposure has increased significantly on a collective basis. For the purposes of a collective evaluation of impairment, Financial Instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial Assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the Financial Asset discounted by the Effective rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company 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 discounted by the Effective rate.
- Undrawn commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.
- Financial Guarantee Contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

For further details on how the Company calculates ECLs including the use of forward looking information, refer to the Credit quality of Financial Assets section in Note 23. For details on the effect of modifications of Financing and Receivables on the measurement of ECL refer to note on Provision for expected credit loss.

ECLs are recognised using a provision for impairment loss account in Statement of Profit and Loss. The Company recognises the provision charge in Statement of Profit or Loss, with the corresponding amount recognised in other Comprehensive Income, with no reduction in the carrying amount of the asset in the Statement of Financial Position.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows.

PD : The probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of capital and financing income, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued financing income from missed payments.

LGD : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including the realisation of any collateral.

2.12. Segment Information

2.12.1. Reporting Segments

The activities of the segments are described in the segmental Review of operations. Segmentation has been determined based on primary format and secondary format. Primary format represents the business segments, identified based on the differences in the products and services produced which has a similar nature of process, risk and return while the secondary format is on the basis of geographical areas in which the products or services are sold. The operating results of the segments are described in Note 03 to the Financial Statements. The geographical analysis is by the location of the customer. Since the manufacturing and marketing service as well as the assets and liabilities are located in Sri Lanka, only the revenue has been analysed into the geographical location.

2.12.2. Segment information

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group.

2.13 Accounting Standards Issued but Not Yet Effective

2.13.1 New and amended standards and interpretations

The new and amended standards and interpretations that are issued up to the date of issuance of the Group's financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 01 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The Group is currently in process of evaluating and finalizing the applicable accounting policies and transition approach including the possible effects on comparative information. As such, the financial impact of initial application of SLFRS 17 Insurance Contracts has not been disclosed in these financial statements as it is not yet reasonably estimable.

Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 01 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

SLFRS S1 requires entities to disclose sustainability-related risks and opportunities in a manner that provides primary users of general-purpose financial statements with relevant and decision-useful information. These disclosures are intended to assist users in evaluating the entity's ability to create and sustain value over the short, medium, and long term.

SLFRS S2 Climate-related Disclosures

SLFRS S2 specifically addresses the disclosure of climate-related risks and opportunities that could reasonably be expected to influence the decisions of users regarding the provision of resources to the entity.

Both SLFRS S1 and SLFRS S2 will be effective for the Group from 1 April 2025. The adoption of these standards is not expected to have a direct financial impact on the Group; however, compliance will necessitate enhanced reporting through the inclusion of additional sustainability and climate-related disclosures.

NOTES TO THE FINANCIAL STATEMENTS

03. Group Segmental Reporting

Year ended 31st March 2025	Rubber	Tyre	Plastic and furniture	Retail	Financial Services	Other Services	Plantations	Total segments	Adjustments	Consolidated
Business Segment	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue										
External customers	7,367,068	5,459,955	10,576,975	35,178,572	4,473,892	258,942	13,649,877	76,965,282	-	76,965,282
Inter-segment	184,933	470,788	1,440,393	32,744	-	2,994,028	1,940,970	7,063,856	(7,063,856)	-
Intra-segment	5,882	-	348,379	233,019	-	-	159,930	747,210	(747,210)	-
Total revenue	7,557,883	5,930,743	12,365,747	35,444,334	4,473,892	3,252,970	15,750,777	84,776,347	(7,811,066)	76,965,282
Results										
Segment results	(162,689)	727,349	1,370,347	1,967,701	33,257	208,876	4,824,099	8,968,940	(1,233,738)	7,735,202
Finance costs										(2,138,262)
Finance income										1,268,587
Share of profit of an associate										140,309
Profit before tax from continuing operations										7,005,835
Income tax expense										(2,403,758)
Profit for the year from continuing operations										4,602,077
Loss after tax for the year from discontinued operations										(2,143)
Profit for the year										4,599,934
Non-controlling interests										(812,081)
Attributable to Equity holders of the parent										3,787,853
Operating assets	11,508,870	3,930,547	15,240,825	17,158,860	25,512,357	19,994,998	33,139,668	126,486,126	(26,513,532)	99,972,594
Operating liabilities	5,919,396	2,047,782	12,803,860	11,837,814	19,701,916	14,675,344	14,278,242	81,264,354	(13,947,444)	67,316,914
Other disclosures										
Investment in an associate	227,906	-	-	-	-	-	12,568	240,474	302,078	542,552
Capital expenditure	430,087	1,901	209,483	111,882	33,287	14,843	1,340,718	2,142,201	-	2,142,201
Depreciation and amortisation	167,807	42,694	147,960	496,176	45,542	20,375	559,128	1,479,681	-	1,479,681
Geographic information										
				Sri Lanka	USA	Europe	Other	Total segments	Adjustments	Consolidated
				Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue				69,928,969	3,233,592	3,115,274	1,434,657	77,712,491	(747,210)	76,965,282

Segment Information

Year ended 31st March 2024	Rubber	Tyre	Plastic and furniture	Retail	Financial Services	Other Services	Plantations	Total segments	Adjustments	Consolidated
Business Segment	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue										
External customers	7,266,817	5,099,558	7,668,062	35,456,846	4,624,403	242,127	13,501,413	73,859,225	-	73,859,225
Inter-segment	169,198	247,421	1,424,705	31,184	-	2,968,106	1,997,729	6,838,342	(6,838,342)	-
Intra-segment	2,847	522,280	541,728	230,803	-	-	112,331	1,409,989	(1,409,989)	-
Total revenue	7,438,862	5,869,258	9,634,495	35,718,833	4,624,403	3,210,232	15,611,472	82,107,556	(8,248,331)	73,859,225
Results										
Segment results	114,697	522,500	587,329	1,550,481	(1,549,658)	627,576	3,558,057	5,410,982	(1,593,686)	3,817,296
Finance costs										(2,830,115)
Finance income										1,091,510
Share of profit of an associate										112,802
Profit before tax from continuing operations										2,191,494
Income tax expense										(1,164,932)
Profit for the year from continuing operations										1,026,562
Loss after tax for the year from discontinued operations										(2,830)
Profit for the year										1,023,732
Non-controlling interests										(450,860)
Attributable to Equity holders of the parent										572,872
Operating assets	10,666,018	3,717,741	14,193,722	19,714,169	22,753,343	18,047,563	31,596,846	120,749,405	(28,244,769)	92,444,634
Operating liabilities	4,739,523	2,056,868	13,898,292	13,569,969	18,310,702	13,100,345	14,920,394	80,596,157	(17,872,433)	62,723,661
Other disclosures										
Investment in an associate	227,906	-	-	-	-	-	12,568	240,474	232,589	473,063
Capital expenditure	682,158	27,747	80,106	273,322	44,430	45,774	1,332,566	2,486,103	-	2,486,103
Depreciation and amortisation	156,717	40,944	162,067	511,059	46,433	24,405	518,260	1,459,885	-	1,459,885
Geographic information										
				Sri Lanka	USA	Europe	Other	Total segments	Adjustments	Consolidated
				Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue				67,495,922	2,359,892	3,402,155	2,011,245	75,269,214	(1,409,989)	73,859,225

3.1 Revenue from contracts with customers

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Timing of Revenue recognition				
Goods transferred at a point in time	72,232,447	68,992,696	-	-
Services transferred over time	272,092	255,777	1,088,411	1,045,097
Total revenue from contracts with customers	72,504,540	69,248,473	1,088,411	1,045,097
Revenue from insurance contracts	1,848,006	2,074,699	-	-
Interest income from finance company	2,612,736	2,536,054	-	-
Dividend Income	-	-	1,234,125	1,593,685
Other revenue	-	-	244,158	49,689
Total revenue	76,965,282	73,859,226	2,566,694	2,688,471

NOTES TO THE FINANCIAL STATEMENTS

4. Other Income/Expenses and Adjustments

4.1 Other Operating Income

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Government grants	36,807	35,326	-	-
Net gain on disposal of property, plant and equipment	13,180	6,700	-	-
Space rental income	545,894	580,715	-	-
Gain on change in fair value of biological assets	320,468	144,266	-	-
Income from partnership promotions from retail business	248,257	192,699	-	-
Foreign exchange gain	103,190	13,423	25,876	-
Scrap sales/sales commission/mixing income	97,035	20,488	347	230
Sale of timber/rubber trees	182,965	126,890	-	-
Documentation and other service charges from financial services	97,954	116,209	-	-
Sundry income	517,307	657,123	40,906	215,170
Total other operating income	2,163,056	1,893,838	67,129	215,400

4.2 Other Operating Expenses

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Foreign exchange loss	133,166	113,963	29,949	23,305
Irrecoverable VAT on management fees of plantation companies	32,368	234,078	-	-
Amortisation and impairment of intangible assets	4,650	3,939	-	-
Others	23,235	(17,488)	11,700	3,029
Total other operating expenses	193,419	334,492	41,649	26,334

4.3 Profit from operations is stated after charging following expenses

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Directors' remuneration & fees	487,835	577,720	478,254	465,722
Auditors' remuneration & fees				
Audit Fee	33,499	31,417	1,995	1,814
Non Audit Fee	5,546	9,139	152	85
Depreciation	1,479,681	1,459,885	13,827	21,434
Amortisation of right of use assets	863,707	877,745	50,639	52,027
Amortisation and impairment of intangible assets	4,651	3,939	-	-
Provision made for defined benefit plan cost	515,538	581,731	13,462	14,625
Provision/(Reversal of provision) for slow moving stocks	(235,846)	280,451	-	-
Allowances for impairment of receivables	266,960	158,329	-	-
Net gain on disposal of property, plant and equipment	13,180	6,700	-	-
Staff costs	9,431,090	8,323,780	155,735	150,677
Defined Contribution Plan Cost (EPF/ETF)	903,277	825,492	16,066	15,546
Legal fees	73,244	54,137	979	2,610
Donations	866	550	-	-

5. Finance Costs

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Interest on long term borrowings	106,609	683,876	-	-
Interest on short term borrowings	1,385,244	1,588,447	1,078,613	1,705,276
Finance charge on lease liabilities	646,409	557,792	31,225	39,129
Total finance costs	2,138,262	2,830,115	1,109,838	1,744,405

6. Finance Income

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Finance Income on Loans and Receivables				
- Related companies	-	-	92,773	144,231
- Others	1,268,587	1,091,510	9,321	8,788
Total finance income	1,268,587	1,091,510	102,094	153,019

7. Share of Results of Associates

The Group possesses an effective interest of 22.25% and the ability to exercise influence over 33.33% of the voting rights in AEN Palm Oil Processing (Pvt) Limited, a company engaged in palm oil processing, situated at Maragahadeniya, Baduraliya, and incorporated under the Companies Act No. 07 of 2007.

The Group's interest in AEN Palm Oil Processing (Pvt) Limited is accounted for using the equity method in the Consolidated Financial Statements. The Group's share of the assets and liabilities as at 31st March 2025 and 2024, and income and expenses of the entity for the years ended 31st March 2025 and 2024, which is accounted under the equity method are as follows.

	2025 Rs. '000	2024 Rs. '000
Revenue	10,591,199	8,683,994
Profit before tax	420,926	338,407
Group's share of profit before tax	140,309	112,802
(-) Tax expense	(20,490)	(18,827)
Group share of profit after tax	119,819	93,976
Associate's Statement of Financial Position		
Current assets	977,216	683,399
Non-current assets	1,122,020	1,179,526
Total assets	2,099,236	1,862,926
Current liabilities	(379,977)	(378,298)
Non-current liabilities	(136,444)	(110,301)
Total liabilities	(516,422)	(488,599)
Net assets	1,582,814	1,374,327
Group share of net assets	527,552	458,063
Goodwill	15,000	15,000
	542,552	473,063
Investments in Associates	2025 Rs. '000	2024 Rs. '000
Investments in Associates		
At the beginning of the year	473,063	438,299
Share of profits	140,309	112,802
Taxation	(20,490)	(27,708)
Dividend received	(50,330)	(50,330)
At the end of the year	542,552	473,063

NOTES TO THE FINANCIAL STATEMENTS

8. Income Tax Expense

The Major components of income tax expense for the years ended 31 st March 2025 and 2024 are:

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Current Income Tax				
Current Income Tax Charge	1,895,424	826,916	-	-
Adjustment In Respect of Current Income Tax of Previous Years	126,962	(2,515)	132,910	(74,739)
Differed Tax				
Relating to origination and Reversal of Temporary Differences	62,940	72,140	6,546	(775)
ESC Unrecoverable	-	-	-	-
Tax on Associate Results	20,490	18,827	-	-
Dividend Tax	297,941	249,563	-	-
Income Tax Expense reported in the Statement of Profit or Loss	2,403,758	1,164,932	139,456	(75,514)
Other Comprehensive Income				
Differed Tax:				
Relating to Origination and Reversal of temporary differences	129,346	84,844	(2,533)	3,134
Income Tax Expense reported in the Other Comprehensive Income	129,346	84,844	(2,533)	3,134
A. Taxation on current year profit				
Profit before tax from continuing operations (Note 8.a)	9,068,225	4,809,660	1,001,702	674,302
Loss before tax from discontinued operations	(2,143)	(2,830)	-	-
Profit from associate companies	140,309	112,802	-	-
	9,206,391	4,919,632	1,001,702	674,302
Disallowed items	5,065,589	6,023,734	341,616	423,745
Allowable Expenses	(5,013,986)	(5,507,451)	(114,239)	(121,590)
Tax Exempt income	(2,455,011)	(2,441,197)	(1,234,125)	(1,593,685)
Resident Dividend	-	-	-	-
	6,802,983	2,994,718	(5,046)	(617,227)
Utilization of Tax Losses	(1,641,386)	(632,165)	(701,683)	(153,019)
Taxable Income	5,161,597	2,362,553	(706,729)	(770,246)
Income Tax 30%	1,833,770	763,687	-	-
Income Tax 20%	54,104	55,680	-	-
Income Tax at other Rates	7,549	7,549	-	-
	1,895,424	826,916	-	-
(Over)/ Under provision in the previous year	126,964	(2,515)	132,910	(74,739)
	2,022,388	824,402	132,910	(74,740)
Deferred Tax	62,940	72,140	6,546	(775)
ESC unrecoverable	-	-	-	-
Tax on associate results	20,490	18,827	-	-
Dividend Tax	297,941	249,563	-	-
	2,403,758	1,164,932	139,456	(75,514)

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
B. Differed tax expenses / (reversals)				
Accelerated depreciation for tax purpose - PPE	311,626	412,685	1,483	(3,323)
Tax on right of use asset	(54,867)	(252,854)	7,377	3,337
Accelerated depreciation for tax purpose - Biological assets and others	-	-	-	-
Retirement benefit obligation	(14,581)	174,367	(2,314)	(789)
Benefit arising from tax losses	(15,912)	(139,355)	-	-
Impairment provision for loans and advances	-	-	-	-
Other Provisions	(163,325)	(122,703)	-	-
Total Deferred Tax Expense	62,940	72,140	6,546	(775)
Other Comprehensive Income				
Retirement benefits obligation	129,346	84,844	(2,533)	3,134
Differed Tax Charge Directly to OCI	129,346	84,844	(2,533)	3,134

8.a The Profit before tax from continuing operations represents the entity-level profit before tax, excluding consolidation adjustments.

8.1 Tax Losses

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Tax Losses Carried Forward for the year ended 31st March				
Tax Losses Brought Forward	4,893,943	3,186,455	1,268,921	651,694
Tax Losses Arising during the year	1,416,527	2,339,653	706,729	770,246
Tax Losses Utilizing during the year	(1,641,386)	(632,165)	(701,683)	(153,019)
At the end of the period	4,669,084	4,893,943	1,273,967	1,268,921

8.2 Income tax rates and details of tax holidays enjoyed by the Group

As per the Inland Revenue Act, No 24 of 2017, and the subsequent amendments thereto, all Companies which are resident in Sri Lanka are liable to income tax 30% on taxable profit during the period with the exception of the companies stated below.

RPC Polymers (Pvt) Limited has entered into an agreement with the Board of Investment of Sri Lanka under section 17 of the BOI Act No. 04 of 1978 and accordingly its profit and income was exempt from income tax for a period of three years commencing from the year of assessment 2008/09 after this tax exempted period the Company was be liable to tax at 10% for a period of 2 years immediately succeeding the last day of said exemption period and currently is liable to the reduced income tax rate of 20%.

In terms of an agreement entered in to with the Board of Investment of Sri Lanka under the BOI Act No. 04 of 1978, RPC Retail Development (Pvt) Limited was exempted from tax for a period of three years commencing from the year of assessment 2009/2010. After the expiry of the tax holiday the Company was liable for income tax at 10% for two years and at 20% thereafter.

9. Discontinued Operations

The Group continued to focus on its core business operations and restructured or exit from marginal businesses with limited potential. Accordingly operations of four businesses which were incurring heavy losses were discontinued in previous years namely, Arpico Homes Limited, Hamefa Kegalle (Pvt) Limited, Arpico Hotel Services (Pvt) Limited, Arpico Natural Latexfoams (Pvt) Limited.

NOTES TO THE FINANCIAL STATEMENTS

The results of discontinued operations are given below.

	2025 Rs. '000	2024 Rs. '000
Revenue/Other Income	2,580	2,457
Expenses	(4,722)	(5,287)
Loss for the year from discontinued operations	(2,143)	(2,830)
Income Tax Reversal	-	-
Loss for the year from discontinued operations	(2,143)	(2,830)
Total Assets and Liabilities		
Total assets	36,638	40,400
Total liabilities	95,341	95,252
Summary of Statement of Cash Flows		
Net cash flows from/(used) Operating Activities	(5)	(5)
Net cash flows from/(used) Investing Activities	-	-
Net cash flows from/(used) Financing Activities	-	-

The Financial statements of the companies stated above have been prepared on a basis other than on a going concern reflecting the closure of operations.

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events, that have changed the number of ordinary shares outstanding.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of diluted potential ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2025 Rs. '000	2024 Rs. '000
Net profit attributable to ordinary equity holders of the parent from continuing operations	3,789,996	575,702
Loss attributable to ordinary equity holders of the parent from discontinued operations	(2,143)	(2,830)
Net profit attributable to ordinary equity holders of the parent for basic and diluted earnings	3,787,853	572,872
Weighted average number of ordinary shares for basic earnings per share	2,035,038,275	2,035,038,275
Effect of dilution:		
Effect of potential ordinary shares from share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	2,035,038,275	2,035,038,275

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Financial Statements.

	2025 Rs. '000	2024 Rs. '000
Basic earnings per share	1.86	0.28
Basic earnings per share from continuing operations	1.86	0.28

11. Dividend per Share

	2025 Per Share	2025 Rs.000	2024 Per Share	2024 Rs. '000
Interim Dividend	0.60	1,221,023	0.50	1,017,519
Final Dividend	0.70	1,424,527		
	1.30	2,645,549	0.50	1,017,519

11.a The interim dividend of Rs. 0.60 per share for the financial period ended 31st March 2025 was declared on 05th August 2024 and paid on 03rd September 2024.

11.b The final dividend of Rs. 0.70 per share for the financial period ended 31st March 2025 was declared on 06th March 2025 and paid on 07th April 2025.

12. Property Plant & Equipment**12.1 Group**

	As at 01.04.2024	Additions	Disposals/ transfers	Effect of foreign currency translation	As at 31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost / valuation					
Land / land improvements	5,506,823	-	-	-	5,506,823
Buildings	6,879,556	248,963	-	(2,142)	7,126,377
Bearer Biological Assets -Immature / mature plantations	13,026,190	857,777	(53,026)	-	13,830,941
Plant, machinery, tools & electrical installations	8,653,618	484,446	31,109	(11,835)	9,157,339
Office & other equipment	2,967,788	48,460	-	-	3,016,248
Furniture, fixtures & fittings	1,010,826	29,619	13,083	(413)	1,053,115
Motor vehicles	1,365,240	74,597	(60,000)	(41)	1,379,796
Computers	913,674	46,030	-	-	959,704
	40,323,715	1,789,892	(68,834)	(14,431)	42,030,343
Capital work in progress	3,874,216	352,309	(724,541)	-	3,501,984
Total gross carrying amount	44,197,931	2,142,201	(793,375)	(14,431)	45,532,327

	As at 01.04.2024	Charge for the year	Disposals	Effect of foreign currency translation	As at 31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation / amortization					
Land improvements	127,984	-	-	-	127,984
Buildings	2,829,613	254,525	-	(636)	3,083,502
Bearer Biological Assets -Immature / mature plantations	3,490,166	390,214	(3,607)	-	3,876,773
Plant, machinery, tools & electrical installations	6,171,138	446,495	-	(8,231)	6,609,402
Office & other equipment	2,077,795	217,632	-	-	2,295,427
Furniture, fixtures & fittings	834,991	49,165	(184)	(409)	883,563
Motor vehicles	1,077,559	66,254	(19,367)	(41)	1,124,405
Computers	804,181	50,121	-	-	854,302
	17,413,427	1,474,406	(23,158)	(9,317)	18,855,358

NOTES TO THE FINANCIAL STATEMENTS

Net Book Values	2025 Rs. '000	2024 Rs. '000
Land / land improvements	5,378,839	5,378,839
Buildings	4,042,875	4,049,943
Bearer Biological Assets -Immature / mature plantations	9,954,168	9,536,024
Plant, machinery, tools & electrical installations	2,547,937	2,482,480
Office & other equipment	720,821	889,993
Furniture, fixtures & fittings	169,552	175,835
Motor vehicles	255,391	287,681
Computers	105,402	109,493
	23,174,985	22,910,288
Capital work in progress	3,501,984	3,874,216
Total carrying amount	26,676,969	26,784,504

Property plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 7,204 Mn (2024 - Rs. 5,843 Mn).

During the financial year, the Group acquired property plant and equipment to the aggregate value of Rs. 2,142 Mn (2024 - Rs. 2,486 Mn) for cash considerations.

Above netbook value of plantations include Rs. 6,372 Mn (2024 - Rs. 6,173 Mn) matured Plantations and Rs. 3,582 Mn (2024 - Rs. 3,363 Mn) immature plantations. Further during the period Rs. 526.69 Mn (2024 - Rs. 517.98 Mn) has capitalize from immatured to matured plantations.

12.2 Company

	As at 01.04.2024 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	Adjustments Rs.'000	As at 31.03.2025 Rs.'000
Cost / valuation					
Land	6,481	-	-	-	6,481
Buildings	52,208	-	-	-	52,208
Plant, machinery, tools & electrical installations	101,018	-	-	-	101,018
Office & other equipment	37,234	172	-	-	37,406
Furniture, fixtures & fittings	25,201	394	-	-	25,595
Motor vehicles	50,183	479	-	-	50,662
Computers	65,739	4,806	-	-	70,545
	338,064	5,850	-	-	343,915
Capital work in progress	247,472	-	(196,099)	-	51,372
Total gross carrying amount	585,536	5,850	(196,099)	-	395,287
	As at 01.04.2024 Rs.'000	Charge for the year Rs.'000	On Disposals Rs.'000	Adjustments Rs.'000	As at 31.03.2025 Rs.'000
Depreciation / amortization					
Buildings	51,610	355	-	-	51,965
Plant, machinery, tools & electrical installations	96,853	884	-	-	97,737
Office & other equipment	35,216	516	-	-	35,732
Furniture, fixtures & fittings	24,277	255	-	-	24,532
Motor vehicles	37,458	1,500	-	-	38,958
Computers	57,540	3,110	-	-	60,649
	302,953	6,620	-	-	309,574

Net Book Values	2025 Rs. '000	2024 Rs. '000
Land	6,481	6,481
Buildings	243	598
Plant, machinery, tools & electrical installations	3,281	4,165
Office & other equipment	1,674	2,018
Furniture, fixtures & fittings	1,063	924
Motor vehicles	11,704	12,725
Computers	9,896	8,200
	34,341	35,111
Capital work in progress	51,372	247,472
Total carrying amount	85,714	282,583

Property plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 313 Mn (2024 - Rs. 257 mn).

During the financial year, the Company acquired property plant and equipment to the aggregate value of Rs.5.8mn (2024- Rs. 26mn) for cash considerations.

13. Investment properties

13.1 Group

	As at 01.04.2024 Rs.'000	Adjustments Rs.'000	Additions Rs.'000	Transfers Rs.'000	As at 31.03.2025 Rs.'000
Gross carrying amounts					
Freehold land	440,941	-	10,575	(6,550)	444,966
Buildings	48,852	-	504,374	(5,463)	547,763
	489,793	-	514,949	(12,013)	992,729
	As at 01.04.2024 Rs.'000	Adjustments Rs.'000	Charge for the Year Rs.'000	Transfers Rs.'000	As at 31.03.2025 Rs.'000
Depreciation					
Buildings	8,625	-	5,275	(6,887)	7,013
	8,625	-	5,275	(6,887)	7,013
Net Book Values					
				2025 Rs. '000	2024 Rs. '000
Freehold land				444,966	440,941
Buildings				540,750	40,227
Total carrying amount of investment properties				985,716	481,168

13.2 Company

	As at 01.04.2024 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	As at 31.03.2025 Rs.'000
Gross carrying amounts				
Freehold land	2,571,569	-	-	2,571,569
Buildings and building integrals	315,669	196,307	-	511,976
	2,887,238	196,307	-	3,083,545

NOTES TO THE FINANCIAL STATEMENTS

	As at 01.04.2024 Rs.'000	Charge for the Year Rs.'000	Adjustments Rs.'000	As at 31.03.2025 Rs.'000
Depreciation				
Buildings and building integrals	164,359	7,206	-	171,565
	164,359	7,206	-	171,565
Net Book Values			2025 Rs. '000	2024 Rs. '000
Freehold land			2,571,569	2,571,569
Buildings on freehold land			340,410	151,310
Total carrying amount of investment properties			2,911,979	2,722,879
			2025 Rs. Mn	2024 Rs. Mn
Rental income derived from investment properties			309	238
Direct operating expenses incurred			3.2	3.2

The Group measures its investment properties at cost method and depreciation calculated based on straight-line basis over the useful life for 50 years of the asset.

As at 31st March 2025, investment properties were valued by qualified independent valuer Mr. W. M. Chandrasena, using the market comparable method.

During the financial year, the Group acquired investment properties to the aggregate value of Rs. 196 Mn (2024 - Rs. 107 Mn) for cash considerations.

Fair value of investment properties are given in Group Real Estate Portfolio in page 186.

14. Intangible Assets

	Goodwill Rs.'000	Licenses Rs.'000	Other Intangibles Rs.'000	Total Rs.'000
As at 1st April 2024	1,219,937	58,735	33,828	1,312,500
Acquisition through business combinations	-	-	-	-
Acquired / incurred during the period	-	15,275	7,374	22,648
As at 31st March 2025	1,219,937	74,010	41,202	1,335,148
Amortisation and Impairment				
As at 1st April 2024	104,903	48,933	21,619	175,456
Amortisation/impairment for the year	-	2,025	2,626	4,651
As at 31st March 2025	104,903	50,958	24,245	180,107
Net Book Value				
As at 31st March 2024	1,115,034	9,802	12,209	1,137,045
As at 31st March 2025	1,115,034	23,052	16,957	1,155,042

(a) Goodwill

Goodwill represents the excess of an acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, and is carried at cost less accumulated impairment losses. The Group goodwill has been allocated to seven cash-generating units, for impairment testing as follows;

	Rs.'000
1. Kegalle Plantations PLC	} 327,736
2. Namunukula Plantations PLC	
3. Maskeliya Plantations PLC	
4. Arpico Super Centre - Kandy	153,142
5. Six estates of Uva range Namunukula Plantations PLC	305,915
6. BGN Industrial Tyre (Private) Limited	22,228
7. Richard Pieris Finance Limited	306,013

Goodwill is not amortised, but is reviewed for impairment annually and whether there is an indication that goodwill may be impaired. For the purpose of testing goodwill for impairment, goodwill is allocated to the operating entity level, which is the lowest level at which the goodwill is monitored for internal management purpose.

The recoverable amount of the goodwill is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management for one year, and forecast for the four years thereafter, covering a five year period.

(b) Licenses

Licenses include separately acquired five operating licenses stated at cost less accumulated amortizations and impairment losses. Licenses acquired have been amortized evenly over the validity period of the license.

(c) Other intangible assets

Other intangibles represent an IT platform developed by Ataraxia (Pvt) Limited to manage its funds which is amortised over a period of ten years commencing from financial year 2012/13 and also IT systems used by Richard Pieris Finance Limited to manage operations.

Key assumptions used in value in use calculations

Discount rates - Discount rates reflect management's estimate of the risk specific to the unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

Volume growth - Volume growth is based on past performance, the approved budget and expected performance of such CGU based on the actual performance and to evaluate future investment proposals.

Inflation Rate -Based on the prevailing inflation rate and the proportion of total costs exposed to inflation.

The value range of the key rates that are used in the assumptions are as follows.

Cash-generating unit	Variable	Key Rates	Sensitivity	
			Change	Impact on Value In Use
Plantation Sector	Discount Rate	10% -14% (2024 -15% -17%)	Increase by 1%	-5.8%
			Decrease by 1%	6.60%
Arpico Supercenter Kandy	Discount Rate	12% (2024 -23%)	Increase by 1%	-10.6%
			Decrease by 1%	11%
Richard Pieris Finance Limited	Discount Rate	11.4% (2024 -13.64%)	Increase by 1%	-12%
			Decrease by 1%	14.6%
BGN Industrial Tyre (Private) Limited	Discount Rate	13.03% (2024 -16.28%)	Increase by 1%	-8%
			Decrease by 1%	9%
	Volume growth	13% (2024 -12%)		

NOTES TO THE FINANCIAL STATEMENTS

15. Biological Assets

15.1 Consumable Biological Assets

	2025 Rs. Mn	2024 Rs. Mn
At the beginning of the year	1,763,300	1,603,306
Increase due to new planting	66,865	23,543
Decrease due to harvesting	(10,170)	(12,519)
Gain in fair value	284,641	148,969
At the end of the year	2,104,636	1,763,300

Biological assets include commercial timber plantations cultivated in estates of Kegalle Plantations PLC, Maskeliya Plantations PLC and Namunukula Plantations PLC. The valuation was carried out by Mr. W.M Chandrasena, FIV(SL) MRICS (Chartered Valuation surveyor), using discounted cash flow method.

Non Financial Assets	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average)		Relationship of Unobservable inputs to Fair Value
			2024/2025	2023/2024	
Consumable Biological Assets - Timber	Discounted Cash Flow Method	Discounting Rate	16.0%	16.6% - 17.5%	The higher the discount rate, the lower the fair value
		Optimum rotation (Maturity)	20 - 35 Years	20 - 40 Years	Lower the rotation period, the higher the fair value
		Price per Cubic ft.	Rs.300 - 900	Rs.200 - 800	The higher the price per cu. ft., the higher the fair value
		Price per Rubber Tree	Rs. 3,000	-	The higher the price per tree, the higher the fair value

Other Key assumption used in the Valuation:

1. The harvesting is approved by the PMMD and Forestry Department Based on the Forestry Development Plan.
2. The prices adopted are net of expenditure.
3. Though the replanting is a condition precedent for harvesting, yet the cost are not taken into consideration.

15.2 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:

As at 31st March 2025	-10% Rs.'000	Rs.'000	+10% Rs.'000
Managed timber	1,860,765	2,104,636	2,246,969
Total	1,860,765	2,104,636	2,246,969

Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied.

Simulations made for timber trees show that a rise or decrease by 1.5% of the discount rate has the following effect on the net present value of biological assets:

As at 31st March 2025	17.50% Rs.'000	16.00% Rs.'000	14.50% Rs.'000
Managed timber	1,957,551	2,104,636	2,131,992
Total	1,957,551	2,104,636	2,131,992

15.3 Produce on Bearer Biological Assets

	2025 Rs. Mn	2024 Rs. Mn
At the beginning of the year	60,715	65,419
Gain arising from changes in fair value of biological assets	35,828	(4,703)
At the end of the year	96,543	60,715

15.4 Fair Value Hierarchy

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 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.

	31st March 2025 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets measured at fair value				
Consumable biological assets - timber	2,104,636	-	-	2,104,636
Produce on bearer biological assets	96,543	-	96,543	-
	2,201,179	-	96,543	2,104,636
	31st March 2024 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets measured at fair value				
Consumable biological assets - timber	1,763,300	-	-	1,763,300
Produce on bearer biological assets	60,715	-	60,715	-
	1,824,016	-	60,715	1,763,300

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

NOTES TO THE FINANCIAL STATEMENTS

16 Investments

A Company investments in subsidiaries

	% Holding		No of shares			Value Rs.'000		
	31.03.2025	31.03.2024	31.03.2025	Movement	31.03.2024	31.03.2025	Movement	31.03.2024
Quoted investments								
Richard Pieris Exports PLC (Rs. 2,955 mn) *	84	84	9,392,563	-	9,392,563	310,885	-	310,885
Kegalle Plantations PLC (Rs. 2,770 mn) * +	-	-	9,500	-	9,500	1,441	-	1,441
Arpico Insurance PLC (Rs. 1,363 mn) *	82	82	15,125,001	-	15,125,001	151,250	-	151,250
Unquoted investments								
Richard Pieris Distributors Limited	100	100	106,673,960	-	106,673,960	812,130	-	812,130
Arpidag International (Pvt) Limited	51	51	234,598	-	234,598	27,110	-	27,110
Richard Pieris Tyre Company Limited	100	100	4,000,000	-	4,000,000	50,000	-	50,000
Richard Pieris Rubber Products Limited	100	100	2,700,000	-	2,700,000	27,000	-	27,000
Richard Pieris Rubber Compounds Limited	100	100	1,700,000	-	1,700,000	17,000	-	17,000
Arpico Furniture Limited	100	100	4,000,000	-	4,000,000	40,000	-	40,000
Arpico Plastics Limited	100	100	2,900,000	-	2,900,000	29,000	-	29,000
Arpico Industrial Development Company Limited								
Ordinary Shares	100	100	1,500,000	-	1,500,000	15,000	-	15,000
12% Redeemable Cumulative Preference Shares	-	-	9,140,000	-	9,140,000	91,400	-	91,400
Plastishells Limited	98	98	3,361,000	-	3,361,000	35,615	-	35,615
Richard Pieris Natural Foams Limited	22	22	14,022,253	-	14,022,253	143,479	-	143,479
Arpitalian Compact Soles (Pvt) Limited								
Ordinary Shares	18	18	10,666,666	-	10,666,666	80,000	-	80,000
10% Redeemable Cumulative Preference Shares	-	-	6,404,500	-	6,404,500	64,045	-	64,045
RPC Management Services (Pvt) Limited	100	100	3,750,000	-	3,750,000	550,250	-	550,250
Richard Pieris Group Services (Pvt) Limited	100	100	2	-	2	-	-	-
Arp-Eco (Pvt) Limited	100	100	2	-	2	-	-	-
RPC Logistics (Pvt) Limited	100	100	2,000,002	-	2,000,002	20,000	-	20,000
Richard Pieris Plantations (Pvt) Limited	100	100	7	-	7	-	-	-
R P C Real Estate Development Company (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Homes (Pvt) Limited	100	100	7	-	7	-	-	-
Arpico Exotica Asiana (Pvt) Limited	100	100	2	-	2	-	-	-
Arpico Hotel Services (Pvt) Limited	100	100	600,000	-	600,000	6,000	-	6,000
RPC Construction (Pvt) Limited	100	100	2,000,000	-	2,000,000	20,000	-	20,000
Arpitech (Pvt) Limited	100	100	28,500,018	-	28,500,018	285,000	-	285,000
Arpimalls Development Company (Pvt) Limited	24	24	5,000,000	-	5,000,000	50,000	-	50,000
Arpico Interiors (Pvt) Limited	83	83	2,500,000	-	2,500,000	25,000	-	25,000
Richard Pieris Securities (Pvt) Limited	100	100	15,299,999	-	15,299,999	194,500	-	194,500
Richard Pieris Financial Services (Pvt) Limited	100	100	3,499,999	-	3,499,999	35,000	-	35,000
Arpico Ataraxia Asset Management (Pvt) Limited	51	51	2,040,001	-	2,040,001	20,400	-	20,400
Richard Pieris Finance Limited	99	99	171,971,791	11,521,738	160,450,053	2,396,504	300,000	2,096,504
Arpico Durables (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Furniture Distributors (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Developments (Pvt) Limited	50	50	1	-	1	-	-	-
RPC Retail Developments Company (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Pharmaceuticals (Pvt) Limited	100	100	10,000,002	-	10,000,002	100,000	-	100,000
Richard Pieris Trading Company (Pte) Limited	100	100	618,500	-	618,500	65,349	-	65,349
						5,663,357	300,000	5,363,357

	% Holding		No of shares			Value Rs.'000		
	31.03.2025	31.03.2024	31.03.2025	Movement	31.03.2024	31.03.2025	Movement	31.03.2024
Provision for fall in value of the investments in;								
Arpico Furniture Limited						(40,000)		(40,000)
Arpico Hotel Services (Pvt) Limited						(6,000)		(6,000)
RPC Construction (Pvt) Limited						(20,000)		(20,000)
Arpitech (Pvt) Limited						(35,000)		(35,000)
Arpitalian Compact Soles (Pvt) Limited						(72,082)		(72,082)
Arpico Pharmaceuticals (Pvt) Limited						(100,000)		(100,000)
Richard Pieris Securities (Pvt) limited						(80,000)		(80,000)
Arpico Plastics Limited						(20,000)		(20,000)
Arpico Atarxia (Pvt) Limited						(5,000)		(5,000)
Arpico Interiors (Pvt) Limited						(25,000)		(25,000)
Company investments in subsidiaries						5,260,275	300,000	4,960,275

B Group investments in subsidiaries

	% Holding		No of shares			Value Rs.'000		
	31.03.2025	31.03.2024	31.03.2025	Movement	31.03.2024	31.03.2025	Movement	31.03.2024
Investor								
Richard Pieris Distributors Limited								
Investee								
Arpimalls Development Co (Pvt) Limited								
Ordinary shares	76	76	16,000,000	-	16,000,000	160,000	-	160,000
6% redeemable cumulative preference shares	-	-	22,000,000	-	22,000,000	220,000	-	220,000
Arpico Interiors (Pvt) Limited	17	17	500,000	-	500,000	5,000	-	5,000
RPC Real Estate Development (Pvt) Limited								
Ordinary shares	50	50	1	-	1	-	-	-
6% redeemable cumulative preference shares	-	-	66,700,000	-	66,700,000	667,000	-	667,000
RPC Retail Development (Pvt) Limited								
Ordinary shares	50	50	1	-	1	-	-	-
6% redeemable cumulative preference shares	-	-	38,700,000	-	38,700,000	387,000	-	387,000
Arpico Insurance PLC (Rs. 1,363 mn) *	27	27	17,790,001	-	17,790,001	177,900	-	177,900
Richard Pieris Finance Limited	9	9	13,911,993	-	13,911,993	158,240	-	158,240
Arpico Durables (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Furniture Distributors (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Developments (Pvt) Limited	50	50	1	-	1	-	-	-
Investor								
Arpico Industrial Development Company (Pvt) Limited								
Investee								
R P C Polymers (Pvt) Limited	31	31	5,700,000	-	5,700,000	57,000	-	57,000
Investor								
Richard Pieris Exports PLC								
Investee								
Richard Pieris Natural Foams Limited	43	43	27,560,001	-	27,560,001	284,820	-	284,820
Micro Minerals (Pvt) Limited	69	69	627,400	-	627,400	6,274	-	6,274
Arpitalian Compact Soles (Pvt) Limited	49	49	29,587,667	-	29,587,667	227,905	-	227,905
Arpico Natural Latex Foams (Pvt) Limited	44	44	3,999,999	-	3,999,999	40,000	-	40,000
Investor								
Richard Pieris Natural Foams Limited								
Investee								
Arpico Natural Latex Foams (Pvt) Limited	56	56	5,000,000	-	5,000,000	50,000	-	50,000

NOTES TO THE FINANCIAL STATEMENTS

	% Holding		No of shares			Value Rs.'000		
	31.03.2025	31.03.2024	31.03.2025	Movement	31.03.2024	31.03.2025	Movement	31.03.2024
Investor								
Plastishells Limited								
Investee								
R P C Polymers (Pvt) Limited	70	70	13,000,001	-	13,000,001	130,000	-	130,000
Investor								
Richard Pieris Plantations (Pvt) Limited								
Investee								
Exotic Horticulture (Pvt) Limited	100	100	1,000,000	-	1,000,000	10,000	-	10,000
Maskeliya Tea Garden Limited	100	100	1,500,000	-	1,500,000	15,000	-	15,000
RPC Plantation Management Services (Pvt) Limited	100	100	24,106,249	-	24,106,249	330,000	-	330,000
Investor								
RPC Management Services (Pvt) Limited								
Investee								
Maskeliya Plantations PLC (Rs. 2,961 mn) *	83	83	44,998,397	-	44,998,397	778,329	-	778,329
Kegalle Plantations PLC (Rs. 2,770 mn) * +			3,900	-	3,900	591	-	591
Investor								
RPC Plantation Management Services (Pvt) Limited								
Investee								
Namunukula Plantations PLC (Rs. 4,176 mn) *	68	68	16,145,050	-	16,145,050	783,909	-	783,909
Kegalle Plantations PLC (Rs. 2,770 mn) * +	80	80	19,920,245	-	19,920,245	357,197	-	357,197
Investor								
Kegalle Plantations PLC								
Investee								
Richard Pieris Natural Foams Limited	35	35	2,250,000	-	2,250,000	225,000	-	225,000
Hamefa Kegalle (Pvt) Limited	100	100	2,800,000	-	2,800,000	14,000	-	14,000
Arpico Insurance PLC (Rs. 1,363 mn) *	40	40	26,685,001	-	26,685,001	266,850	-	266,850
Richard Pieris Finance Limited	12	12	14,804,353	-	14,804,353	161,087	-	161,087
Investor								
Arpitech (Pvt) Limited								
Investee								
RPC Properties (Pvt) Limited	49	49	49	-	49	-	-	-
Investor								
Richard Pieris Tyre Company Limited								
Investee								
BGN Industrial Tyre (Pvt) Limited	51	51	7,319	-	7,319	84,150	-	84,150
Investor								
Namunukula Plantations PLC								
Investee								
Richard Pieris Finance Limited	12		33,333	33,333	-	400,000	400,000	-
Provision for fall in value of investment in;						5,997,252	400,000	5,597,252
Kegalle Plantations PLC						(120)	-	(120)
Arpico Natural Latex Foams (Pvt) Limited						(90,000)	-	(90,000)
						5,907,132	400,000	5,507,132

C Company / Group investment in associate

	% Holding		No of shares			Value Rs.'000		
	31.03.2025	31.03.2024	31.03.2025	Movement	31.03.2024	31.03.2025	Movement	31.03.2024
Group investments in associate;								
Unquoted Investments								
Investor								
Namunukula Plantations PLC								
Investee								
AEN Palm Oil Processing (Pvt) Limited	33	33	699,027	-	699,027	12,568	-	12,568
Group investment in associate (at cost)						12,568	-	12,568
Share of reserves						529,984	69,489	460,495
Group investment in associates (equity basis)						542,552	69,489	473,063

* Amounts stated within brackets correspond to market value as at 31st March 2025. In the opinion of the Directors, any reduction in market value below cost is considered to be of temporary nature.

+ The holding stake of these investments are less than 1%.
Investment in Subsidiaries are stated at Cost

16.1 Principal Subsidiaries with Material Non- Controlling Interest

Financial information of subsidiaries that have material non controlling interests (NCI) are provided below;

For the year ended 31st March 2025	Plantations	Rubber	Financial Services
	Rs.'000	Rs.'000	Rs.'000
Summarised Statement of Profit or Loss			
Revenue	14,846,941	2,158,649	1,848,006
Operating cost	(10,910,310)	(1,866,112)	(2,242,228)
Finance cost	(409,655)	(2,446)	(40,066)
Finance income	581,336	70,234	535,804
Share of profit of an associate	-	-	-
Profit before tax	4,108,312	360,325	101,516
Income tax expense	(1,229,454)	(96,865)	99,222
Profit for the year	2,878,859	263,460	200,738
Other comprehensive income	(394,155)	41,461	147,346
Total comprehensive income	2,484,704	304,921	348,084
Profit attributable to NCI	(733,280)	(38,134)	(36,875)
Dividend paid to NCI	(150,327)	(18,066)	-
As at 31st March 2025			
Summarised Statement of Financial Position			
Current assets	11,552,275	2,488,762	1,126,423
Non current assets	17,396,292	942,292	3,890,575
Total assets	28,948,567	3,431,054	5,016,997
Current liabilities	4,338,673	175,428	219,225
Non current liabilities	7,834,993	74,524	2,967,574
Total liabilities	12,173,666	249,952	3,186,798
Accumulated balance of material NCI	4,506,219	512,157	336,940

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2025	Plantations	Rubber	Financial Services
	Rs.'000	Rs.'000	Rs.'000
Summarised cash flow information for the year ending 31st March			
Cash flows from operating activities	4,254,764	(44,323)	188,502
Cash flows from / (used in) investing activities	(1,096,216)	(4,926)	(19,018)
Cash flows used in financing activities	(1,514,054)	(133,965)	-
Net increase / (decrease) in cash and cash equivalents	1,644,494	(183,214)	169,484

The above information is based on amounts before inter company eliminations.

Names of material partly owned subsidiaries and effective holding percentage owned by non controlling interest

Plantation Sector	Rubber Sector	Financial Services Sector
Maskeliya Plantations PLC 16.60%	Richard Pieris Exports PLC 16.10%	Arpico Insurance PLC 18.41%
Kegalle Plantations PLC 20.86%		
Namunukula Plantations PLC 32.06%		

17. Other Financial Assets

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Fair Value Through Profit or Loss				
Unquoted equity shares				
Credit Information Bureau	2,341	593	-	-
Finance Houses Consortium	200	200	-	-
	2,541	793	-	-
Quoted equity shares				
Piramal Glass Ceylon PLC	-	-	-	-
Sampath Bank PLC	-	-	-	-
Hatton National Bank PLC (Non voting)	-	-	-	-
	-	-	-	-
Unit Trust	135,481	121,137	-	-
Total Fair Value Through Profit or Loss Investments	138,022	121,930	-	-
Fair Value Through Other Comprehensive Income				
Unquoted equity shares				
Asset Trust Management (Pvt) Limited	5,625	5,625	5,625	5,625
Asia Auto Parts LLP	-	-	-	-
	5,625	5,625	5,625	5,625
Quoted equity shares				
Commercial Bank of Ceylon PLC	683	789	16	10
John Keells Holdings PLC	25	24	25	24
Asian Hotel Properties PLC	33,888	39,003	33,888	39,003
Dialog Axiata PLC	159	130	159	130
National Development Bank PLC	2,820,046	1,684,848	2,820,046	1,684,848
The Lighthouse Hotel PLC	46	30	46	30
	2,854,848	1,724,825	2,854,181	1,724,045

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Total Fair Value Through Other Comprehensive Income	2,860,473	1,730,449	2,859,806	1,729,670
Amortized Cost				
Treasury bill investments	842,776	949,510	-	-
Treasury bond investments	1,068,890	989,942	-	-
Fixed deposits	-	-	-	-
Other loans and receivables	115,320	461,015	-	-
Total Financial Assets at Amortized Cost	2,026,986	2,400,467	-	-
Available for sale investments				
Unquoted equity shares				
Asset Trust Management (Pvt) Limited	-	-	-	-
Asia Auto Parts LLP	13,681	23,681	-	-
	13,681	23,681	-	-
Quoted equity shares				
Commercial Bank of Ceylon PLC	-	-	-	-
John Keells Holdings PLC	-	-	-	-
Asian Hotel Properties PLC	-	-	-	-
Dialog Axiata PLC	-	-	-	-
National Development Bank PLC	424,634	272,132	-	-
The Lighthouse Hotel PLC	-	-	-	-
	424,634	272,132	-	-
Government Securities				
Treasury bill investments	110,820	-	-	-
Treasury bond investments	409,145	294,062	-	-
Total available for sale investments at fair value	958,280	589,875	-	-
Loans and receivables				
Investments in corporate debts	471,287	564,508	-	-
Investment in repurchase agreement	400,108	389,844	-	-
Fixed Deposit	1,072,674	1,220,513	-	-
Other loans and receivables	156,062	125,235	-	-
Total loans and receivables	2,100,131	2,300,100	-	-
Total other financial assets	8,083,892	7,142,822	2,859,806	1,729,670
Total current	1,295,042	1,701,180	-	-
Total non-current	6,788,851	5,441,642	2,859,806	1,729,670

17.1 Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Group that are carried in the financial statements.

The following methods and assumptions were used to estimate the fair value;

- Cash and short term deposits, trade receivables, trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.
- Interest bearing borrowings, loans and other receivables are evaluated by the Group Treasury based on parameters such as interest rates, credit risk and other relevant risk factors. Based on the evaluation, allowances are taken to account for the expected losses of these receivables where the carrying amounts of which are not materially different from their calculated fair values.
- Fair Value Through Other Comprehensive Income financial assets is derived from quoted market prices in active markets where unrealized gains/losses recognized in Other Comprehensive Income.
- Fair value of unquoted Fair Value Through Other Comprehensive Income financial assets is estimated using appropriate valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS

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 prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instruments carried at fair value on the statement of financial position:

Assets measured at fair value	31st March 2025 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair Value Through Other Comprehensive Income				
Equity Shares - Quoted	2,854,848	2,854,848	-	-
- Unquoted	5,625	-	-	5,625
	2,860,473	2,854,848	-	5,625
Fair value through profit or loss				
Equity Shares - Quoted	-	-	-	-
- Unquoted	2,541	-	-	2,541
Unit Trust	135,481	135,481	-	-
	138,022	135,481	-	2,541
Amortized Cost				
Treasury bill investments	842,776	842,776	-	-
Treasury bond investments	1,068,890	-	1,068,890	-
Fixed deposits	-	-	-	-
Other loans and receivables	115,320	-	115,320	-
	2,026,986	842,776	1,184,210	-
Available for sale financial assets				
Equity Shares - Quoted	424,634	424,634	-	-
- Unquoted	13,681	-	-	13,681
	438,315	424,634	-	13,681
Treasury bill investments	110,820	-	110,820	-
Treasury bond investments	409,145	-	409,145	-
	519,965	-	519,965	-
Loans and receivables				
Investments in corporate debts	471,287	-	471,287	-
Investment in repurchase agreement	400,108	-	400,108	-
Other loans and receivables	156,062	-	156,062	-
Fixed deposits	1,072,674	-	1,072,674	-
	2,100,131	-	2,100,131	-
	8,083,892	4,257,739	3,804,306	21,847

	31st March 2024 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair Value Through Other Comprehensive Income				
Equity Shares - Quoted	1,724,824	1,724,824	-	-
- Unquoted	5,625	-	-	5,625
	1,730,449	1,724,824	-	5,625
Fair value through profit or loss				
Equity Shares - Quoted	121,137	121,137	-	-
- Unquoted	793	-	-	793
Unit Trust	-	-	-	-
	121,930	121,137	-	793
Amortized Cost				
Treasury bill investments	949,510	949,510	-	-
Treasury bond investments	989,942	-	989,942	-
Fixed deposits	-	-	-	-
Other loans and receivables	461,015	-	461,015	-
	2,400,467	949,510	1,450,957	-
Available for sale financial assets				
Equity Shares - Quoted	272,132	272,132	-	-
Treasury bond investments	23,681	-	-	23,681
	295,813	272,132	-	23,681
Treasury bill investments	-	-	-	-
Treasury bond investments	294,062	-	294,062	-
	294,062	-	294,062	-
Loans and receivables				
Investments in corporate debts	564,508	-	564,508	-
Investment in repurchase agreement	389,844	-	389,844	-
Other loans and receivables	125,235	-	125,235	-
Fixed deposits	1,220,513	-	1,220,513	-
	2,300,100	-	2,300,100	-
	7,142,822	3,067,603	4,045,119	30,099

Set out below is a comparison by class of the carrying amounts and the fair values of the Group that are carried in the financial statements.

Group	Carrying amount		Fair Value	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Other Financial Assets				
Fair Value Through Other Comprehensive Income	2,860,473	1,730,449	2,860,473	1,730,449
Fair value through profit or loss	138,022	121,930	138,022	121,930
At Amortized Cost	2,026,986	2,400,467	2,026,986	2,400,467
Available for sale investments	958,280	589,875	958,280	589,875
Loans and receivables	2,100,131	2,300,100	2,100,131	2,300,100
Total	8,083,892	7,142,822	8,083,892	7,142,822

NOTES TO THE FINANCIAL STATEMENTS

Group	Carrying amount		Fair Value	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Financial liabilities				
Interest-bearing loans and borrowings	4,851,864	3,645,069	4,851,864	3,645,069
Total	4,851,864	3,645,069	4,851,864	3,645,069

The fair values of cash and short term deposits, trade payables, customer deposits, short term borrowings and lease liabilities approximate their carrying amounts largely due to the short term maturities.

18. Deferred Tax (Assets) / Liability

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Deferred tax assets	(1,462,947)	(1,179,214)	(10,466)	(19,546)
Deferred tax liabilities	2,816,798	2,619,872	-	-
Net deferred tax liability / (asset)	1,353,851	1,440,658	(10,466)	(19,546)
Net deferred tax liability / (asset)				
At the beginning of the period	1,440,658	1,486,299	(19,546)	(15,637)
Transfer to Statement of Profit and Loss	62,940	72,140	6,547	(775)
Transfer from/(to) the Statement of Other Comprehensive Income	(129,346)	(84,844)	2,533	(3,134)
Effect of changes in exchange rates	(20,401)	(32,937)	-	-
At the end of the period	1,353,851	1,440,658	(10,466)	(19,545)
Deferred tax liabilities				
Accelerated depreciation for tax purposes -PPE	4,152,001	3,830,855	45,730	44,247
Accelerated depreciation for tax purposes -Biological assets	-	-	-	-
Other deferred liabilities	1,037,292	982,684	-	-
	5,189,293	4,813,539	45,730	44,247
Deferred tax assets				
Retirement benefit obligations	(933,888)	(788,011)	(19,971)	(20,190)
Un-utilised tax losses	(1,021,548)	(1,004,381)	-	-
Tax on right of use asset	(510,177)	(442,829)	(36,224)	(43,601)
Other provisions	(1,369,829)	(1,137,660)	-	-
Deferred Tax Liabilities	(3,835,442)	(3,372,881)	(56,195)	(63,792)
Net Deferred Tax Liability/(Asset)	1,353,851	1,440,658	(10,466)	(19,546)

Deferred tax assets amounting to Rs. 823 Mn (2024 - Rs. 464 Mn) for the Group has not recognized since the companies do not expect these assets to reverse in the foreseeable future.

19. Inventories

	Group	
	2025 Rs. '000	2024 Rs. '000
Raw materials	3,004,601	3,071,618
Growing crop-nurseries	67,834	83,361
Work in progress	766,846	582,762
Finished goods	7,021,533	7,036,976
Produce inventories	1,524,576	1,102,224
Land Stock	1,330,144	1,325,299
Goods in transit	109,303	102,723
Other inventories	698,292	841,704
	14,523,129	14,146,667
Provision for slow moving inventories	(692,131)	(940,231)
Provision for unrealized profits	(89,571)	(77,316)
Total carrying amount of inventories	13,741,428	13,129,119

Inventories are net of allowances for slow moving and obsolete inventories.

The amount of write-down of inventories recognised as an expense is Rs. 382 mn (2024 Rs. 649 mn) which is recognised under administrative expenses.

Provision for slow moving inventories as an expense is Rs. 236 mn (2024 - Rs. 697 mn).

Inventories carried at net realisable value as at 31st March 2025 amounted Rs. 4,594 mn (2024 Rs. 4,096 mn).

Inventories with a carrying amount of Rs. 1,941 mn (2024 Rs.1,370 mn) are pledged as security for loans obtained.

20. Trade and Other Receivables

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Trade receivables	8,119,650	7,357,243	-	-
Other receivables (Note 20.1)	3,088,046	3,983,117	443,526	768,184
Other non financial receivables	1,191,838	1,431,784	-	-
	11,069,351	11,736,922	443,526	768,184
Less - Impairment of trade receivables (Note 20.2)	(1,248,686)	(981,726)	-	-
Less - Provision for Other receivable	(81,497)	(53,496)	-	-
	11,069,351	11,736,922	443,526	768,184

NOTES TO THE FINANCIAL STATEMENTS

20.1 Other receivables

	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Advances and deposits	1,662,784	1,349,072	-	-
Loans to employees	32,897	37,589	14,252	12,896
Premium Receivable	551,408	1,027,739	-	-
Reinsurance Receivable	6,544	23,575	-	-
Other receivables	793,955	1,495,714	429,274	755,289
Repossessed Stock	58,472	127,575	-	-
Less - Provision for repossessed stock	(18,014)	(78,147)	-	-
	3,088,046	3,983,117	443,526	768,184

20.2 Movement in Provision for impairment

	Total Rs.'000	Group			
		Individual		Collective	
		Fully Impaired Rs.'000	Partially Impaired Rs.'000	Fully Impaired Rs.'000	Partially Impaired Rs.'000
As at 1st April 2024	981,726	407,661	4,617	23,983	545,464
Charge for the year	275,643	15,838	-	-	259,805
Unused amounts reversed	(2,341)	-	-	(2,341)	-
Provisions written off	(6,342)	(6,342)	-	-	-
As at 31st March 2025	1,248,686	417,157	4,617	21,642	805,268

20.3 The aging analysis of Trade Receivables is as follows;

	Total Rs.'000	Neither due nor impaired Rs.'000	Past due but not impaired			
			30-60 Days Rs.'000	61-90 Days Rs.'000	91-120 Days Rs.'000	> 120 Days Rs.'000
2025	8,119,650	3,914,431	1,077,073	276,504	156,138	2,695,503
2024	7,357,243	2,677,014	1,141,591	713,521	476,967	2,348,150

21. Loans and Advances

	2025 Rs.'000	2024 Rs.'000
Finance lease/ Ijarah rental receivables	6,766,030	5,667,970
Hire purchase/ Muraba rental receivables	2,602	5,671
Term Loans/ Mortgage loans/ Wakala rental receivables	2,584,064	3,090,156
Short term loans/ Trading Muraba rental receivables	129,393	207,797
Other loans and advances	6,711,468	5,027,631
	16,193,557	13,999,225
Less: Impairment losses - Collective	(1,587,775)	(1,733,781)
- Individual	-	-
Net loans and advances receivables (Note 21.1)	14,605,782	12,265,444

21.1 Analysis of rental receivables on loans and advances

	2025				2024			
	Within one year Rs.'000	1-5 years Rs.'000	More than 5 Year Rs.'000	Total Rs.'000	Within one year Rs.'000	1-5 years Rs.'000	More than 5 Year Rs.'000	Total Rs.'000
Finance Lease/ Ijarah rental receivables								
Gross rental receivables	4,880,293	4,651,714	-	9,532,007	4,069,517	3,666,101	1,272	7,736,891
(-) Unearned income	(1,511,409)	(1,254,567)	-	(2,765,976)	(1,085,785)	(983,006)	(130)	(2,068,921)
Net rental receivables	3,368,884	3,397,147	-	6,766,031	2,983,732	2,683,095	1,142	5,667,970
(-) Allowance for impairment loss - Collective	(871,189)	-	-	(871,189)	(813,666)	-	-	(813,666)
Total net rental receivables	2,497,695	3,397,147	-	5,894,842	2,170,066	2,683,095	1,142	4,854,304
Hire purchase/ Muraba rental receivables								
Gross rental receivables	2,602	-	-	2,602	5,704	-	-	5,704
(-) Unearned income	-	-	-	-	(33)	-	-	(33)
Net rental receivables	2,602	-	-	2,602	5,671	-	-	5,671
(-) Allowance for impairment loss - Collective	(2,602)	-	-	(2,602)	(2,839)	-	-	(2,839)
Total net rental receivables	-	-	-	-	2,832	-	-	2,832
Loans and Advances								
Term loans/ Mortgage loans/ Wakala								
Gross rental receivables	1,991,371	1,055,728	3,110	3,050,209	2,423,503	1,115,780	17,295	3,556,578
(-) Unearned income	(206,276)	(259,605)	(264)	(466,146)	(234,719)	(231,611)	(91)	(466,422)
Net rental receivables	1,785,095	796,122	2,845	2,584,063	2,188,784	884,169	17,203	3,090,156
(-) Allowance for impairment loss - Collective	(713,984)	-	-	(713,984)	(917,276)	-	-	(917,276)
Total net rental receivables	1,071,111	796,122	2,845	1,870,079	1,271,508	884,169	17,203	2,172,880
Short term loans/ Trading Muraba								
Gross rental receivables	129,420	-	-	129,420	207,643	1,764	-	209,407
(-) Unearned income	(27)	-	-	(27)	(1,528)	(81)	-	(1,609)
Net rental receivables	129,393	-	-	129,393	206,114	1,684	-	207,798
(-) Allowance for impairment loss - Collective	-	-	-	-	-	-	-	-
Total net rental receivables	129,393	-	-	129,393	206,114	1,684	-	207,798
Other loans and advances								
Gross rental receivables	4,990,944	1,345,927	496,118	6,832,989	3,532,984	1,313,082	354,691	5,200,757
(-) Unearned income	(54,721)	(66,596)	(204)	(121,521)	(98,724)	(73,994)	(408)	(173,126)
Net rental receivables	4,936,222	1,279,331	495,914	6,711,468	3,434,260	1,239,088	354,283	5,027,631
(-) Allowance for impairment loss - Collective	-	-	-	-	-	-	-	-
Total net rental receivables	4,936,222	1,279,331	495,914	6,711,468	3,434,260	1,239,088	354,283	5,027,631
Total net loans and advances	8,634,421	5,472,600	498,760	14,605,782	7,084,780	4,808,036	372,628	12,265,444

NOTES TO THE FINANCIAL STATEMENTS

21.2 Collective Assessment of Impairment

If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped considering credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment, are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from year-to-year such as changes in;

- Unemployment rate
- Property prices
- Commodity prices
- Payment status
- Inflation rates
- Changes in laws and regulations
- Interest rates
- Recent lending portfolio growth and product mix

The methodology and assumptions used for estimating provision for impairment including assumptions for projecting future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

21.4 Analysis of Maximum Exposure to Credit Risk and Movement in Allowance for ECL

As at 31 March 2025	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs
Finance Lease/ Ijarah rental receivables				
Maximum exposure to credit risk				
Gross lease receivables- subject to collective impairment	3,809,405	1,559,753	1,396,872	6,766,030
Allowance for expected credit losses (ECL)	(108,279)	(127,272)	(635,638)	(871,189)
	3,701,126	1,432,482	761,234	5,894,841
Movement in allowance for expected credit losses				
Balance as at 31st March 2024	73,356	101,967	638,343	813,666
Charge/ (Reversal) to income statement	34,923	25,304	(2,705)	57,522
Balance as at 31st March 2025	108,279	127,272	635,638	871,189
Hire purchase/ Muraba rental receivables				
Maximum exposure to credit risk				
Gross hire purchase receivables- subject to collective impairment	-	-	2,602	2,602
Allowance for expected credit losses (ECL)	-	-	(2,602)	(2,602)
	-	-	-	-
Movement in allowance for expected credit losses				
Balance as at 31st March 2024	2	276	2,561	2,839
Charge/ (Reversal) to income statement	(2)	(276)	42	(237)
Balance as at 31st March 2025	-	-	2,602	2,602

As at 31 March 2025	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs
Loans and Advances				
Maximum exposure to credit risk				
Gross lease receivables- subject to collective impairment	5,266,644	1,030,388	3,127,890	9,424,922
Allowance for expected credit losses (ECL)	(94,554)	(77,845)	(541,584)	(713,983)
	5,172,090	952,543	2,586,306	8,710,939
Movement in allowance for expected credit losses				
Balance as at 31st March 2024	96,292	77,523	743,462	917,277
Charge/ (Reversal) to income statement	(1,738)	322	(201,877)	(203,294)
Balance as at 31st March 2025	94,554	77,845	541,584	713,983

22. Short Term Borrowings

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Import loans (a)	30,061	35,061	-	-
Bank overdrafts (b)	13,822,784	10,605,617	5,794,500	3,358,847
Other short term borrowings (c)	9,918,589	11,467,816	8,330,000	9,130,000
	23,771,434	22,108,494	14,124,500	12,488,847

(a) Import loans have been obtained for the purpose of business operations and is repayable within 30-90 days.

(b) Bank overdrafts are repayable on demand and bank balances which are coming under a common overdraft facility has been pooled together.

(c) Loans obtained to fulfill working capital requirements.

23. Cash and Cash Equivalents

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash at banks and in hand	14,783,897	12,915,837	1,159,196	1,203,271
Short term borrowings (Note 22)	(23,771,434)	(22,108,494)	(14,124,500)	(12,488,847)
Cash and cash equivalents for the purpose of the statement of cash flows,	(8,987,538)	(9,192,657)	(12,965,304)	(11,285,576)

24. Stated Capital

	No. of Shares in '000	Value of Shares Rs.'000
As at 1st April 2024	2,035,038	1,972,829
As at 31st March 2025	2,035,038	1,972,829

NOTES TO THE FINANCIAL STATEMENTS

25. Revenue Reserves

	2025 Rs.'000	2024 Rs.'000
Retained earnings	21,758,08	21,588,824
Regulatory loss allowance reserve (a)	937,473	942,628
	22,695,555	22,531,452

(a) Richard Pieris Finance Limited recognized a regulatory loss allowance to address the difference between the regulatory time-based provisioning requirement and the impairment determined under Sri Lanka Financial Reporting Standards (SLFRS) for loans and advances.

25.1 Statutory Reserve Fund

	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	88,438	88,438
Transfers during the year	12,736	-
At the end of the year	101,174	88,438

In accordance with the Finance Companies (Capital Funds) Direction No.1 of 2003 issued by the Central Bank of Sri Lanka, 5% of the net profit has been transferred to the Statutory Reserve Fund.

Accordingly, Richard Pieris Finance Limited has transferred 5% of its net profit after taxation to the Statutory Reserve Fund.

26. Other Components of Equity

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Fair value reserve on Financial Assets at FVOCI	761,815	(353,454)	711,605	(289,627)
Foreign currency translation reserve	385,825	392,753	-	-
	1,147,640	39,299	711,605	(289,627)

Foreign currency translation reserve comprises the net exchange movement arising on the currency translation of foreign operations and equity accounted investees into Sri Lankan rupees

Fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

27. Insurance Provision

	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	2,906,873	2,253,798
Net increase in life insurance fund	(288,917)	665,339
Movement in fair value reserve on financial assets at FVOCI transferred to life fund	144,545	(12,264)
At the end of the year	2,762,501	2,906,873

Long duration contract liabilities included in the Life Insurance Fund, result primarily from traditional non participating Life Insurance products.

The actuarial reserves have been established based upon the following;

- Interest rates which vary by product and as required by regulations issued by the Insurance Regulatory Commission of Sri Lanka.
- Mortality rates based on published mortality tables adjusted for actual experience as required by regulations issued by the Insurance Regulatory Commission of Sri Lanka.

According to Solvency margin rules (Risk Based Capital) effective from 1 January 2016, Life Insurance Policy Liabilities are valued as per the Gross Premium Valuation (GPV) method. The change in the valuation method from Net Premium Valuation (NPV), which was applicable under the previous Solvency Margin Rules and GPV as per the new rules resulted in a one off release in Liabilities. The external actuary, Actuarial Partners Consulting Sdn Bhd has reworked the one off surplus which is amounting to Rs. 320 Mn on the RBC Basis. The one off surplus is applicable only for the non participating businesses. The Company does not engage in participating business. As company has adopted a distribution basis for the insurance contract liability valuation, the one off surplus will not be transferred to the shareholder fund as a restricted reserve.

As per the actuarial valuation, the Life Insurance Fund included in the financial statements shows no deficit in the required actuarial reserves as at 31 December 2024, before any transfers to shareholders. Accordingly, no transfer from the Shareholders' Fund to the Life Insurance Fund has been recommended by the Actuary for the year 2024"

Liability Adequacy Test (LAT)

A Liability Adequacy Test ("LAT") for Life Insurance contract Liability was carried out by Actuarial Partners, as at 31 December 2024 as required by SLFRS 4 - Insurance Contracts. When performing the LAT, the Company discounted all contractual cash flows and compared this amount with the carrying value of the liability.

28 Interest Bearing Loans and Borrowings

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non current portion of Interest Bearing Loans and Borrowings				
Interest Bearing Loans	2,099,303	1,854,804	-	-
Total Non current portion of Interest Bearing Loans and Borrowings	2,099,303	1,854,804	-	-
Current portion of Interest Bearing Loans and Borrowings				
Interest Bearing Loans	2,752,561	1,790,265	-	-
Total current portion of Interest Bearing Loans and Borrowings	2,752,561	1,790,265	-	-

28.1 Interest Bearing Loans and Borrowings

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	3,645,069	5,285,934	-	-
Cash Movement				
New loans obtained	3,233,959	1,220,041	-	-
Repayment	(2,027,164)	(2,860,905)	-	-
Non cash Movement				
Amortisation of debenture issue cost	-	-	-	-
Effect of foreign currency translation	-	-	-	-
	4,851,864	3,645,069	-	-
Repayable within one year	2,752,561	1,790,265	-	-
Repayable after one year	2,099,303	1,854,804	-	-
	4,851,864	3,645,069	-	-

NOTES TO THE FINANCIAL STATEMENTS

28.2 Interest bearing loans and borrowings repayable after one year.

Interest bearing loans and borrowings repayable after one year

Company	Lender /Instrument	31.03.2025 Rs.'000	31.03.2024 Rs.'000	Repayment terms	Security
Richard Pieris Natural Foams Ltd	Peoples Bank	-	150,000	Repayable in 36 installment starting from October 2021, at Fixed Rate and matured on October 2024	Clean basis.
Richard Pieris Finance Limited	Hatton National Bank - Trust 06	-	46,286	Starting from May 2021, at Fixed Rate and matured on Oct 2024	Assignment over Lease receivables.
	Hatton National Bank - Trust 07	1,019,753	-	Starting from Feb 2022, at Fixed Rate and matured on Feb 2027	Unsecured
	Hatton National Bank - Trust 08	354,333	-	Starting from Mar 2025, at Fixed Rate and matured on May 2028	Assignment over Lease receivables.
	Capital Alliance	-	1,026,890	Starting from May 2021, at Fixed Rate and matured on Oct 2024	Unsecured
	Commercial Bank of Ceylon PLC	-	31,295	Repayable in 48 installment starting from March 2020, at Fixed Rate and matured on Jun 2024	Assignment over Lease receivables.
	Bank of Ceylon	-	89,685	Repayable in 30 installment starting from March 2022, at Fixed Rate and matured on September 2024	Assignment over Lease receivables.
	Bank of Ceylon	459,995	-	Repayable in 36 installment starting from December 2024, at Fixed Rate and matured on December 2027	Assignment over Lease receivables.
	Peoples Bank - Trust 03	135,695	519,289	Starting from Nov 2023, at Fixed Rate and matured on May 2025	Assignment over Lease receivables.
	National Development Bank - Trust 01	-	281,530	Starting from Nov 2022, at Fixed Rate and matured on Jul 2024	Assignment over Lease receivables.
	National Development Bank - Trust 02	702,407	723,025	Starting from Mar 2024, at Fixed Rate and matured on March 2026	Assignment over Lease & gold loan receivables.
	Seylan Bank PLC	300,383	-	Starting from March 25, at Fixed Rate and matured on Jun 2025	Assignment over Lease receivables.
	National Development Bank - Trust 03	526,684	-	Starting from July 2024, at Fixed Rate and matured on July 2026	Assignment over Lease receivables.
	National Development Bank - Trust 04	520,187	-	Starting from Oct 2024, at Fixed Rate and matured on Nov 2026	Assignment over Lease receivables.
	National Development Bank - Trust 05	505,366	-	Starting from Feb 2025, at Fixed Rate and matured on Feb 2027	Assignment over Lease receivables.
	Maskeliya Plantations PLC	Commercial Bank PLC	72,917	247,917	Repayable in 60 installment with 12 months grace period, starting from September 2020, at Fixed Rate and matured on September 2025
Kegalle Plantations PLC	Commercial Bank of Ceylon PLC	87,500	262,500	Repayable in 60 installment with 12 months grace period, starting from September 2020, at Fixed Rate and matured on September 2025	Primary mortgage over leasehold rights of three estates Doteloya, Etana and Kirklees and Negative mortgage over leasehold rights of three estates.
	Seylan Bank	166,644	266,652	Repayable in 60 installment with 06 months grace period, starting from December 2021, AWPLR based rate and matured on December 2026	Primary mortgage over leasehold rights - Pallegama estate.
	Total Term Loans	4,851,864	3,645,069		
	Transferred to Current Liabilities	(2,752,561)	(1,790,265)		
		2,099,303	1,854,804		

29 Right of use assets and lease liabilities

29.1 Amounts recognised in the statement of financial position and income statement Set out below, are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March 2025.

29.1.1 Right of use assets

	Group				Company	
	Lease hold properties	Immovable Biological Assets	Total		Leasehold Properties	
			2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	3,604,890	31,285	3,636,175	3,226,699	156,136	208,164
Additions	1,282,376	-	1,254,045	609,905	-	-
Reassessment Adjustment	348,364	-	376,695	677,316	-	-
Transfers	-	-	-	-	-	-
Amortisation expense	(844,694)	(19,012)	(863,707)	(877,745)	(50,638)	(52,027)
At the end of the year	4,390,935	12,273	4,403,208	3,636,175	105,498	156,136

29.1.2 Lease liability

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	4,397,648	3,883,660	301,476	364,627
Additions	1,301,477	633,760	-	-
Reassessment Adjustment	348,364	659,096	-	-
Transfers	-	4,657	-	-
Interest expense	646,409	557,723	31,225	39,127
Payments	(1,344,360)	(1,319,450)	(106,454)	(102,280)
Exchange difference	(3,227)	(21,799)	-	-
At the end of the year	5,346,310	4,397,647	226,245	301,474
Repayable within One Year	1,269,963	944,463	95,703	75,229
Repayable after One Year	4,076,347	3,453,184	130,542	226,245

29.1.3 Maturity Analysis

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	1,269,963	944,463	95,703	75,229
After one year but not more than three years	1,061,734	900,662	130,542	226,245
After three years but not more than five years	537,681	312,212	-	-
More than five years	2,476,933	2,240,309	-	-
	5,346,311	4,397,647	226,245	301,474
Following are the amounts recognized in profit or loss for the year ended 31 March 2025				
Amortisation of right-of-use asset	863,707	877,745	50,638	52,027
Interest expense on lease liability	646,409	557,723	31,225	39,129
Total amount recognised in profit or loss	1,510,116	1,435,468	81,863	91,156

NOTES TO THE FINANCIAL STATEMENTS

30. Provisions

	Maintenance Warranties	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	196,451	191,815
Arising during the year	57,988	14,236
(-) Reversal during the year	(3,842)	(9,599)
At the end of the year	250,597	196,451

Maintenance Warranties

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales level and current information available about returns based on the respective warranty period of products sold.

31. Government Grants

	2025 Rs.'000	2024 Rs.'000
At the beginning of the period	492,804	482,394
Received during the year	33,237	48,480
Released in the statement of profit or loss	(36,807)	(38,070)
At the end of the period	489,234	492,804

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

32. Post Employee Benefit Liabilities

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	2,561,214	2,440,982	67,302	54,227
Current service cost	188,906	148,260	5,386	3,779
Interest cost on benefit obligation	326,632	432,530	8,076	10,845
Payments	(507,016)	(760,536)	(5,748)	(11,996)
(Gain)/losses arising from changes in assumptions	456,963	299,979	(8,445)	10,446
At the end of the year	3,026,701	2,561,214	66,571	67,302

Actuarial valuation of the defined benefit plan / gratuity was carried out on 31st March 2025 by Messrs'. Actuarial and Management Consultants (Pvt) Limited.

Appropriate and compatible assumptions were used in determining the cost of retirement benefits and the key assumptions used are as follows:

Assumptions	2024/25	2023/24
Demographic assumptions		
In respect of non plantation companies, Retirement age:		
Executives	60 years	60 years
Non Executives	60 years	60 years
Average future working life time:		
Executives	5.8	6.3
Non Executives	3.9	6.3
Staff turnover rates:		
Executives	0.15-0.41	0.10-0.27
Non Executives	0.5-0.19	0.17-0.45
In respect of plantation companies, Retirement age:		
Workers (male and female)	60 years	60 years
Other categories of staff (male and female)	60 years	60 years
Staff turnover rates	0.02-0.07	0.02-0.07
Average future working life time:		
Workers	7.6 years	5.5 years
Staff	7 years	6.3 years
In respect of the Insurance company, Retirement age:	60 years	60 years
Financial assumptions		
In respect of non plantation companies,		
Rate of discount	10.50%	12.00%
Rate of salary increment (average)	9.00%	10.00%
In respect of plantation companies, Rate of discount	12.00%	13.00%
Rate of salary increment:		
Workers	8% per annum	10% per annum
Staff employees	8% per year	10% per year
In respect of the Insurance company, Rate of discount	10%	14%
Rate of salary increment:	8%	11%

NOTES TO THE FINANCIAL STATEMENTS

32.1 Sensitivity Analysis

Values appearing in the Financial Statements are very sensitive to the changes in financial and non financial assumptions used. The sensitivity was carried for both the salary escalation rate and discount rate. Simulation made for retirement benefit obligation show that an increase or decrease by 1% of salary escalation rate and discount rate has the following effect of the retirement benefit obligation.

	Present value of Defined Benefit Obligation			
	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Discount Rate				
1% increase	(187,666)	(146,269)	(3,202)	(2,909)
1% decrease	207,489	164,213	3,539	3,201
Salary Increment Rate				
1% increase	212,841	170,945	3,800	3,473
1% decrease	(195,263)	(154,411)	(3,491)	(3,205)

32.2 Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2025 is as follows.

	Defined Benefit Obligation	
	Group Rs.'000	Company Rs.'000
Future Working Life Time		
Within the next 12 months	489,420	12,836
Between 2-5 years	1,054,900	29,647
Beyond 5 years	1,482,380	24,088
Total	3,026,701	66,571

33. Contingent Liabilities

There are no corporate guaranties issued by the Company on loans obtained by subsidiary companies as at 31st March 2025. Group companies will, where necessary, provide corporate guarantees in support of subsidiaries.

Namunukula Plantation PLC

Supreme Court Case No: SC/SPL/LA/260/2023

There were 30 cases outstanding filed at Magistrates court Passara and Bandarawela by the Commissioner of Labour (Badulla) against Tusker Bottling Co. (Pvt) Ltd, the Company and the Superintendents of these Estates regarding the payment of employees' statutory dues for the amounts which the Sub Lessee has failed to pay in respect of the sub leased 6 estates. The Company has filed objections that the Company is not liable to pay such dues. However Magistrate has ordered company to pay.

The company filed revision to that in High court and further company was deposited 14.75 Mn as refundable security deposit in the court. The company won the case No. 59/2015 in HC Badulla, and the Labour Commissioner subsequently filed an appeal against the decision of the High Court Judge in favor of the company. The dates of the balance 29 cases (Case No: 60/2015 to 88/2015) are being moved forward pending a decision from a higher court. Next day of hearing is 14th Nov 2025.

Richard Pieris Exports PLC

The Company has one case in dispute following the termination of services of 159 employees in 2007. This matter was in the Arbitration up to February 2020 and the Award of Arbitration was published in the Government Gazette on 10th August 2020. Thereafter, the Company has repudiated the arbitration award by publishing on Government Gazette dated 18.09.2020. Nevertheless, the Assistant Labour Commissioner filed action in the Magistrate's Court Nugegoda for non-implementation of the said arbitral award. Being aggrieved by the Hon. Magistrate's order which stated that there are grounds to maintain this case, the Company sought the revisionary jurisdiction of the High Court of Colombo. Currently this case is being heard before the High Court of Colombo and the MC proceedings are laid by until the determination by the High Court. The Company is rigorously contesting matter.

Richard Pieris & Company PLC

The contingent liability of Richard Pieris & Company PLC as at 31st March 2025, relates to the following:

Richard Pieris and Company PLC and Richard Pieris Distributors Limited, a subsidiary of the Group, is contesting certain claims made by a former employee in a case filed before the Commercial High Court, Colombo.

34. Trade and Other Payables

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade payables	7,732,915	8,925,515	-	-
Accrued expenses	2,450,356	1,995,183	-	-
Other financial liabilities	1,373,324	870,690	633,235	219,690
Reinsurance Payables	62,345	48,993	-	-
Contract Liabilities	509,209	484,437	-	-
	12,128,149	12,324,818	633,235	219,690
Other non financial liabilities	611,630	807,509	-	-
Total trade and other payables	12,739,779	13,132,327	633,235	219,690

35. Customer Deposits

	2025 Rs.'000	2024 Rs.'000
Fixed deposits	10,246,142	10,247,288
Savings deposits	98,353	84,923
	10,344,495	10,332,211

36. Capital and Lease Commitments**36.1 Capital Commitments**

The capital commitments for property, plant and equipment incidental to the ordinary course of business as at 31st March, approved by the Board are as follows:

	Group	
	2025 Rs.'000	2024 Rs.'000
Contracted but not provided for	106,000	151,000
Approved but not contracted for	1,467,777	1,275,447
	1,573,777	1,426,447

36.2 Lease Commitments

Future minimum rentals payable under non cancellable operating leases as at 1st April, are as follows:

	Group	
	2025 Rs.'000	2024 Rs.'000
Undiscounted future minum lease rentals payable as at 31st March	956,011	840,698
Discounted future minum lease rentals payable as at 31st March	783,756	671,827

NOTES TO THE FINANCIAL STATEMENTS

37. Financial Risk Management Objectives and Policies

The Group has loans and other receivables, trade receivables and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities comprise loans and borrowings, trade and other payables, public deposits and financial guarantees. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors guide the Group Treasury which is centralized to provide assistance to the Group's senior management that the Group's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and stipulates policies for managing each of these risks, which are summarized below.

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
- Equity price risk

Financial instruments affected by market risk include loans and borrowings, deposits, available for sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters in order to optimize the return.

Interest rate risk

Interest rate risk is the risk that the company is exposed to due to the changes in the absolute level of market interest rates. Country's yield curve reflecting public borrowings in the domestic market, the policy rates, market liquidity, reforms in fiscal policies, credit ceilings on lending, average deposit rates, etc. are considered to be the main determining factors on the quoted interest rates for short term and long term lending facilities. These external factors stresses the market lending rates inserting pressure on the finance cost of the Group in turn having a down beating effect on the profit attributable to shareholders.

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 borrowings as follows:

Group	Increase/decrease in interest rate by basis points	Effect on profit before tax Rs. Millions
2023/24	+100 bps	(257.54)
	-100 bps	257.54
2024/25	+100 bps	(298.20)
	-100 bps	298.20
Company	Increase/decrease in interest rate by basis points	Effect on profit before tax Rs. Millions
2023/24	+100 bps	(124.89)
	-100 bps	124.89
2024/25	+100 bps	(141.25)
	-100 bps	141.25

Following measures and actions are usually undertaken in order to manage interest rate risk of the Group.

- Based on the studies and research on interest rate risk, the treasury division advises and takes appropriate measures to capitalize on the interest rate movements to be beneficial to the Group profitability where the facilities will be fixed for longer tenors when the market lending rates are in lower bound and take short term positioning when the market lending rates are in the higher bound.
- Structuring the loan portfolio to combine foreign currency and local currency denominated borrowings to the mix of export and local revenue of the Group.
- Using fixed and variable rate borrowings to strike a balance.
- Centralized Treasury that coordinates Group funding requirements thus ensuring more effective borrowing terms.
- Regularly update cash flow forecasts and make borrowing and settlement decisions accordingly to get the maximum benefits from borrowing portfolio and to understand how changes in interest rates could affect interest payments.
- Centralized cash management system to get the advantage of the total pooling of funds.
- Renegotiate or refinance loans every weekly with the change of Central Bank rates (weekly AWPLR) if better interest rate terms are available and keep track of changes in market interest rates and central bank announcements .

Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings of the Group, primarily in US Dollars (USD), and also in EURO, Singapore Dollars (SGD) and Pound Sterling (GBP) especially with regards to trade related transactions. The imported materials are mainly billed in USD, EURO and SGD. The group treasury division continuously monitors the exchange rate movement of the above currencies.

Effects of Currency Translation

For the consolidated financial statements of the Group, income and expenses and the assets and liabilities of the subsidiaries outside Sri Lanka are converted into Sri Lankan Rupees, Therefore period-to-period changes in average exchange rates may cause currency translation effects for the Group. However, exchange rate translation risk doesn't affect future cash flows. The group equity position reflects changes in book value caused by exchange rates.

Commodity price risk

The Group is affected by the volatility of certain commodities. The volatility in prices of tea, rubber etc. in the auctions would trigger greater uncertainty in the contribution towards Group turnover from the plantation sector.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, resulting in a negative effect towards the Group profitability. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including foreign exchange transactions and other financial instruments.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all credit clients are subject to credit verification procedures who wish to trade on credit. Furthermore, the Group continuously monitors the receivables through the segregation of the duties of controlling the receivables through SBU credit controllers. It is the responsibility of the credit controller to continuously monitor the receivables and the receipts and recoveries are done promptly according to the credit period. Furthermore age analysis is carried out along with monthly provisioning to smooth out the unrecoverable debtor balances across the periods.

With respect to credit risk arising from other financial assets such as short term deposits, cash and cash equivalents, investments, derivative instruments etc., the credit risk exposure arises due to counterparty risk. The Group manages its operations to avoid any excessive concentration of counterparty risk and takes every possible step to ensure counterparties fulfill their obligations.

NOTES TO THE FINANCIAL STATEMENTS

Liquidity Risk

Liquidity risk is the risk that the Group will encounter 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 maintains sufficient leeway's in the short term facilities and structuring new credit lines for short and long term tenors to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Capital Management

Capital includes only the equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and re-structures the capital base time to time in light of changes in economic conditions as per the directives given by the Board of Directors. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital through share buy backs or infuse capital through new share issuance.

The Group monitors capital using indicative leverage ratios preferably through gearing ratio, which is net debt as a percentage of total equity and net debt. The Group includes within net debt, interest bearing loans & borrowings, short term borrowings less Cash & Cash Equivalents, excluding discontinued operations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Group

Year ended 31st March 2025	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28		864,489	1,888,072	2,099,303		4,851,864
Net liability to the lessor	29		2,761	1,267,202	1,599,415	2,476,933	5,346,311
Trade and other payables	34	1,671,407	10,071,799	366,619	8,651	9,673	12,128,149
Customer Deposits	35	1,265,667	3,007,704	4,333,249	1,737,875		10,344,495
Import loans	22			30,061			30,061
Bank overdrafts	22	12,998,145	820,721	2,088	1,830		13,822,784
Other short term borrowings	22		1,588,589	8,330,000			9,918,589
		15,935,219	16,356,063	16,217,292	5,447,073	2,486,606	56,442,253

Year ended 31st March 2024	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	-	802,003	988,261	1,854,804	-	3,645,069
Net liability to the lessor	29	2,998	3,424	938,041	1,212,875	2,240,309	4,397,647
Trade and other payables	34	1,918,120	10,109,864	174,205	106,522	16,107	12,324,818
Customer Deposits	35	1,265,667	3,036,828	4,161,053	1,868,663		10,332,211
Import loans	22		35,061				35,061
Bank overdrafts	22	10,605,617					10,605,617
Other short term borrowings	22	699,766	956,444	9,811,607			11,467,817
		14,492,167	14,943,625	16,073,167	5,042,863	2,256,416	52,808,239

Company

Year ended 31st March 2025	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	-	-	-	-	-	-
Net Liability to the lessor	29	-	-	95,703	130,542	-	226,245
Trade and other payables	34	633,235	-	-	-	-	633,235
Bank Overdrafts	22	5,794,500	-	-	-	-	5,794,500
Short term borrowings	22	-	-	8,330,000	-	-	8,330,000
		6,427,735	-	8,425,703	130,542	-	14,983,980

Year ended 31st March 2024	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	-	-	-	-	-	-
Net Liability to the lessor	29	-	-	75,229	226,245	-	301,476
Trade and other payables	34	219,690	-	-	-	-	219,690
Bank overdrafts	22	3,358,847	-	-	-	-	3,358,847
Other short term borrowings	22	-	-	9,130,000	-	-	9,130,000
		3,578,537	-	9,205,229	226,245	-	13,010,013

Risk Exposure of Arpico Insurance PLC

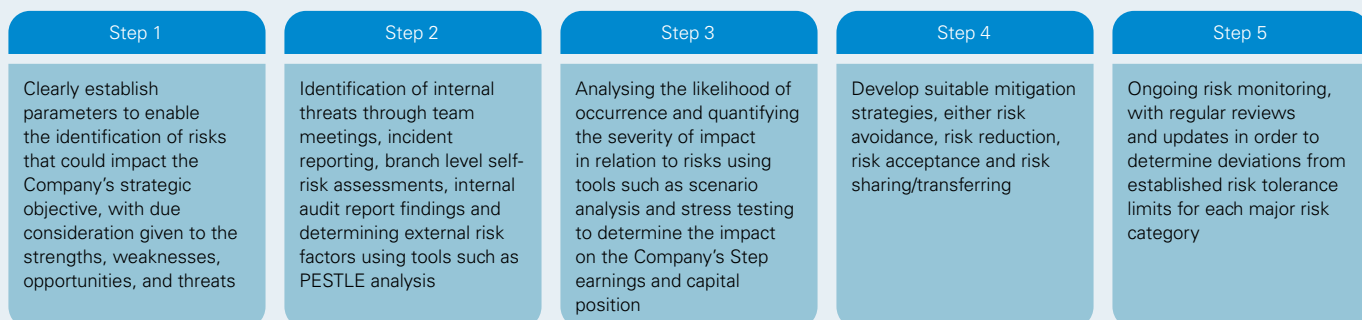
Arpico Insurance PLC is a top life insurance company in Sri Lanka, focused on providing reliable, innovative, and customer-friendly insurance plans. Their goal is to become the most trusted and innovative provider for life insurance needs. They achieve this by offering excellent services through a dedicated and passionate team, using advanced technology, extra features, and unique service options.

As a part of Richard Pieris & Company PLC, a well-known Sri Lankan business with over 90 years of history, Arpico Insurance benefits from financial strength, a good reputation, and loyal customers. The company was started in 2011 and has grown quickly by focusing on quality service, innovation, and honesty. It became publicly listed on the Colombo Stock Exchange in 2015, showing its commitment to good governance.

In 2024, Arpico Insurance reached an important milestone with a profit after Tax of Rs. 200 million. The company has 69 branches across Sri Lanka, making it easy for customers to access their services. More than just an insurance company, Arpico Insurance sees itself as a strong and trustworthy organization that leads the way in Sri Lanka's life insurance industry.

RISK MANAGEMENT PROCESS

This Risk Management Process follows a structured cycle that includes establishing the risk context, identifying potential risk events, analyzing and evaluating risks, assessing their impact, implementing risk mitigation strategies, continuously monitoring and controlling risks, and finally, reporting key risk insights to relevant internal stakeholders to facilitate informed decision-making.



NOTES TO THE FINANCIAL STATEMENTS

This well-defined process operates as a structured pathway, guiding the Company through the intricacies of risk management. It not only assists in the identification of potential risks but also establishes clear linkages between various stages, creating a comprehensive framework. By fostering transparency, this process enables a thorough understanding of the risk landscape, empowering the Company to make informed decisions and implement targeted strategies for risk mitigation. In essence, the methodical nature of this approach reflects the Company’s commitment to not merely reacting to risks, but actively and preemptively managing them with foresight and diligence..

RISK MANAGEMENT OBJECTIVES

We are well aware of the fact that well-defined and clear risk management objectives play a pivotal role in facilitating the implementation of risk strategies. As such, we have identified and laid out a set of clear objectives, which we constantly revisit during our risk management process.

RISKS

The insurance industry has to contend with various industry-specific and generic risks. With the objective of better comprehending risks to manage each risk effectively, we have categorised risks.

Economic risk

- Price-competitiveness from a saturated industry
- Volatile rates, which could carry a negative impact on Life Insurance, due to the increase in the liability of insurance fund.
- Drop in disposable income of consumers due to after effects of economic and energy crisis.

Social risk

- An aging national population
- Political uncertainty

Technological risks

- New cyber security threats to AIP’s database
- Roadblocks in digital transformations

Legal risks

- Changing regulatory landscape and IFRS17 accounting standard implementation.
- Complexities in compliance requirements

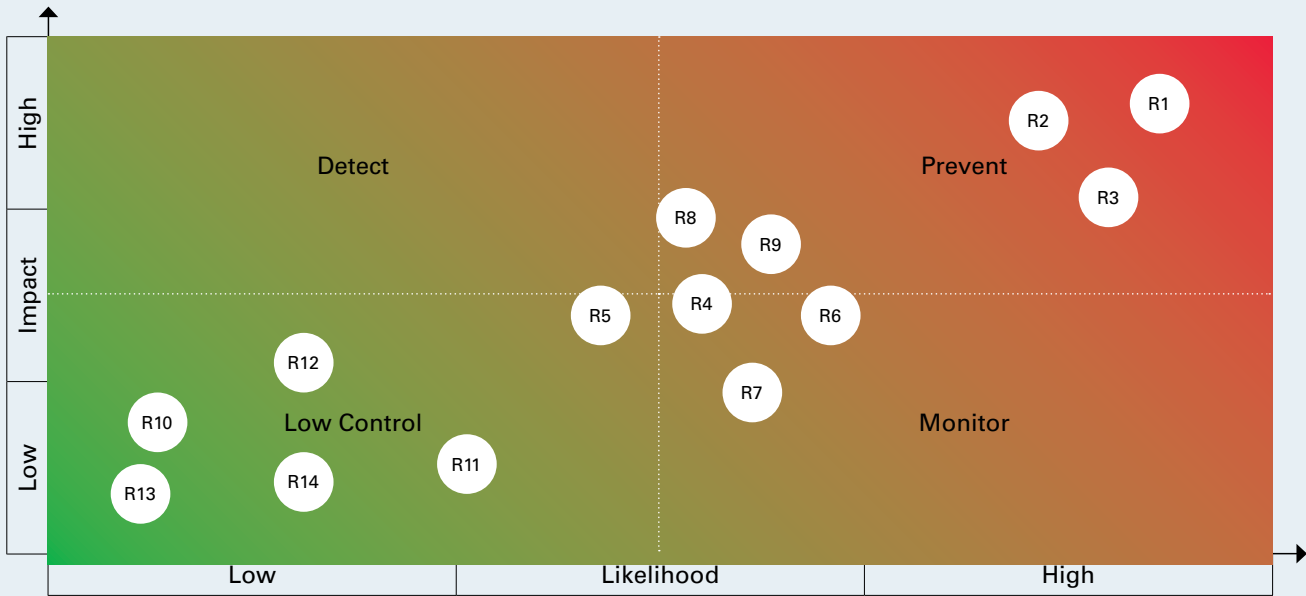
Environmental risks

- Increasing climate volatilities
- Vulnerabilities as an island nation from weather extremities

Arpico Insurance further breaks down the above categories to broader categories in order to prioritise risks and effectively address each risk accordingly. These broader risk categories go hand in hand with our risk prioritization process.



RISK MAP



RISK PRIORITISATION PROCESS

	Description	Overall Risk Score	Mitigating Actions
R3	Claims Risk Insufficient provisioning of reserves to support reported claims	HIGH	<ul style="list-style-type: none"> Prudent claim provisioning practices Continuous monitoring of actual claim trends Review of significant claims under the expertise of the Claims Panel
R4	Insurance Market Risk Failure to adapt to changing market dynamics	MODERATE	<ul style="list-style-type: none"> Frequent discussions with global reinsurance partners to monitor global trends Invest in digital technology to deliver innovative products and seamless convenience to the policyholder
Financial Risks			
R5	Liquidity Risk Lack of adequate liquidity to support continuity of day-to-day operations and meet contractual obligations	MODERATE	<ul style="list-style-type: none"> Maintaining a healthy mix of short, medium and long term investments Regularly review the Company's cash flows and liquidity position Strict guidelines to build liquidity buffers to meet insurance claims and other contractual obligations Special clauses incorporated in reinsurance contracts to account for instances when claims exceed provisional values

NOTES TO THE FINANCIAL STATEMENTS

		Description	Overall Risk Score	Mitigating Actions
R6	Credit Risk	Financial stress owing to counterparties failing to meet their obligations towards the Company	HIGH	<ul style="list-style-type: none"> • Credit risk evaluation of counterparties in line with established investment guidelines • Expert teams to carry out credit evaluations • Strict policy mandating corporate debt investments with counterparties with a proven track record including BB+ and above issuer rating • Monitoring credit risk exposure with regard to investment counterparties • Regularly review the Company's cash flows and liquidity position • Strict guidelines to build liquidity buffers to meet insurance claims and other contractual obligations • Special clauses incorporated in reinsurance contracts to account for instances when claims exceed provisional values
R7	Investment Risk	Weak investor confidence owing to economic conditions influencing investment returns	MODERATE	<ul style="list-style-type: none"> • Maintaining a healthy mix of short, medium and long term investments • Continuous monitoring of the investment climate in the country
Operational Risks				
R8	Fraud Risk	Potential for misappropriation of financial or non-financial resources, including claims	MODERATE	<ul style="list-style-type: none"> • Strict internal controls to prevent fraud • Ongoing risk assessment to determine areas for fraud potential within departments and branches • Code of conduct setting out behaviors and consequences of misconduct • Fraud awareness and training • Whistleblower procedure for reporting of fraud coupled with an independent investigation and appropriate disciplinary measures
R9	Information and cyber security risk	Potential for unauthorized access to the Company's IT systems and possible threat to network and data security leading to the loss of confidential data	MODERATE	<ul style="list-style-type: none"> • Comprehensive cyber security policy • Secure network connections across the branch network • Vulnerability assessment and penetration testing to safeguard security posture • Awareness and training on data security • Comprehensive access control mechanism to prevent unauthorized access
R10	Health and Safety	Business disruption caused by employee ill health	LOW	<ul style="list-style-type: none"> • Compliance with fire safety regulations • Safety awareness training • Health insurance coverage
R11	Premises Risk	Damage to physical infrastructure owing to unforeseen events including extreme climate related disasters	LOW	<ul style="list-style-type: none"> • Comprehensive insurance coverage for all physical infrastructure • Comprehensive BCP framework, including designated Crisis Management Team • Robust cloud-based DR infrastructure for critical operations
R12	Legal Risk	Potential adverse impact owing to litigation	LOW	<ul style="list-style-type: none"> • Strong in-house legal expertise • Hiring if external consultants as needed

		Description	Overall Risk Score	Mitigating Actions
Strategic Risks				
R14	Regulatory Risk / Compliance Risk	Adverse impacts owing to the failure to comply with regulatory requirements	LOW	<ul style="list-style-type: none"> Board oversight for compliance Attendance of industry forums and other workshops by the Board and senior management to keep abreast of the latest regulatory developments Annual review and update of policies and procedures undertaken by Board committees to capture changes in regulatory requirements Internal audit program to detect and address compliance gaps
R13	Reputation Risk	Damage to the Company's reputation and brand image owing to the inability to meet stakeholder deliverables	LOW	<ul style="list-style-type: none"> Robust stakeholder engagement process Strong conduct and ethics supported by Code of Conduct setting out appropriate behaviors and expectations from employees Tone from the top by the Board of Directors Internal grievance process for employees Whistleblower process

Key Priorities for 2025

- Strengthen underwriting processes; continuously review pricing strategies.
- Build financial stability; adjust to economic changes.
- Strengthen liquidity planning; ensure financial stability.
- Implement dynamic interest rate management strategies.
- Proactively manage regulatory changes; build strong regulatory relationships.
- Improve compliance infrastructure; promote a culture of compliance.
- Enhance investment management practices; focus on risk-adjusted returns.
- Upgrade technology infrastructure; ensure resilience and recovery capabilities.
- Build resilience to major events; improve crisis management plans.
- Enhance legal risk management; focus on proactive legal strategies
- Stay responsive to market changes; continuously engage with customers.
- Focus on maintaining a positive reputation; strengthen stakeholder relationships.
- Focus on fraud prevention; improve detection and response capabilities.

Risk Exposure of Richard Pieris Finance Limited

Credit risk

Credit risk arises principally from the Company's loans and advances to customers/other Companies and investments in debt securities. Credit risk constitutes the Company's largest risk exposure category. This can be broadly categorized into three types; default, concentration and settlement risk.

Default risk

Default risk is the risk of the potential financial loss resulting from the failure of customer or counterparty to meet its debt or contractual obligations and arises principally from the company's loans and advances to customers.

Concentration risk

Concentration risk is the credit exposure being concentrated as a result of excessive buildup of exposure to a single counterparty, industry, product, geographical location or insufficient diversification.

Settlement risk

Settlement risk is the risk of loss arising from trading/investment activities when there is a mutual undertaking to deliver on a progressive basis.

NOTES TO THE FINANCIAL STATEMENTS

The following table shows the maximum exposure to credit risk by class of financial asset. It further shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

Exposure to credit risk of finance companies of the Group

As at 31 March 2025	Maximum exposure to credit risk Rs.'000	Net Exposure Rs.'000
Cash and bank balances	872,148	872,148
Investments in fixed deposits/Repo	856,038	856,038
Lease Receivable at Amortized Cost	5,894,841	-
Loans and Receivables at Amortized Cost	8,710,941	513,465
Financial investments - at Fair Value through OCI	845,317	845,317
Total financial assets	17,179,285	3,086,968

Credit quality by class of financial assets of finance companies of the Group

As at 31 March 2025	Neither past due nor impaired Rs.'000	Past due but not impaired Rs.'000	Individually impaired Rs.'000	Total Rs.'000
Assets				
Cash and bank balances	872,148	-	-	872,148
Investments in Fixed Deposits/Unit Trust	856,038	-	-	856,038
Lease Receivable at Amortized Cost	2,486,799	4,279,231	-	6,766,030
HP Receivable at Amortized Cost	-	2,602	-	2,602
Loans and Receivables at Amortized Cost	3,927,427	5,497,497	-	9,424,924
Financial investments - at Fair Value through OCI	845,317	-	-	845,317
Collective impairment provision	-	-	-	(1,587,774)
Total financial assets	8,987,728	9,779,331	-	17,179,285

Aging Analysis of past due (i.e. facilities in arrears of 1 day and above) but not impaired loans, by class of financial assets.

	Past due but not impaired				Total Rs.'000
	Less than 31 days Rs.'000	31 to 60 days Rs.'000	61 to 90 days Rs.'000	More than 90 days Rs.'000	
Lease Receivable at Amortized Cost	3,567,713	318,392	342,275	50,851	4,279,231
HP Receivable at Amortized Cost	-	-	-	2,602	2,602
Loans and Receivables at Amortized Cost	3,629,784	650,042	1,069,903	147,768	5,497,497
	7,197,498	968,434	1,412,178	201,222	9,779,331

Liquidity risk and funding management

In the context of a financial institution liquidity risk arises primarily due to mismatches in the maturity profile of assets and liabilities. Liquidity risk for a financial institution can take two forms; transactions liquidity, a property of assets or markets, and funding liquidity, which is more closely related to creditworthiness.

Transaction liquidity risk is the risk of moving the price of an asset adversely in the act of buying or selling it. Company's transaction liquidity risk is low if assets can be liquidated without moving the price too much.

Funding liquidity risk means the Company's inability to finance assets continuously at an acceptable borrowing rate. Funding liquidity risk generally arises when creditors either withdraw credit or change the terms on which it is granted in such a way they are no longer profitable. Funding liquidity risk would increase if the Company's credit quality is perceived to be deteriorating and the financial conditions as a whole is deteriorating.

The company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles, including periods of financial stress. To achieve this objective the company regularly analyses and monitors liquidity positions and, maintain an adequate margin of safety in liquid assets.

Interest rate risk

Interest rate risk is a key constitute of the market risk exposure of the finance companies due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

Due to the nature of operations of the companies, the impact of interest rate risk is mainly on the earnings of the company rather than the market value of portfolios. Several factors give rise to interest rate risk; among these are term structure risk, which arises due to the mismatches in the maturities of assets and liabilities; basis risk which is the threat to income arising due to differences in the bases of interest rates.

Excessive movements in market interest rate could result in severe volatility to companies' net interest income and net interest margin. Companies' exposure to interest rate risk is primarily associated with factors such as;

Reprising risk arising from a fixed rate borrowing portfolio where reprising frequency is different to that of the lending portfolio. Yield curve risk arising from unanticipated shifts of the market yield curve.

Interest rate risk is managed principally through minimizing interest rate sensitive asset liability gaps. In order to ensure interest rate margin and spreads are maintained, the companies conducts periodic reviews and re-prices its assets accordingly.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the companies' net interest income.

Net Interest Income (NII) sensitivity by interest rate change

Parallel Increase / Decrease of Basis Points (bps)	2025	
	+/- 100 bps	+/- 200 bps
Impact on NII (Rs.'000)	8,003	16,006
	(8,003)	(16,006)

NOTES TO THE FINANCIAL STATEMENTS

Interest rate risk exposure on financial assets and liabilities

The table below analyses the companies' interest rate risk exposure on financial assets & liabilities. The companies' assets & liabilities are included at carrying amount and categorized by the earlier of contractual reprising or maturity dates.

Company	Up to 03 Months	03-12 Months	01-03 Years	03-05 Years	Over 05 Years	Non Interest Bearing	Total as at 31/03/2025
As at 31st March 2025	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets							
Cash and bank balances	-	-	-	-	-	872,148	872,148
Investments in fixed deposits	-	856,038	-	-	-	-	856,038
Lease Receivable at Amortized Cost	1,857,952	1,510,932	2,790,259	606,888	-	-	6,766,030
HP Receivable at Amortized Cost	2,602	-	-	-	-	-	2,602
Loans and Receivables at Amortized Cost	5,153,583	1,668,134	1,417,970	686,476	498,761	-	9,424,924
Financial investments - at Fair Value through OCI	575,434	267,342	2,541	-	-	-	845,317
Other Financial Assets	-	-	-	-	-	408,964	408,964
Total Financial Assets	7,589,571	4,302,447	4,210,769	1,293,364	498,761	1,281,112	19,176,023
Financial Liabilities							
Bank Overdraft	335,788	-	-	-	-	-	335,788
Due to Customers	4,273,371	4,533,249	1,683,499	54,376	-	-	10,544,495
Debt Issued and Other Borrowed Funds	851,988	1,666,648	2,055,167	51,000	-	-	4,624,803
Other Payables	-	-	-	-	-	934,538	934,538
Total Financial Liabilities	5,461,147	6,199,897	3,738,666	105,376	-	934,538	16,439,623
Interest Sensitivity Gap	2,128,424	(1,897,451)	472,104	1,187,989	498,761	346,574	2,736,400

38. Events After the Reporting Date

There have been no material events occurring after the reporting date that require adjustments or disclosures in the Financial Statements.

39 Related Party Disclosures**39.1 Amount due from/to related parties - Subsidiaries**

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Amounts receivable as at 31 March	-	-	5,379,466	5,825,547
Amounts payable as at 31 March	-	-	129,736	573,351

39.2 Transaction with related parties - Subsidiaries

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Allocation of common personnel and administration expenses	-	-	704,274	657,769
Rendering of services	-	-	120,365	108,120
Rent income	-	-	309,211	312,635
Royalty income	-	-	657,965	591,601
Corporate expenses	-	-	-	35,897
Interest income	-	-	60,954	91,191
Post employment benefit plan				
Contribution to the provident fund	235,993	219,615	170,763	162,041

39.3 Associates

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Amounts receivable as at 31 March	141,543	58,299	-	-
Sale of goods/services	2,691,961	2,811,273	-	-

39.4 Terms and conditions

Outstanding balances at the year end are unsecured, and not interest bearing. Interest is charged based on the purpose for which funds are used.

All the related party transactions were made on terms equivalent to those that prevail in line with the standard commercial terms.

Non recurrent related party transactions

There were no non recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and code of best practices on related party transactions under the Security Exchange Commission directive issued under section 13(c) of the Security Exchange Commission Act.

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 31st March 2025 audited financial statements, which required additional disclosures in 2024/25 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and code of best practices on related party transactions under the Security Exchange Commission directive issued under section 13(c) of the Security Exchange Commission Act.

39.5 Off Balance Sheet Items

Guarantees given by the Company to Banks on behalf of related parties are disclosed in Note 28.1 (Interest bearing borrowings) to the Financial Statements.

39.6 Transactions with key management personnel of the company or its parent

The Key Management Personnel include members of the Board of Directors of Richard Pieris and Company PLC.

a) Key management personnel compensation

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Short-term employee benefits	796,729	812,892	721,941	742,241

b) Other transactions with key management personnel

Richard Pieris and Company carries out transactions with Key Management Personnel (KMPs) and their close family members on an arm's length basis except any concessions which have been availed under concessionary schemes uniformly applicable to all staff. This is mainly evident in the Arpico sales outlets island wide.

39.7 Other related party disclosures

- (a) Rentals amounting to Rs. 33.5 Mn were paid by the Group to a related parties of a key management personnel.
- (b) Fees amounting to Rs. 64.7 Mn were paid by the Group to entities in which a key management personnel is a Director.
- (c) Fees amounting to Rs. 128.6 Mn were paid by the Group to a related party of a key management personnel.

SHARE INFORMATION

The Ordinary Shares of the Company are listed in the Colombo Stock Exchange.

As at the financial year ended 31st March 2025

Distribution of Shareholders

Range of shareholding		No. of share holders as at 31.03.2025	No. of shares	% of Shareholding	No. of share holders as at 31.03.2024	No. of shares	% of Shareholding
1	1,000	4,740	1,434,509	0.07%	4,957	1,558,897	0.08%
1,001	10,000	2,203	8,418,070	0.41%	2,505	9,842,872	0.48%
10,001	100,000	680	21,220,005	1.04%	815	25,108,518	1.23%
100,001	1,000,000	178	58,571,389	2.88%	206	65,597,770	3.22%
1,000,001	& above	46	1,945,394,302	95.60%	48	1,932,930,218	94.98%
		7,847	2,035,038,275	100.00%	8,531	2,035,038,275	100.00%

Composition of Shareholders

Category	No. of share holders as at 31.03.2025	No. of shares	% of Shareholding	No. of share holders as at 31.03.2024	No. of shares	% of Shareholding
Institutional Investors	274	1,772,706,625	87.11%	326	1,761,678,955	86.57%
Individual Investors	7,573	262,331,650	12.89%	8,205	273,359,320	13.43%
Total	7,847	2,035,038,275	100.00%	8,531	2,035,038,275	100%
Resident shareholders	7,768	439,780,699	21.61%	8,441	807,897,233	39.70%
Non-resident shareholders	79	1,595,257,576	78.39%	90	1,227,141,042	60.30%
Total	7,847	2,035,038,275	100.00%	8,531	2,035,038,275	100.00%

The percentage of shares held by the public as at 31st March 2025 was 40.34% represented by 7,840 public shareholders. (Public shareholding as at 31st March 2024 was 40.87% represented by 8,525 public shareholders).

	31.03.2025	31.03.2024
Float - Adjusted Market Capitalization (Rs.000)	20,798,779	17,050,588

The Company complies with option 1 of the Listing rules 7.13.1 (a) - Rs 10Bn - Float Adjusted Market capitalization which requires 500 minimum public shareholders and no minimum Public shareholding percentage.

Market Activity

	31.03.2025	Date	31.03.2024	Date
Highest Price (Rs.)	28.6	30-Jan-25	24.8	2-Aug-23
Lowest Price (Rs.)	18.6	8-Aug-24	17.0	1-Jun-23
Year End Price (Rs.)	25.3	31-Mar-25	20.5	31-Mar-24
No of Transactions	12,018		12,400	
No of shares traded	71,595,658		65,249,805	
Share turnover (Rs.)	1,598,778,495		1,432,352,989	

Major Shareholders

Name of the Shareholder	As at 31.03.2025	%	As at 31.03.2024	%
1 Skyworld Overseas Holdings Limited	516,388,590	25.37%	516,388,590	25.37%
2 Camille Consulting Corp.	366,930,569	18.03%	356,010,102	17.49%
3 Deutsche Bank AG Singapore A/C 2 (DCS CLT ACC)	224,124,298	11.01%	224,224,298	11.02%
4 Sezeka Limited	216,054,245	10.62%	205,895,581	10.12%
5 Employees Provident Fund	169,899,520	8.35%	169,899,520	8.35%
6 Rockport Limited	122,906,560	6.04%	119,602,571	5.88%
7 Dr. Sena Yaddehige	106,567,150	5.24%	106,567,150	5.24%
8 Investment Resources Company (Private) Limited	41,300,155	2.03%	25,309,408	1.24%
9 Dhanasiri Recreation (Pvt) Ltd.	34,009,920	1.67%	34,009,920	1.67%
10 The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.12%	22,782,045	1.12%
11 Kalday (Pvt) Ltd.	12,126,030	0.60%	12,126,030	0.60%
12 Employees Trust Fund Board	8,966,141	0.44%	9,471,620	0.47%
13 Mr. P.M. Rutnam	8,268,834	0.41%	8,586,500	0.42%
14 Mr. D.W.R. Rutnam	7,000,000	0.34%	7,000,000	0.34%
15 Ms. J.F. Rutnam	7,000,000	0.34%	7,000,000	0.34%
16 Dr. C.M. Fernando	6,660,570	0.33%	6,660,570	0.33%
17 Sri Lanka Insurance Corporation Ltd - Life Fund	6,275,000	0.31%	6,275,000	0.31%
18 Citibank Hong Kong S/A Hostplus Pooled	6,083,033	0.30%	6,806,381	0.33%
19 SSBT- Sunsuper Pty. Ltd. As Trustee For Sunsuper	4,917,616	0.24%	5,950,161	0.29%
20 MS. H.A. Wijerama	4,257,917	0.21%	4,257,917	0.21%
	1,892,518,193	93.00%	1,854,823,364	91.14%

Directors Shareholding

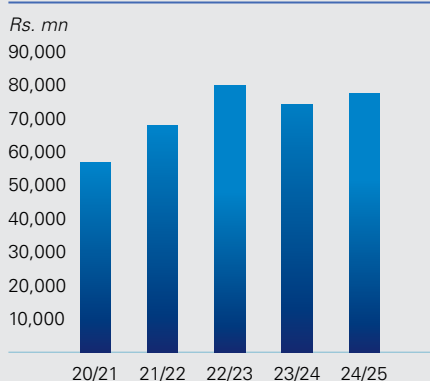
Name of the Director	No. of shares as at 31st March 2025	No. of shares as at 31st March 2024
1 Dr. Sena Yaddehige	106,567,150	106,567,150
2 Mr. W J V P Perera	3,499	4,500
3 Mr. Shaminda Yaddehige	-	-
4 Dr. Jayatissa De Costa P.C.	-	-
5 Mr. Prasanna Fernando	-	-
6 Mr. Joseph Felix Fernandopulle	107,623	107,623
7 Mr. Shiron Gooneratne	-	-
8 Mr. Wasantha Rukmal Abeysirigunawardena - Director (Resigned w.e.f 30-09-2024)	-	-
9 Mr. H M L P B Hennayake (Appointed w.e.f 01-01-2025)	10	-
10 Mr. Udeni Kusumsiri Samararatne (Appointed w.e.f 01-01-2025)	-	-

Ratios

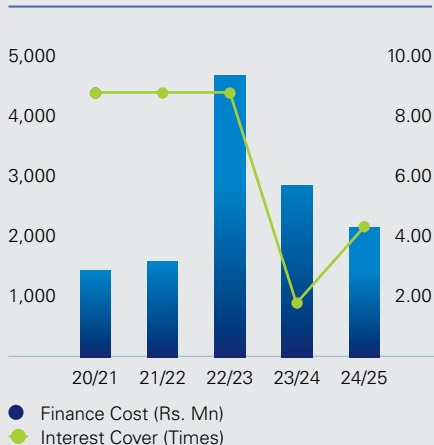
	31.03.2025	31.03.2024
Debt/Equity Ratio	0.87	0.85
Quick Asset Ratio	0.81	0.80
Interest Cover	4.27	1.77

TEN YEAR SUMMARY

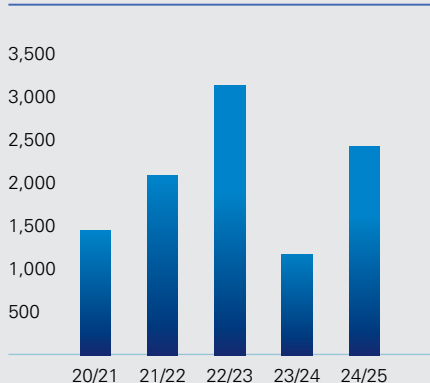
Turnover Composition (Rs. Mn)



Interest Cover



Tax Expense (Rs. Mn)



	2024/25 Rs. '000	2023/24 Rs. '000	2022/23 Rs. '000
TRADING RESULTS			
Revenue	76,965,282	73,859,225	79,193,785
Profit from operations	7,735,202	3,817,296	11,718,875
Finance cost	(2,138,262)	(2,830,115)	(4,669,624)
Finance income	1,268,587	1,091,510	2,029,256
Profit from operations after finance cost and finance income	6,865,526	2,078,692	9,078,506
Income from associates before tax	140,309	112,802	265,983
Profit before tax from continuing operations	7,005,835	2,191,494	9,344,489
Income tax expense	(2,403,758)	(1,164,932)	(3,116,789)
Profit for the year from continuing operations	4,602,077	1,026,563	6,227,701
Loss after tax from discontinued operations	(2,143)	(2,830)	(2,113)
Profit for the year	4,599,934	1,023,732	6,225,588
Non controlling interest	812,081	450,860	1,246,744
Profit attributable to equity holders of parent	3,787,853	572,872	4,978,844
Gross dividend	2,645,550	1,017,519	1,424,527
BALANCE SHEET			
Assets			
Property, plant and equipment/Leasehold properties	26,676,969	26,784,504	25,908,480
Investment properties	985,716	481,168	374,948
Intangible assets	1,155,042	1,137,044	1,140,983
Right-of-use assets	4,403,208	3,636,175	3,226,699
Biological assets	2,104,636	1,763,300	1,603,306
Investments in associates and other investments	542,552	473,063	438,299
Other non current financial assets	6,788,851	5,441,642	4,525,993
Deferred tax assets	1,462,947	1,179,214	801,981
Current assets	55,979,234	52,021,587	49,478,046
	100,099,154	92,917,697	87,498,735
Equity and liabilities			
Stated Capital	1,972,829	1,972,829	1,972,829
Capital and revenue reserves	22,695,555	22,531,452	23,163,918
Statutory reserve fund/Investment fund reserve	101,174	88,438	88,438
Foreign currency translation	-	-	-
Other components of equity	1,147,640	39,299	(688,350)
Non controlling interest	6,865,042	5,562,018	5,274,162
Term loans payable after one year	2,099,303	1,854,804	1,881,666
Lease liabilities on right-of-use assets	4,076,347	3,453,184	2,870,965
Insurance provision	2,762,501	2,906,873	2,253,798
Deferred income and deferred tax	3,306,032	3,112,676	2,288,281
Provisions and other liabilities	3,277,298	2,757,665	3,115,191
Net liability to the lessor payable after one year	-	-	-
Current liabilities	51,795,432	48,638,458	45,277,835
	100,099,154	92,917,697	87,498,735
RATIOS & OTHER INFORMATION			
Earnings per share (Rs.)	1.86	0.28	2.45
Market value per share (Rs.)	25.30	20.50	20.70
Price earnings ratio (No. of Times)	13.59	73.21	8.45
Net assets per share (Rs.)	12.74	12.10	12.05
Return on equity (%)	14.99	2.33	21.02
Dividend per share (Rs.)	1.30	0.50	0.70
Dividend cover (No. of Times)	1.43	0.56	3.50
Interest cover (No. of Times)	4.28	1.77	4.4
Current ratio (No. of Times)	1.08	1.07	1.09
Gearing ratio (%)	46.61	46.03	45.59

* All figures are based on Sri Lanka Accounting Standards.

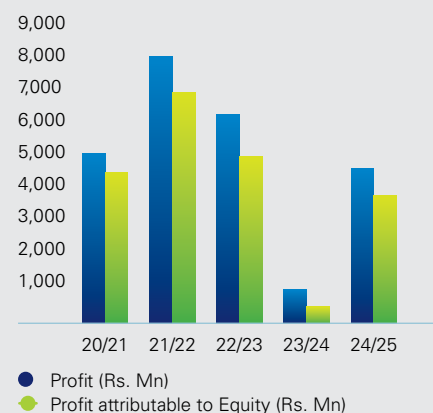
2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
67,668,112	56,725,189	54,239,710	55,045,358	52,972,873	49,149,395	43,018,502
10,751,231	7,205,591	4,306,099	4,879,021	5,396,771	5,290,459	3,955,303
(1,589,284)	(1,432,021)	(2,329,271)	(2,109,249)	(1,291,017)	(955,768)	(826,092)
625,232	609,794	501,850	556,240	515,641	383,695	233,759
9,787,178	6,383,364	2,478,678	3,326,012	4,621,395	4,718,386	3,362,970
248,844	116,893	89,409	27,580	10,157	83,028	35,944
10,036,022	6,500,257	2,568,087	3,353,592	4,631,552	4,801,414	3,398,914
(2,071,861)	(1,430,780)	(1,270,135)	(1,006,764)	(1,549,776)	(1,237,426)	(1,137,461)
7,964,162	5,069,477	1,297,952	2,346,828	3,081,776	3,563,988	2,261,453
(1,963)	(3,515)	(7,366)	(4,561)	(4,380)	(5,018)	(3,536)
7,962,199	5,065,962	1,290,586	2,342,267	3,077,396	3,558,970	2,257,917
1,075,512	575,701	147,385	332,699	390,416	388,875	110,232
6,886,687	4,490,261	1,143,201	2,009,568	2,686,980	3,170,095	2,147,685
1,221,023	2,035,038	-	1,729,783	2,238,542	1,221,023	1,017,519

24,080,131	20,631,673	20,207,370	20,209,899	20,673,193	17,635,423	16,491,231
322,010	295,121	295,246	236,253	216,623	166,709	165,209
1,143,970	1,142,658	1,142,431	1,155,155	1,166,434	1,140,835	1,147,321
3,744,356	4,974,188	5,559,343	1,293,525	-	-	-
1,449,731	1,301,177	1,138,269	1,026,885	951,252	865,762	824,557
351,442	227,534	189,407	149,087	125,562	117,278	241,302
4,176,443	2,470,448	1,983,494	2,316,579	1,741,475	1,683,037	1,112,049
458,154	458,976	500,010	433,396	91,901	75,918	109,937
49,211,728	40,755,607	36,402,312	37,999,390	31,020,053	28,244,173	23,593,348
84,937,975	72,257,382	67,417,882	64,820,169	55,986,493	49,929,135	43,684,954

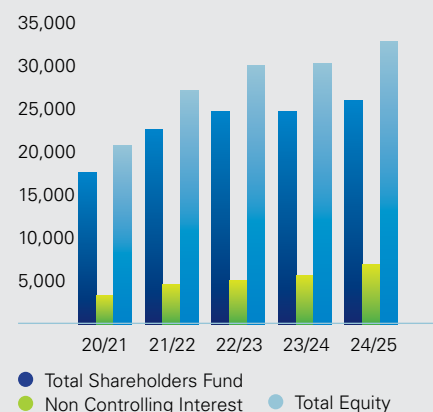
1,972,829	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829
21,144,163	15,418,372	12,642,969	11,245,314	11,136,984	10,807,381	8,786,806
89,282	76,761	76,761	76,606	60,204	46,024	23,190
-	-	-	-	-	-	-
(426,584)	(76,996)	(213,606)	(10,142)	109,388	104,969	89,903
4,358,124	3,315,356	2,878,055	2,837,869	2,612,630	2,614,195	2,412,573
4,291,740	4,061,498	4,244,760	5,876,070	5,070,978	6,924,988	6,272,108
3,483,170	3,851,542	4,335,773.63	562,035.00	-	-	-
1,960,776	2,097,233	1,622,089	1,391,506	1,154,177	814,633	501,933
1,495,312	1,328,005	1,457,854	1,501,810	1,393,635	1,027,096	938,493
2,656,557	2,840,874	3,048,365	2,966,656	2,816,141	2,543,376	2,545,350
-	-	-	-	571,393	583,654	595,444
43,855,454	37,371,904	35,352,032	36,399,616	29,088,134	22,489,990	19,546,325
84,880,822	72,257,382	67,417,882	64,820,169	55,986,493	49,929,135	43,684,954

3.38	2.21	0.56	0.99	1.32	1.56	1.05
13.30	16.80	7.80	9.20	12.80	8.30	7.20
3.93	7.60	13.92	9.29	9.69	5.32	6.86
11.22	28.18	7.11	6.53	6.53	6.35	5.34
34.24	8.55	8.24	15.13	20.50	26.64	20.67
0.60	1.00	-	0.85	1.10	0.60	0.50
5.64	2.21	-	1.16	1.20	2.60	2.11
11.15	8.76	2.36	3.14	6.96	9.25	6.68
1.12	1.09	1.03	1.04	1.07	1.26	1.21
31.20	38.15	49.55	55.15	49.05	45.03	41.55

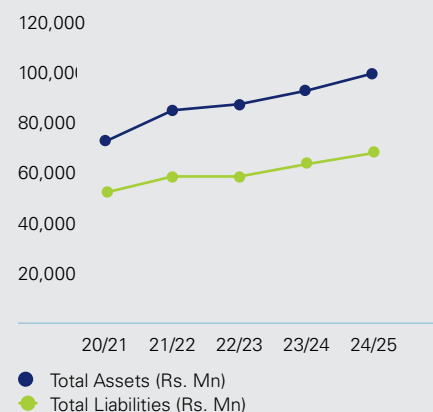
Profit After Tax



Equity



Assets & Liabilities



GROUP REAL ESTATE PORTFOLIO

Freehold Land & Buildings

Owning Company	Location	Land in Perches	Building in (Sq. Ft)	No. of Buildings	Total Amount (Mn)	Value Per Perch (Rs)	Value Per Sq. Ft (Rs)
Richard Pieris & Company PLC	Hyde Park Corner	881	85,000	2	18,300	20,000,000	8,000
	Union Place	233			58,188	25,000,000	
	Maharagama	1,773	289,509	10	5,012	2,500,000	2,000
	Mulleriyawa	192			86	450,000	
	Kundasale/Pallekele	109			44	400,000	
	Pelwatte	100			250	2,500,000	
	Arachchikattuwa	1,600			40	25,000	
	Dampe	12,782			3,195	250,000	
	Ratnapura	20.36	2448.85	1	31	1,200,000	2,800
	Kollupitiya	6			113	18,000,000	
	Thalangama	24			91	3,800,000	
	Ja Ela	124			62	500,000	
	Biyagama	214.66			129	600,000	
	Colombo	5.6			78	14,000,000	
	Navinna	24.78	1603.63	1	59	2,000,000	6,000
	Kandy	38.5			17	450,000	
	Yakkaduwa	115.8			14	120,000	
Wellaboda	20		1	28	600,000		
Kirillawala	100.7			257	2,550,000		
RPC Real Estate Development Company (Pvt) Limited	Kandy	162	52,500	1	1,271	7,000,000	2,600
Arpico Industrial Development Company (Pvt) Limited	Mattegoda	1,112	149,700	1	781	500,000	1,500
	Siyambalagoda	467	57,130	1	313	450,000	1,800
Richard Pieris Distributors Limited	Maharagama	237	28,726	1	429	6,250	5,000
	Moratuwa	85	-	-	102	1,200,000	
	Matara	362	38,000	1	628	1,000,000	7,000
	Panadura	-	18,800	1	113	6,000	
RPC Retail Development (Pvt) Limited	Negambo	226	47,542	1	631	1,700,000	5,200
	Kadawatha	99	21,850	1	496	3,800,000	5,500
	Wattala	101			202	2,000,000	
	Kelaniya	102			92	900,000	
Arpimalls Development (Pvt) Limited	Dehiwala	166	44,616	1	818	3,800,000	4,200
	Battaramulla	124	67,134	1	947	7,500,000	4,000
Plastishells Limited	Mattegoda	340	45,825	2	143	150,000	2,000
	Dambulla	284	12,494	1	47	100,000	1,500
Arpitech (Pvt) Limited	Horethuduwa	488			195	400,000	
	Kudamaduwa	104			36	350,000	
	Mattegoda	514			334	650,000	
Richard Pieris Exports PLC	Ja-Ela	640	73,190	5	434	450,000	2,000
Micro Minerals (Pvt) Limited	Bandaragama	320	16,800	1	82	150,000	2,000
Richard Pieris Tyre Company Limited	Kurunegala	413	22,566	1	103	150,000	1,800
Arpidag International (Pvt) Limited	Maharagama	80	10,040	1	145	1,500,000	2,500
RPC Plantation Management Services (Pvt) Limited	Panadura	270			593	2,200,000	
Richard Pieris Finance Ltd	Chillaw 1	7			34	4,750,000	
	Chilaw 2	76	17,487	2	312	2,500,000	13,000
	Chilaw 3	30			36	1,200,000	-
	Chilaw - Bazzar Street	10	2,600	1	98	4,750,000	19,000
RPC Properties (Pvt) Limited	Mattegoda	1,047			785	750,000	
	Maskeliya	7629			122	16,000	
	Kiribathgoda	113			59	520,000	
	Boraluwewa	1,623	46,360		130	20,000	2,100
	Kiribathgoda 2	28			34	1,200,000	
	Orient Premises	529	83,930		990	760,000	7,000
	Ahungalla	145			98	675,000	
	Matara	109.1			196	1,800,000	

Owning Company		Land in Hec	Building in (Sq.Ft)
(A) Leasehold Land of Plantations			
Maskeliya Plantations PLC		10,561	7,112,890
Kegalle Plantations PLC		9,757	3,507,810
Namunukula Plantations PLC		11,779	4,585,874
	Location	Land in Per	Building in (Sq.Ft)
(B) Leasehold Land of other subsidiaries			
Plastishells Limited	Koggala	160	4,027
	Pallekale	160	4,211
Arpitech (Pvt) Limited	Matara	342	92,979
	Polgahawela	-	189,733
	Orient Premises		38,900
RPC Polymers (Pvt) Limited	Horana	1,312	77,436
Arpitalian Compact Soles (Pvt) Limited	Biyagama	246	30,955
Richard Pieris Natural Foams (Pvt) Limited	Biyagama	1,502	126,508
Richard Pieris Tyre Company Limited	Pallekale	252	34,936
	Weligama	432	9,030
	Polonnaruwa	540	27,185
BGN Industrial Tyre (Pvt) Limited	Horana	320	21,668
Richard Pieris Distributors Limited	Kegalle	215	60,900
	Minuwangoda	140	43,102
	Katugastota	266	57,800
	Kochchikade	90	25,764
	Kurunegala	139	99,680
	Kundasale	140	-
	Thalawathugoda	100	25,364

GROUP REAL ESTATE PORTFOLIO

Owning Company	Location	Land Value	Building value	Total value	Level 1	Level 2	Level 3
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Richard Pieris & Company PLC	Hyde Park Corner	17,620,000	680,000	18,300,000	-	-	18,300,000
	Union Place	5,818,750	-	5,818,750	-	-	5,818,750
	Maharagama	4,432,500	579,018	5,011,518	-	-	5,011,518
	Mulleriyawa	86,269	-	86,269	-	-	86,269
	Kundasale	43,540	-	43,540	-	-	43,540
	Pelwatte	250,000	-	250,000	-	-	250,000
	Arachchikattuwa	40,000	-	40,000	-	-	40,000
	Dampe	3,195,435	-	3,195,435	-	-	3,195,435
	Ratnapura	24,432	6,857	31,289	-	-	31,289
	Kollupitiya	112,860	-	112,860	-	-	112,860
	Thalangama	91,200	-	91,200	-	-	91,200
	Ja Ela	61,850	-	61,850	-	-	61,850
	Biyagama	128,796	-	128,796	-	-	128,796
	Colombo	78,400	-	78,400	-	-	78,400
	Navinna	49,560	9,622	59,182	-	-	59,182
	Kandy	17,325	-	17,325	-	-	17,325
	Yakkaduwa	13,896	-	13,896	-	-	13,896
Kirillawala	256,785	-	256,785	-	-	256,785	
Wellaboda	12,000	16,000	28,000	-	-	28,000	
RPC Real Estate Development Company (Pvt) Limited	Kandy	1,134,000	136,500	1,270,500	-	-	1,270,500
Arpico Industrial Development Company (Pvt) Limited	Mattegoda	556,000	224,550	780,550	-	-	780,550
	Siyambalagoda	210,182	102,834	313,016	-	-	313,016
Richard Pieris Distributors Limited	Maharagama	285,825	143,630	429,455	-	-	429,455
	Moratuwa	102,000	-	102,000	-	-	102,000
	Matara	362,000	266,000	628,000	-	-	628,000
	Panadura	-	112,800	112,800	-	-	112,800
RPC Retail Development (Pvt) Limited	Negambo	383,350	247,218	630,568	-	-	630,568
	Kadawatha	376,200	120,175	496,375	-	-	496,375
	Wattala	202,000	-	202,000	-	-	202,000
	Kelaniya	91,800	-	91,800	-	-	91,800
Arpimalls Development (Pvt) Limited	Dehiwala	630,800	187,387	818,187	-	-	818,187
	Battaramulla	678,400	268,536	946,936	-	-	946,936
Plastishells Limited	Mattegoda	51,000	91,650	142,650	-	-	142,650
	Dambulla	28,400	18,741	47,141	-	-	47,141
Arpitech (Pvt) Limited	Horethuduwa	195,200	-	195,200	-	-	195,200
	Kudamaduwa	36,400	-	36,400	-	-	36,400
	Mattegoda	334,100	-	334,100	-	-	334,100
Richard Pieris Exports PLC	Ja-Ela	288,000	146,380	434,380	-	-	434,380
Micro Minerals (Pvt) Limited	Bandaragama	48,000	33,600	81,600	-	-	81,600
Richard Pieris Tyre Company Limited	Kurunegala	61,950	40,619	102,569	-	-	102,569
Arpidag International (Pvt) Limited	Maharagama	120,000	25,100	145,100	-	-	145,100
RPC Plantation Management Services (Pvt) Limited	Panadura	593,384	-	593,384	-	-	593,384
Richard Pieris Finance Ltd	Chillaw 1	190,000	122,409	312,409	-	-	312,409
	Chilaw 2	36,000	26,110	62,110	-	-	62,110
	Chilaw 3	34,153	-	34,153	-	-	34,153
	Chilaw - Bazaar Street	48,688	-	48,688	-	-	48,688
RPC Properties (Pvt) Limited	Mattegoda	785,250	-	785,250	-	-	785,250
	Maskeliya	122,064	-	122,064	-	-	122,064
	Kiribathgoda	58,942	-	58,942	-	-	58,942
	Boraluwewa	32,460	-	32,460	-	-	32,460
	Kiribathgoda 2	33,600	-	33,600	-	-	33,600
	Orient Premises	402,040	587,510	989,550	-	-	989,550
	Ahungalla	97,875	-	97,875	-	-	97,875
	Matara	196,380	-	196,380	-	-	196,380

GLOSSARY OF FINANCIAL TERMS

A

Associate Company:

An entity over which the investor has significant influence.

AWPLR

Average Prime Lending Rate published periodically by the Central Bank of Sri Lanka.

C

Current Ratio:

Current assets divided by current liabilities. A measure of short term liquidity.

D

Debt to Equity Ratio:

Total interest bearing borrowings as a percentage of shareholder's funds and non-controlling interest.

Deferred Taxation:

Sum set aside for tax in the financial statements that will become payable in a financial year other than the current financial year.

Diluted Earnings Per Share (DPS):

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for the effects of all dilutive potential ordinary shares.

Dividend Cover:

Profit attributable to ordinary shareholders divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

Dividend per Share:

Gross dividend divided by the number of ordinary shares in issue as at the balance sheet date.

Dividend Payout:

Dividends paid or declared during the period as a proportion of company earnings for the period.

Dividend Yield:

Gross dividend per share as a percentage of the year end market price per share. A measure of return on shareholders' investment.

E

Earnings Per Share (EPS)

Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

Earnings Yield:

Earnings per share as a percentage of the year end market price per share. A measure of return on shareholders' investment.

EBITDA

Earnings before interest, tax, depreciation & amortisation.

Effective Tax Rate:

Tax expenses divided by profit before tax.

G

Gearing Ratio:

Proportion of net interest bearing liabilities to total capital employed.

Gross Dividend:

Portion of profits inclusive of tax withheld, distributed to shareholders during the year.

I

Interest Cover:

Profit before finance cost & tax (PBIT) divided by net finance cost. Measure of entity's debt service ability.

Investment Property:

Property held to earn rentals or for capital appreciation or both, rather than for;

- Use in the production, supply of goods or services or for administrative purposes.
- Sale in the ordinary course of business

M

Market Capitalization:

Number of shares in issue at the end of the period multiplied by the market price at the end of the period

N

Net Assets

Total assets after deducting current liabilities, long term liabilities & non-controlling interests

Net Assets per Share:

Total Equity less the Minority interest divided by total number of ordinary shares outstanding as at the balance sheet date. A basis of relative share valuation

NSA

Net Sales Average

Average sale price obtained (over a period of time, for a kilo of produce) after deductions such as brokerage, etc.

GLOSSARY OF FINANCIAL TERMS

Non-Controlling Interest:

The equity in a subsidiary not attributable directly or indirectly, to a parent

P

PBIT

Profit before interest & tax inclusive of other operating income

Price Earnings Ratio:

Market price of a share divided by earnings per share as reported at that date. A key multiple for relative share valuation.

Price to Book Value:

Market price of a share divided by net assets per share. A key multiple for relative share valuation.

Public Shareholding:

Shares of a listed entity held by any person other than those directly or indirectly held by;

- a) Its parent, subsidiary or associate companies or any subsidiaries or associates of its parent company; and
- b) Its directors who are holding office as directors of the entity, their spouses and children under 18 years of age; and
- c) Chief Executive Officer, his/her spouse and children under 18 years of age; and
- d) Any single shareholder who holds 10% or more of the shares.

R

Related Parties:

Parties or Entities that is related to the entity that is preparing its financial statements.

Return on Total Capital Employed:

Profit before finance cost & tax (PBIT) divided by average total capital employed for the period.

Return on Equity:

Profit attributable to equity holders of the parent expressed as a percentage of average ordinary shareholders' fund for the period.

Revenue Reserves:

Reserves considered as being available for distributions.

S

Segmental Analysis:

Analysis of financial information to segments of an enterprise specifically, the different industries and the different geographical areas in which it operates.

Shareholders' Fund:

Stated capital plus revenue reserves and other components of equity.

Stated Capital:

The total of all amounts received by the entity or due and payable to the entity by shareholders in respect of the issue of shares and calls on shares.

Subsidiary Company:

An entity that is controlled by another entity.

T

Total Capital Employed:

Total equity plus net interest bearing borrowings

V

Value Addition:

The quantum of wealth generated by the activities of the Group measured as the differences between net revenue (including other income) and the cost of materials and services bought in.

W

Working Capital Investment:

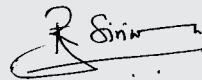
Capital required for financing the day-to-day operations computed as current assets exclusive of liquid funds and interest earning financial receivables less operating liabilities.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Eighty - Sixth Annual General Meeting of Richard Pieris & Company PLC will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 26th September, 2025 at 3.00 p.m. and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.
2. To approve the appointment of Dr. Sena Yaddehige as a Director
Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Joseph Felix Fernandopulle of No.28A, Police Park Avenue, Colombo 05, a shareholder of the Company.
"That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "
3. To approve the appointment of Dr. Henry Jayatissa De Costa as a Director
Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Kalinga Perera of 54/4, Ananda Balika Mawatha, Pitakotte, Kotte, a shareholder of the Company.
"That Dr. Henry Jayatissa De Costa of No. 496/3, Havelock Road, Colombo 06, who is 83 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Henry Jayatissa De Costa "
4. To approve the appointment of Mr. Viville P Perera as a Director
Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Adrian Oswald of No. 32, St. Sebastian Road, Galwetiya, Wattala, a shareholder of the Company.
"That Mr. Viville P Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya who is 77 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Mr. Viville P Perera"
5. To approve the appointment of Mr. J F Fernandopulle as a Director
Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Nilantha Randeniya of No. 201/1/A, Wattegedera Lane, Wattegedera, Maharagama , a shareholder of the Company.
"That Mr. Felix Fernandopulle of 28A, Police Park Avenue, Colombo 05 who is 71 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Mr. Felix Fernandopulle "
6. To re-elect Mr. Shaminda Yaddehige , who retires by rotation in terms of Article 85 at the Annual General Meeting, a Director
7. To elect Mr. Udeni Samararatne , who retires in terms of Article 91 at the Annual General Meeting, a Director
8. To elect Mr. Pamuditha Hennayake , who retires in terms of Article 91 at the Annual General Meeting, a Director
9. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.
10. To authorize the Directors to determine contributions to charities
11. To consider any other business of which due notice has been given.

By Order of the Board



Richard Pieris Group Services (Private) Limited
Secretaries

No. 310, High Level Road, Nawinna, Maharagama
28th August 2025

Note:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
- b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report
- c) The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

FORM OF PROXY

I/We* (in block letters)
 of being
 a member / members of the RICHARD PIERIS & COMPANY PLC, hereby appoint
 of

whom failing DR. SENAYADDEHIGE whom failing VIVILLE PRAXIDUS PERERA whom failing SHAMINDA YADDEHIGE whom failing DR. JAYATISSA DE COSTA whom failing PRASANNA INNOCENT FERNANDO whom failing FELIX FERNANDOPULLE whom failing SHIRON GOONERATNE whom failing UDENI SAMARARATNE whom failing PAMUDITHA HENNAYAKE * as my/our proxy to represent me/us and to vote on my/our behalf at the 86TH ANNUAL GENERAL MEETING of the Company to be held on 26th September 2025 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Jayatissa De Costa at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Mr. Viville Perera at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Mr. Felix Fernandopulle at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr. Shaminda Yaddehige who retires by rotation in terms of Article 85 at the Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
7. To elect Mr. Udeni Samararatne who retires in terms of Article 91 at the Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
8. To elect Mr. Pamuditha Hennayake who retires in terms of Article 91 at the Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
9. To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
10. To authorize the Directors to determine contributions to charities	<input type="checkbox"/>	<input type="checkbox"/>
11. To consider any other business of which due notice has been given	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2025

.....
 Signature of shareholder

Notes:

- (i) Please delete the inappropriate words
- (ii) A proxy need not be a member of the Company.
- (iii) Instructions as to completion appear on the reverse of this form.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not later than 3.00 p. m. on Wednesday, 24th September 2025

In perfecting the Form of Proxy, please ensure that all details are legible.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

This Form of Proxy shall in the case of an individual be signed by the appointer or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney 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.

CORPORATE INFORMATION

Name of the Company

Richard Pieris and Company PLC

Legal Form

A quoted public Company with limited liability, incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 on 11th May 1940. The Company registration number is PQ 138.

Stock Exchange Listing

The Ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka.

Board of Directors

Dr. SenaYaddehige- Chairman/ Managing Director/CEO

Mr. W. J. Viville P. Perera - Director

Mr. ShamindaYaddehige - Director/COO

Dr. Jayatissa De Costa P.C. - Director

Mr. Prasanna Fernando - Director

Mr. Joseph Felix Fernandopulle - Director

Mr. Shiron Gooneratne - Director

Mr. Wasantha Rukmal Abeysirigunawardena - Director

(Resigned w.e.f 30-09-2024)

Mr. Udeni Samararatne

(Appointed w.e.f 01-01-2025)

Mr. Pamuditha Hennyake

(Appointed w.e.f 01-01-2025)

Head/Registered Office

No. 310, High Level Road,

Nawinna, Maharagama,

Sri Lanka.

Telephone : + (94) 114310500

Fax : + (94) 114310777

Website : www.arpico.com

E-mail : cpu@arpico.com

Secretaries

Richard Pieris Group Services (Private) Limited

No. 310, High Level Road,

Nawinna, Maharagama,

Sri Lanka.

Auditors

Ernst & Young

Chartered Accountants

Rotunda Towers, 109, Galle Road,

P.O. Box 101,

Colombo 03,

Sri Lanka.

Bankers

Bank of Ceylon

Cargills Bank

Commercial Bank of Ceylon

Deutsche Bank of Ceylon

DFCC Bank

Hatton National Bank

HDFC Bank

Hongkong and Shanghai Banking Corporation

Indian Bank

Indian Overseas Bank

Muslim Commercial Bank Limited

National Development Bank

NationsTrust Bank

Pan Asia Banking Corporation

People's Bank

Regional Development Bank

Sampath Bank

Seylan Bank

SDB Bank

State Bank of India

Union Bank of Colombo

Legal Advisors

Nithya Partners

Attorneys-at-Law,

No.97A, Galle Road, Colombo 03,

Sri Lanka.

Heritage Partners

No. 04, Malalasekara Place, Colombo 07.



Richard Pieris & Company PLC

No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.

Telephone : + (94) 114310500 Fax : + (94) 114310777

Website : www.arpico.com