TOUCHING LIVES
SINCE 1932

ARPICO

RICHARD PIERIS & COMPANY PLC
ANNUAL REPORT 2025/2026

A Braille version of 2nd Integrated Annual Report is available upon request.

Please feel free to contact us to request a viewing of the Braille version of our 2nd integrated annual report. We are committed to ensuring accessibility for all individuals, and we will do our best to accommodate your needs. Please reach out to Finance Division of Richard Pieris & Company PLC for assistance in accessing the Braille version of our report.

* Terms and conditions apply *

Tel: 94114310500

SINCE 1932

YEARS

TOUCHING LIVES

Ninety-four years is more than a measure of time; it is a story of shared growth. As generations have changed and aspirations have evolved, Richard Pieris has grown alongside the people it serves, adapting to new challenges while remaining a trusted presence in their lives. This enduring journey reflects our commitment to creating opportunities, delivering lasting value, and enriching lives today while laying the foundation for a stronger tomorrow. After 94 years, our greatest achievement remains the people whose lives we have had the privilege to touch.

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"During the year, the Group recorded revenue of Rs. 79.1 billion and profit before tax of Rs. 6.4 billion, reflecting the resilience of our businesses and our continued commitment to delivering value to our shareholders".

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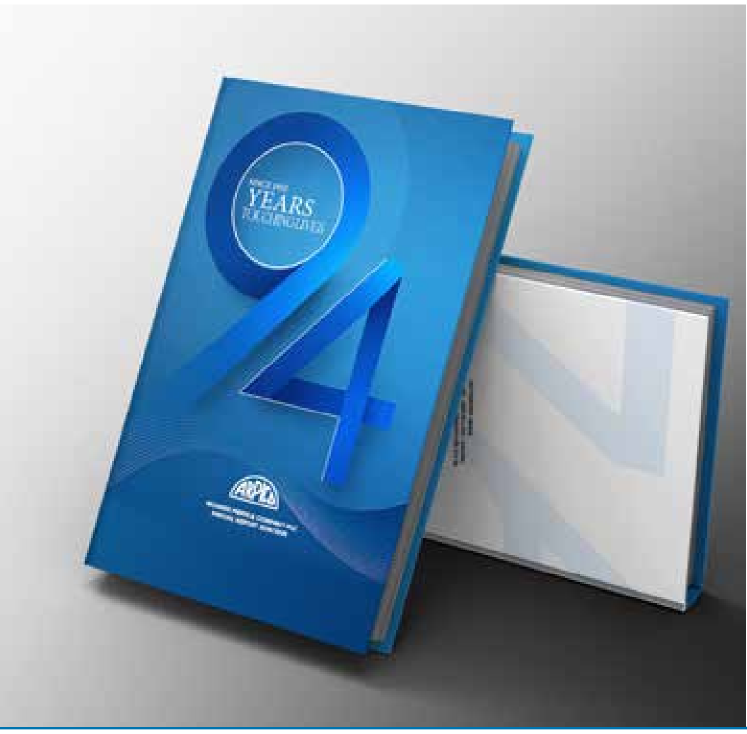
Scan to access the interactive digital version of the Annual Report.



ABOUT THE REPORT

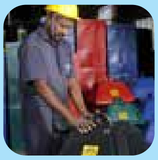
Richard Pieris & Company PLC is proud to unveil its Annual Report for the financial year 2025/26. This report is an embodiment of our commitment to delivering sustainable value through innovation, operational excellence, and responsible practices. We strive to present a comprehensive view of our performance, 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 2025 to 31st March 2026. 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

Integrated Reporting Approach

Aligned with the principles of the International Integrated Reporting Framework <IR>, 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
- SLFRS S1 & S2 Standards

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:** The second time 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.

44% from Group Revenue (25/26)

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 one of the largest Tea/Rubber producers in the country. Our brand of St. Clair's Tea is popular both internationally and domestically.

19% from Group Revenue (25/26)

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.

08% from Group Revenue (25/26)

TYRE SECTOR

Our Tyre sector has built up a reputation as one of the highest-quality and most reliable tyre brand 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.

06% from Group Revenue (25/26)

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, 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.

17% from Group Revenue (25/26)

FINANCIAL SERVICES AND OTHER SECTOR

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.

06% from Group Revenue (25/26)

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 - 2026

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 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 94 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

1932

1932 - Company Founded

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

1940

1940s - Transitioned into a Limited Liability

Company Expanded operations to manufacturing rubber and plastic products.

1970

1970s - Expansion into Retail and Manufacturing

Launched Arpico retail concept and expanded rubber-based manufacturing.

1980

1980s - Entry into Export Market

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

1983

1983 - Expansion Natural Forms

RPNF manufactures natural latex mattresses and foam products using plantation-sourced latex, modern facilities and recognised certifications, earning numerous export awards.

1990

1990s - Merger 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).

2002

2002 - Leadership Change

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

2002

2002 - Retail Expansion

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

2004

2004 - Acquires the Plantation Companies

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

2010

2010 - Sustainability & Certification

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

2011

2011 - 2015 - Entry into Insurance and Financial Services

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

2017

2017 - Merger of Richard Pieris Finance & Chilaw Finance

Expanded financial service operations.

2018

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.

2025

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.

CHAIRMAN'S MESSAGE

During the year, the Group recorded revenue of Rs. 79.1 billion and profit before tax of Rs. 6.4 billion, reflecting the resilience of our businesses and our continued commitment to delivering value to our shareholders.

Dear Shareholders,
It gives me pleasure to present the Annual Report and Audited Financial Statements of Richard Pieris and Company PLC for the year ended 31 March 2026.

During the year, the Group recorded revenue of Rs. 79.1 billion and profit before tax of Rs. 6.4 billion, reflecting the resilience of our businesses and our continued commitment to delivering value to our shareholders.

Despite global economic uncertainties and external challenges, the Richard Pieris Group continued to play an important role in Sri Lanka's manufacturing sector, operating 51 factories and serving customers in Sri Lanka and more than 30 countries worldwide.

The Plantation Sector continued to deliver results despite lower tea prices, adverse weather conditions and higher wages. Productivity remained above industry levels, reflecting our continued focus on efficiency and operational performance.

In the Retail Sector, particularly through Arpico Super Centres, we continued to offer a broad range of products while maintaining our position as a leading retail destination. Rising electricity costs and other margin pressures are being addressed through initiatives focused on improving efficiency and supporting sustainable long-term performance.

Continued confidence in the Arpico brand has supported growth in our Mattress and Hardware businesses. Both sectors have expanded their market presence during the year, with initiatives underway to further strengthen our position in Sri Lanka and develop opportunities in overseas markets.

As a diversified Group employing more than 17,000 people across multiple sectors, we recognise our responsibility to balance business performance with our commitments to our people, the environment and the communities in which we operate.

Looking ahead to FY 2026/27, global and local uncertainties will continue to present challenges. Nevertheless, we remain focused on strengthening our businesses, improving operational efficiency and pursuing measured and sustainable growth. Our objective remains clear: to build a resilient Group and create long-term value for our shareholders.

I extend my sincere appreciation to our customers, shareholders, business partners and suppliers for their continued support. I also thank my fellow Board members and employees for their commitment and valuable contribution throughout the year.

Dr. Sena Yaddehige
Chairman

25 August 2026
Colombo

CORPORATE STRUCTURE

1. RUBBER SECTOR

RICHARD PIERIS EXPORTS PLC

Business Activity	Manufacture and export of rubber mats and sealing rings
Dr. Sena Yaddehige	Chairman/CEO
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. W R Abeysirigunawardena	Director
Dr. L M K Tillekeratne	Director
Mr. L C Wijayasinghe	Director
Dr. Lawrence Perera	Director
Mr. Vijitha Liyanage	Director
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 Yaddehige	Chairman
Mr. Fabio Piccolo	Director
Mr. W R Abeysirigunawardena	Director
Mr. Rohan Nishantha Yaddehige	Director
Mr. L C Wijayasinghe	Director
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 Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W R Abeysirigunawardena	Director
Mr. W J V P Perera	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 Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 90,000,000 represented by 9,000,000shares
Group Holding	84.93%
Location	310, High Level Road, Nawinna, Maharagama

MICRO MINERALS (PRIVATE) LIMITED

Business Activity	Manufacture of rubber fillers
Dr. Sena Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
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 Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director
Mr. Sudheera Epitakumbura	Director (Appointed W.E.F 01.10.2025)
Stated Capital	Rs. 50,000,000 represented by 4,000,000shares
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 Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director
Mr. Milan Madugalle	Director (Appointed W.E.F. 23.09.2025)
Stated Capital	Rs. 58,650,000 represented by 459,999shares
Group Holding	51.00%
Location	310, High Level Road, Nawinna, Maharagama

RICHARD PIERIS RUBBER COMPOUNDS LIMITED

Business Activity	Mixing rubber compounds
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Milan Madugalle	Director (Appointed W.E.F 23.09.2025)
Stated Capital	Rs. 17,000,000 represented by 1,700,000shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

BGN INDUSTRIAL TYRE (PRIVATE) LIMITED

Business Activity	Manufacturing of Industrial Tyre
Mr. Shaminda Yaddehige	Director
Mr. B G Nandana	Director
Mr. Shiron Gooneratne	Director
Mr. Sunimal Fernando	Director
Mr. Sudheera Epitakumbura	Alternate Director to Mr. Shaminda Yaddehige
Mr. Sumith Ranwatta	Alternate Director to Mr. Sunimal Fernando
Mr. Milan Madugalle	Director
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
Mr. Dinusha Perera	Director (Appointed W.E.F. 09.06.2025)
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. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. Milan Madugalle	Director
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
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. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. L C Wijayasinghe	Director
Mr. Milan Madugalle	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

CORPORATE STRUCTURE

4. RETAIL SECTOR

RICHARD PIERIS DISTRIBUTORS LIMITED

Business Activity	Managing & operating a chain of retail network
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director/Alternate Director to Dr. Sena Yaddehige
Mr. W J V P Perera	Director
Mr. Nalin Ranasinghe	Director
Ms. Nauchalie Yaddehige	Director (Appointed W.E.F. 02.02.2026)
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 3,000,002shares
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 4,000,000shares
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
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
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
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 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

MASKELIYA PLANTATIONS PLC	
Business Activity	Tea Plantations
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Dr. Sarath Samaraweera	Director
Mr. Lasantha Wickremasinghe	Director
Mr. Adrian Perera	Director
Mr. Sudheera Epitakumbura	Director (Appointed W.E.F.15.10.2025)
Stated Capital	Rs. 673,720,950 represented by 53,953,490shares
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. Lakshman Abeysekara	Director
Mr. Lakshman Rodrigo	Director (Appointed W.E.F. 16.04.2025)
Mr. Dinusha Perera	Director (Appointed W.E.F. 15.10.2025)
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
Stated Capital	Rs. 10,000,000 represented by 1,000,000shares
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
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 (Ceased to be a director W.E.F 15.07.2025)
Mr. Shaminda Yaddehige	Director
Mr. S G D Amerasinghe	Director
Mr. Ranil Goonethilleke	Director
Mrs. C S Perera	Director - Government nominee (Resigned W.E.F 24.03.2026)
Mr. Bandara Rekogama	Director (Appointed W.E.F. 16.07.2025)
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
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

CORPORATE STRUCTURE

6. SERVICES

RICHARD PIERIS GROUP SERVICES (PRIVATE) LIMITED

Business Activity	Provides Company secretarial services
Dr. Sena Yaddehige	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 Yaddehige	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
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 Yaddehige	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 Yaddehige	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 Yaddehige	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 Yaddehige	Chairman
Mr.Shiron Gooneratne	Director
Mr. Athula Herath	Director
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 Yaddehige	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. Milan Madugalle	Director
Mr. Bashaka Gunatilaka	Director (Resigned W.E.F 10.03.2026)
Mr. M J Benedict	Director (Appointed W.E.F 19.03.2026)
Stated Capital	Rs. 195,500,000 represented by 19,550,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama

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. Mahesh Amarasinghe	Director
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	Director
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
Mr. Shiron Gooneratne	Director
Mr. Kelum Senanayake	Director (Resigned W.E.F 31.12.2025)
Mr. Yudhishtran Kanagasabai	Director
Mr. Rohan Muttiah	Director
Mr. Naresh Tillekeratne	Director (Appointed W.E.F 30.03.2026)
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
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. R Gunawardana	Director
Mr. S K Kalansuriya	Director
Mr. R P Buultjens	Director
Mr. R Amarapala	Director
Mr. T P Perera	Director (Appointed W.E.F 30.05.2025)
Stated Capital	Rs. 3,315,830,712 represented by 264,166,404 shares
Group Holding	100%
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
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

CORPORATE STRUCTURE

RICHARD PIERIS TRADING CO. PTE LIMITED	
Business Activity	General wholesale trade (Including General Importers and Exporters)
Mr. Milan Madugalle	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 and resilience of Richard Pieris & Company PLC have always been built on the strength of our people. Since our establishment in 1932, our employees have been instrumental in shaping the Group's growth into one of Sri Lanka's largest and most diversified conglomerates. Their dedication, expertise, and unwavering commitment continue to drive our operations, support our customers, and contribute to the sustainable success of the Group.

As at 31 March 2026, the Group employed over 17,363 individuals across a diverse portfolio of businesses and geographic locations, including seven publicly listed companies. Our workforce represents a wide range of backgrounds, experiences, cultures, and perspectives, united by a shared commitment to excellence, integrity, and continuous improvement.

At Richard Pieris, we believe that our employees are our most valuable asset. We are committed to fostering a workplace where individuals feel respected, supported, and empowered to achieve their full potential. By promoting inclusivity, collaboration, employee well-being, and continuous learning, we strive to create an environment where our people can thrive both professionally and personally.

Our approach to employee well-being, engagement, and development reflects our commitment to creating meaningful employment opportunities, supporting employee development, safeguarding workplace well-being, and cultivating a positive organizational culture. These efforts contribute not only to the success of our business but also to the well-being of our employees, their families, and the communities in which we operate.

Total Employees	
2025/26	2024/25
17,363	17,656

Employees By Gender	
Male	Female
9,804	7,559

Employees by Age		Employees by Experience	
Age	No. of Employees	Years	No. of Employees
Less than 30 years	3,019	Less than 5	7,505
30 to 50	9,992	5 to 15	4,430
More than 50 years	4,352	More than 15	5,428

	Number of Male employees	Number of Female employees	Number of employees by age		
			<30 years	30 to 50	>50 years
Executive	787	199	213	585	188
Non Executive	9,017	7,360	2,806	9,407	4,164

Number of Employees Categorized by Years of Experience			
	Less than 5	5 to 15	More than 15
Executive	633	274	79
Non Executive	6,872	4,156	5,349

Valuing Our People

A motivated and engaged workforce is fundamental to sustaining our leadership across industries and delivering long-term value to stakeholders. We are committed to creating a work environment where employees feel valued, appreciated, and empowered to contribute meaningfully to organizational success.

Our employee value proposition is built upon principles of fairness, respect, transparency, and opportunity. We strive to ensure that every employee has access to a supportive workplace, open communication channels, and opportunities for growth and development. Through performance recognition, constructive feedback, and continuous engagement, we encourage employees to perform at their best while fostering a culture of accountability and collaboration.

We believe that strong relationships between employees and management are essential for organizational success. Accordingly, we maintain an open and inclusive culture that promotes mutual trust, encourages dialogue, and supports the free exchange of ideas across all levels of the organization.

By nurturing a workplace where individuals are respected and supported, we create a strong foundation for employee engagement, productivity, and long-term organizational success.

Diversity, Equity and Inclusion

The diversity of our workforce is one of our greatest strengths. As a conglomerate operating across multiple sectors and regions, we benefit from the unique perspectives, experiences, and talents of employees from diverse backgrounds.

We are committed to fostering a workplace culture that embraces diversity, promotes inclusion, and provides equal opportunities for all. Our Equal Opportunity and Diversity & Inclusion policies guide employment practices across recruitment, promotion, training, remuneration, and career development, ensuring decisions are based solely on merit, competence, and performance.

We maintain a zero-tolerance approach towards discrimination, harassment, and unfair treatment in any form. Every employee is entitled to work in an environment characterized by dignity, respect, and equal opportunity. We continuously strive to

OUR PEOPLE

cultivate an inclusive workplace where differences are valued and where all employees feel a sense of belonging.

The diversity of our workforce extends across religions, ethnicities, age groups, educational backgrounds, and professional experiences. This diversity strengthens collaboration, promotes innovation, and enhances our ability to understand and serve the varied needs of our customers and stakeholders.

By embracing diversity and fostering inclusion, we create a stronger, more resilient organization capable of adapting to changing business and societal expectations.

Employee Engagement and Relations

At Richard Pieris, we recognize that employee engagement is essential to building a high-performing and motivated workforce. We actively encourage open communication and constructive dialogue across all levels of the organization to foster trust, transparency, and mutual respect.

Our open-door culture enables employees to engage directly with supervisors and management, facilitating timely communication, feedback, and problem resolution. Through regular interactions, team discussions, and employee engagement initiatives, we provide opportunities for employees to share ideas, voice concerns, and contribute to organizational improvement.

Employee feedback plays an important role in strengthening workplace practices and enhancing the employee experience. We are committed to maintaining a work environment where individuals feel heard, respected, and empowered to participate in shaping the future of the organization.

Our Sports Club continues to play a significant role in promoting employee interaction and team spirit across the Group. Sporting events, recreational activities, and social gatherings provide opportunities for employees from different business sectors and locations to connect, collaborate, and build meaningful relationships beyond the workplace.

These initiatives strengthen camaraderie, encourage teamwork, and contribute to a positive and inclusive organizational culture.

Learning and Development

We view learning as a continuous journey and remain committed to supporting the professional growth and development of our employees. In an increasingly dynamic and competitive business environment, continuous learning is essential to maintaining organizational excellence and preparing employees to meet evolving workplace demands.

The Group provides a broad range of learning and development opportunities designed to enhance technical expertise, operational capabilities, leadership competencies, and professional skills. Training programs are delivered through a combination of internal knowledge-sharing initiatives and partnerships with external training providers, enabling employees to access high-quality learning experiences and industry best practices.

Development opportunities are tailored to the specific needs of individual business sectors and employee groups, ensuring that learning interventions remain relevant and impactful. Employees are encouraged to take ownership of their development journey and actively pursue opportunities to expand their skills and knowledge.

The diversified nature of the Group's operations creates valuable opportunities for employees to gain exposure across different sectors and functions. Internal mobility and cross-functional experiences enable employees to broaden their capabilities, gain new perspectives, and pursue rewarding career pathways within the Group.

Through our continued investment in learning and development, we seek to empower employees to reach their full potential while supporting the long-term success and sustainability of the organization.

Employee Well-being and Welfare

The well-being of our employees remains a key priority and an integral part of our commitment to being a responsible employer. We believe that supporting employee well-being contributes to higher levels of engagement, productivity, and overall quality of life.

To support the health and welfare of our workforce, the Group provides comprehensive medical benefits and access to healthcare services. Our in-house medical facility, which includes Outpatient Department (OPD) services, enables employees to access medical consultations and treatment conveniently. Employees across all levels of the organization are entitled to free medical consultations and medication, reflecting our commitment to equitable access to healthcare and employee support.

Beyond healthcare benefits, we continue to promote a supportive work environment that encourages work-life balance, employee engagement, and personal well-being. Recreational activities, employee gatherings, and wellness-focused initiatives contribute to fostering stronger interpersonal relationships and a positive workplace culture.

We recognize that employee well-being encompasses physical, emotional, and social dimensions. Accordingly, we remain committed to creating a workplace environment that supports the overall welfare and quality of life of our employees and their families.

Occupational Health and Safety

The safety and well-being of our employees are non-negotiable priorities across all areas of our operations. We are committed to maintaining safe and healthy workplaces that protect employees, contractors, visitors, and other stakeholders while supporting operational excellence.

Our occupational health and safety framework is supported by policies, procedures, training programs, and monitoring mechanisms designed to identify, assess, and manage workplace risks effectively. Regular risk assessments are conducted to identify potential hazards and implement appropriate preventive and corrective measures.

Health and safety audits, workplace inspections, and compliance reviews are carried out periodically to evaluate the effectiveness of safety controls and support continuous improvement. These activities help ensure compliance with applicable regulatory requirements while strengthening our safety culture across the Group.

An incident reporting and investigation system is maintained to record workplace accidents, incidents, and near misses. Lessons learned from reported incidents are used to improve safety practices, enhance employee awareness, and prevent recurrence.

Employee education remains a critical component of our safety strategy. Regular training programs are conducted to enhance awareness of workplace hazards, safe work practices, emergency preparedness, and incident response procedures. Fire safety and emergency evacuation drills are conducted periodically to ensure employees are prepared to respond effectively during emergency situations.

We remain committed to fostering a proactive safety culture where every employee shares responsibility for maintaining a safe and healthy working environment.

Innovation and Employee Experience

Innovation continues to play an important role in enhancing operational efficiency and improving employee experience across the Group. We remain committed to leveraging technology and process improvements to create a more connected, efficient, and responsive workplace.

The ongoing use and enhancement of our Human Resource Information System (HRIS) have streamlined key human resource processes, improved data accuracy, strengthened workforce administration, and enhanced access to employee information and services. These digital capabilities support more efficient decision-making and contribute to a better employee experience.

Our operations are further supported by a well-established Code of Conduct and comprehensive human resource policies that guide ethical behaviour, promote fairness, and ensure compliance with applicable laws and regulations. These frameworks help maintain consistency, accountability, and transparency across the Group.

As workplace expectations and technologies continue to evolve, we remain focused on adopting innovative solutions that enhance employee engagement, simplify processes, and support continuous improvement across our operations.

Supporting Sustainability through Our People

Our employees play an important role in advancing the Group's sustainability aspirations and responsible business practices. Through awareness programs, training initiatives, and ongoing communication, we encourage employees to contribute positively towards environmental stewardship, workplace safety, ethical conduct, and social responsibility.

Please scan this to access our official LinkedIn page

As sustainability considerations become increasingly integrated into business decision-making, we continue to strengthen employee awareness of responsible resource use, environmental conservation, and sustainable workplace practices. These efforts contribute to building a culture of responsibility and accountability while supporting the Group's broader sustainability objectives.

By empowering employees to actively participate in sustainability initiatives, we create opportunities for positive impact within our operations and the communities we serve.

Looking Ahead

As we move forward, we remain committed to fostering a workplace where our people feel valued, respected, and empowered to succeed. We will continue to invest in employee well-being, learning and development, workplace safety, and employee engagement while strengthening a culture built on integrity, inclusion, and collaboration.

The continued dedication, resilience, and passion of our employees remain central to the success of Richard Pieris & Company PLC. We extend our sincere appreciation to every member of our workforce for their invaluable contribution to the Group's achievements and look forward to building a stronger and more sustainable future together.

CORPORATE SOCIAL RESPONSIBILITY

Our Commitment to Sustainable Impact

True legacy is measured by the footprint we leave behind. With a proud 94-year history, Richard Pieris & Company PLC continues to balance economic resilience with a deep-rooted commitment to our planet and its people. Today, sustainability is woven intricately into the fabric of our daily operations, guiding our long-term relationships and strategic choices.

As an enduring pioneer in Sri Lanka's business landscape, innovation remains our chosen vehicle for change. This past year marked significant milestones in our decarbonization journey, driven largely by the strategic integration of solar energy solutions across our network. But our vision extends beyond infrastructure. Through transparent, agile engagement with our stakeholders, and fueled by the ingenuity of our people, we continue to discover new opportunities where corporate growth and community prosperity seamlessly align.

Our Customers

At our core, we don't just serve customers— we champion them. Even in navigating a complex global landscape, our focus remains absolute: delivering comfort, value, and forward-thinking innovation. We view our clients as true collaborators, often co-creating solutions that refine production and sharpen delivery.
True progress, however, must be sustainable. By keeping open lines of communication and a sharp focus on eco-efficiency, we are actively shrinking our energy and water footprints.
Earning a Platinum-class green retail building certification is proud proof that commercial ambition and environmental stewardship can thrive together.
Backed by inventive loyalty programs, strategic financial alliances, and tailored promotions, we continue to evolve right alongside the people we serve.

Good Practices and Ethical Operations

Good Agricultural Practices (GAPs): We don't just grow; we pioneer. Our estates strictly align with the Tea Research Institute's blueprint, backed by elite global benchmarks like the Rainforest Alliance, Ethical Tea Partnership, and Fairtrade Labelling Organization to ensure leaf is grown with respect for the planet.

Precision Manufacturing Practices (GMPs): Quality isn't monitored; it's engineered. By embedding rigorous HACCP and ISO 22000 standards directly into our production DNA, we guarantee flawless product integrity and absolute safety from the bush to the final pack.

Conscious Trading: Commerce with a conscience. We are redefining trade through absolute transparency, radical integrity, and mutual respect—forging enduring global alliances rooted in shared prosperity.

Our Employees

We empower one of the Sri Lanka's largest and most diverse private-sector workforce by prioritizing their growth, health, and safety.

- Culture: We foster an inclusive, open-door environment built on transparent communication and mutual respect.
- Growth: Regular training and development programs continuously build employee capabilities.
- Wellbeing: We fulfill our duty of care through robust health and safety standards, comprehensive insurance, and dedicated wellness and nutritional programs—especially across our plantation communities.

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

At Richard Pieris & Company PLC, we believe that the true measure of our success lies in the lives we touch. That is why, year after year, we renew our deeply emotional commitment to the Apeksha Hospital holding hands with them to address the critical, urgent need for blood supplies in our country.

For us, it is not just a calendar event; and it is a profound labor of love. Every drop donated represents a second chance at life, a moment of comfort for a family in pain, and a vital lifeline for patients fighting through essential treatments. Giving back is woven into the very fabric of our identity.

Employees across the Group come together each year with a shared purpose: to offer hope when hope is needed most. Alongside volunteers and healthcare professionals, such participation nurtures compassion, strengthens bonds across the workplace and demonstrates the power of collective action in creating meaningful, lasting change for patients, families and wider communities served by the Group.

CORPORATE SOCIAL RESPONSIBILITY

Book & Bags Donation for Employees' Children

Believing that education is foundational to social equity and national progress, we launched a month-long educational bags and books donation drive in 2026. This initiative supported the children of our executive and below grade employees, easing the rising financial pressures brought on by the current economic climate.

By providing age-appropriate learning materials, the campaign alleviated the burden of back to school expenses while reinforcing our core CSR pillars and employee welfare, inclusive development, and accessible education. This initiative reflects our vision to empower the next generation and support the holistic wellbeing of our workforce. Far beyond a gesture of goodwill, it represents a strategic investment in human capital that strengthens our culture of mutual growth. We know that when our employees thrive, our business and society prosper. Through targeted CSR programs, we continue to fulfill our role as a responsible corporate citizen committed to enhancing lives, uplifting communities, and driving sustainable progress for Sri Lanka.

Standing with Our Communities - Cyclone Ditwah Relief Initiative

On 28 November 2025, Cyclone Ditwah brought widespread devastation to Sri Lanka. Days of intense rainfall and powerful winds caused severe flooding across low lying areas and triggered landslides in the hill country. Homes, farmlands and essential infrastructure suffered extensive damage, while impassable roads left many communities isolated from emergency assistance and vital supplies.

The human impact extended far beyond the physical destruction. Families faced displacement, grief and deep uncertainty, while livelihoods built over generations were disrupted within days. Across affected areas, exhaustion and anxiety were visible, yet courage and solidarity continued to emerge amid the devastation.

Across the Group, the crisis carried deeply personal significance. Concern for employees, families and neighbouring communities quickly translated into action. Relief teams mobilised essential supplies and navigated difficult access conditions to reach communities isolated by blocked roads and floodwaters. Priority was given to areas where immediate assistance remained limited and needs were most urgent.

Beyond the delivery of essential goods, the relief effort carried a powerful message of solidarity and reassurance. Every contribution represented compassion in action and a commitment to stand beside communities during a time of immense hardship. The initiative reflected the Group's enduring responsibility to support recovery, restore hope and help affected families begin the difficult journey towards rebuilding.

Supporting Motherhood Through Care and Inclusion

Within the Group, the meaning of family extends beyond the workplace. The Maternal Support Programme brought colleagues together to support expectant mothers during one of life's most meaningful journeys. The gathering reflected a culture of care, inclusion and shared responsibility, strengthening the sense of belonging across the workforce.

The programme commenced at the Isipathanarama Temple in Navinna with blessings conducted by the Head Monk and three members of the clergy. The chanting of Angulimala Piritha created a calm and reflective setting, offering spiritual comfort and blessings for the expectant mothers and unborn children.

Following the religious observances, a Medical Officer of Health and a nurse conducted an informative session on pregnancy wellness and maternal health. Clear and practical guidance helped address common concerns and offered reassurance, enabling participants to approach the months ahead with greater confidence and peace of mind.

At the close of the gathering, the emotion and gratitude expressed by the expectant mothers highlighted the importance of compassionate support during a deeply personal stage of life. More than an employee engagement activity, the programme demonstrated the Group's commitment to maternal wellbeing, workplace inclusivity and a culture where every employee feels valued, supported and connected.

At ARPICO, we believe that true leadership means sitting beside our people through every major milestone of their lives. We are one family, every step of the way

Inspiring Futures: Creativity for a Cause

Richard Pieris Finance Limited blended corporate responsibility with creative expression by hosting a unique creative program for local orphanages. Beyond providing financial support, our team spent a day engaging with the children through art, crafts, and interactive storytelling. The initiative culminated in a meaningful donation of essential educational supplies, clothing, and daily necessities, ensuring these bright young minds have the tools—and the encouragement—they need to design their own futures.

Empowering Futures through Early Childhood Development

As part of a World Bank-assisted Early Childhood Development (ECD) project, we proudly constructed Child Development Centers (CDCs) for the children of estate workers under plantation sector. These centers provide safe, stimulating environments

CORPORATE SOCIAL RESPONSIBILITY

that offer quality early learning and nurturing support. By fostering holistic development during these crucial formative years, we aim to empower young minds with lifelong skills, ultimately strengthening their families and communities.

Dental & Vision Wellness - Restoring Smiles, Enhancing Health

At the heart of our sustainable growth strategy lies a profound commitment to the communities that sustain us. Our estate workforce is the backbone of our agricultural sector, and safeguarding their health is paramount to our operational resilience and social license to operate. In line with our ongoing social sustainability goals, we successfully conducted a comprehensive Vision and Dental Care Health Camp specifically tailored for our estate community. This initiative sought to bridge the healthcare accessibility gap, ensuring that high quality; specialized medical attention was brought directly to our employees' doorsteps.

Promoting Child Nutrition and Community Well-Being through Estate Initiatives

Our plantation sector 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

Our plantation sector, 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 staffs 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.

Community Engagement & Cultural Harmony
Our plantation sector thrives on the strength of its community. This year, we witnessed a remarkable demonstration of solidarity and shared heritage as estate workers and staff came together in a spirit of unity to celebrate Vesak.

Through a massive collaborative effort spanning multiple estates, employees actively participated in designing and crafting traditional decorations. The initiative culminated in the breathtaking display of more than 1,000 creatively designed Vesak lanterns. Beyond the visual spectacle, the project served as a powerful platform for fostering mutual respect, cultural harmony, and a deep sense of belonging among our diverse workforce, reinforcing our belief that our people are our greatest strength.

Enhancing Industrial Harmony: Plantation Sector Executes Collaborative Katina Pooja
The initiative successfully reinforced employee engagement and community trust, achieving 100% collaborative participation across all labor and staff categories within the estate.

As part of our ongoing commitment to community integration and worker welfare, the Plantation Sector successfully organized and executed the traditional annual Katina Ceremony.

CORPORATE SOCIAL RESPONSIBILITY

Recognizing that spiritual and cultural events are vital to the social fabric of the estate community, management actively collaborated with estate worker committees to plan the logistics, the ceremonial Perahera procession, and the subsequent alms-giving to the Maha Sangha.

By actively participating alongside the workforce in this sacred ritual, the estate management effectively strengthened industrial relations, fostered a culture of mutual respect, and deepened the socio-cultural bond between the organization and its grassroots workforce.

Rooted in Heritage: Honoring Tradition in Our Estates

At the heart of our plantation sector is a vibrant, diverse community whose dedication drives our growth. This year, we proudly celebrated the Thai Pongal festival across our estates, coming together to honor the rich cultural traditions of our Tamil community. More than a festival of harvest, it was a moment of profound gratitude, unity, and shared joy. By fostering an inclusive environment that respects and elevates the cultural heritage of our workforce, we continue to nurture a workplace where every individual feels valued, recognized, and truly at home.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATING ENVIRONMENT

A Year of Economic Recovery and Transition

The financial year 2025/26 was a period of continued recovery and transition for the Sri Lankan economy. Following several years of significant economic challenges, the country continued to move towards greater stability, supported by improving economic conditions, stronger business confidence and gradual recovery in domestic activity.

The operating environment remained challenging in many areas, but it also provided new opportunities for businesses to rebuild, invest and prepare for sustainable growth. The gradual improvement in economic conditions allowed businesses to move their focus from managing immediate pressures towards improving efficiency, strengthening their operations and identifying opportunities for long-term value creation. For Us, the diverse nature of the Group's businesses provided a strong platform to navigate these changing conditions. The Group operates across a range of sectors that are closely connected to the domestic economy, including plantations, manufacturing, retail, services and other financial services activities. The performance of these sectors was influenced by different market conditions, allowing the Group to benefit from opportunities in some areas while managing challenges in others.

The year also reinforced the importance of resilience, agility and disciplined management. Businesses continued to operate in an environment where consumer behaviour was changing, costs remained under pressure, global conditions were uncertain and competition was increasing. Against this backdrop, maintaining strong customer relationships, improving productivity, managing costs and strengthening operational capabilities remained key priorities.

Improving Economic Conditions

Sri Lanka continued to make progress towards economic recovery during the year. Greater macroeconomic stability provided businesses with a more predictable environment in which to plan their operations. The improvement in economic conditions also supported a gradual return of confidence among consumers and businesses. The recovery was reflected in improving domestic economic activity across several sectors. Businesses were increasingly able to plan for the medium and long term, rather than focusing primarily on managing short-term economic pressures. This created opportunities for investment, capacity improvement and business development.

However, the recovery remained gradual and uneven. The effects of the economic difficulties experienced in previous years continued to influence household finances, business costs and consumer purchasing decisions. Many households remained careful about spending and continued to prioritise essential needs. Businesses therefore had to remain sensitive to affordability while ensuring that products and services continued to provide value to customers.

The improving economic environment nevertheless created a more positive foundation for growth. As confidence gradually returned, demand began to improve across selected consumer and business segments. This provided opportunities for companies with strong brands, established market positions and the ability to respond quickly to changing customer needs.

For the Group, the changing economic environment required a balanced approach. The focus remained on protecting the strength of existing businesses while identifying opportunities to improve efficiency, strengthen competitiveness and support sustainable growth.

Changing Consumer Behaviour

Consumer behaviour continued to be an important factor shaping the operating environment. The economic challenges of recent years have changed the way consumers make purchasing decisions. Customers have become more careful about spending and increasingly consider price, quality, durability and overall value when choosing products and services.

Although consumer confidence improved gradually during the year, value-conscious purchasing remained important. Customers continued to look for products that meet their needs at competitive prices. At the same time, there was continued demand for trusted brands and products that offer better quality, reliability and convenience. This changing behaviour created the need for businesses to remain close to their customers. Understanding customer preferences and responding quickly to changes in demand became increasingly important. Businesses also had to review their product ranges, pricing strategies, distribution channels and customer service standards to remain relevant.

The retail environment continued to evolve as consumers increasingly used digital channels to discover products, compare prices and communicate with businesses. While physical stores remained important, digital engagement became a growing part of the customer journey. This shift has created opportunities for businesses to improve customer convenience and reach new market segments. It has also increased competitive pressure, as customers can compare products and alternatives more easily.

For the Group, maintaining strong brands and customer relationships remains an important competitive advantage. At the same time, continued investment in customer experience, technology and efficient distribution will be important to meet the expectations of the modern consumer.

Cost and Supply Chain Pressures

Managing costs remained an important part of the operating environment during the year. Although some of the exceptional cost pressures experienced during the economic crisis eased, businesses continued to face changes in the cost of raw materials, energy, transport, labour and other operating inputs.

Global developments also continued to influence supply chains. Geopolitical tensions, changes in international trade, shipping disruptions and movements in global commodity prices created uncertainty for businesses dependent on imported materials and international markets. These conditions reinforced the importance of effective supply chain management. Businesses increasingly focused on ensuring the availability of essential inputs while managing inventory levels and costs carefully.

Supplier relationships also became more important. Building reliable and diversified supply networks can help reduce the impact of unexpected disruptions. Greater attention to local sourcing and strengthening domestic supply chains can also support resilience.

OPERATING ENVIRONMENT

For manufacturing and consumer businesses, supply chain efficiency is closely linked to customer satisfaction. Product availability, delivery times and consistency of quality can directly influence customer loyalty. Businesses therefore need to manage procurement, production, inventory and distribution as an integrated process.

The Group continued to operate in an environment where cost efficiency and supply chain resilience were essential to maintaining competitiveness. Improving processes, reducing waste and making better use of resources remain important areas of focus.

Technology and Digitalisation

Technology continued to transform the way businesses operate. Digitalisation is increasingly influencing manufacturing, retail, plantation, financial services, customer engagement and internal business processes.

Businesses are using technology to improve efficiency, automate processes, strengthen decision-making and improve customer service. Data is also becoming an increasingly important business resource, helping companies understand customer behaviour and improve operational planning. For retail and consumer-facing businesses, digital platforms provide opportunities to engage directly with customers and improve convenience. For manufacturing and agricultural operations, technology can support production planning, monitoring and resource management.

Digital transformation also creates new risks. Cybersecurity, data protection and system reliability are becoming increasingly important as businesses become more dependent on digital systems. The Group recognises the importance of technology in building competitive and resilient businesses. Continued digital development, supported by appropriate governance and investment in people and systems, will be important in preparing the Group for future market conditions.

Sustainability and Climate Resilience

Sustainability continued to move higher on the business agenda during the year. Environmental, social and governance considerations are increasingly influencing business decisions and stakeholder expectations. Climate change presents direct and indirect risks to businesses. Extreme weather can affect agricultural production, infrastructure, supply chains and business continuity. Businesses therefore need to consider climate risks when planning investments and managing operations.

Resource efficiency is another important area. Efficient use of energy, water and raw materials can reduce environmental impact while also supporting cost management. Responsible waste management, sustainable sourcing and improved resource utilisation are becoming important elements of long-term business strategy.

Social responsibility also remains important. Businesses are expected to provide safe workplaces, support employee development and maintain positive relationships with the communities in which they operate. For the Group, sustainability is closely linked to long-term value creation. Responsible business practices can strengthen resilience, improve efficiency and build trust among stakeholders.

People and Skills

People remain at the centre of business success. The operating environment continued to highlight the importance of skilled employees, effective leadership and a culture that supports continuous improvement. Businesses are increasingly competing for people with technical, digital and professional skills. At the same time, changing technology and business models require employees to continuously develop new capabilities.

Training and development therefore remain important investments. Providing employees with opportunities to learn and grow can improve productivity while supporting employee engagement and retention. A safe, inclusive and respectful workplace is also essential. Strong employee relationships contribute to organisational stability and help businesses respond effectively during periods of change.

For a diversified group such as us, developing talent across different sectors and functions provides an important foundation for future growth.

Regulatory and Policy Environment

The regulatory environment continued to evolve as Sri Lanka progressed with economic reforms and efforts to strengthen the business environment. Businesses remained required to respond to changes in taxation, labour requirements, environmental standards, trade policies and sector-specific regulations.

A stable and predictable policy environment is important for encouraging investment and supporting long-term business planning. At the same time, companies are expected to maintain strong governance, compliance and transparency. For a diversified organisation, effective regulatory management is particularly important due to the different requirements applicable across its businesses.

Strong internal controls, responsible governance and clear accountability remain essential to maintaining stakeholder confidence and supporting sustainable business operations.

Looking Ahead

Sri Lanka enters the next phase of its economic journey with a stronger foundation for growth. The progress made towards economic stability provides opportunities for businesses to invest, improve productivity and pursue new markets.

However, the external environment remains uncertain. Global economic conditions, geopolitical developments, commodity prices, climate risks and changes in international trade can continue to affect the domestic economy. At the same time, changing consumer behaviour, technological development and increasing sustainability expectations are reshaping the competitive landscape.

The next phase of growth will therefore require businesses to remain agile and forward-looking. Operational efficiency, innovation, customer focus, strong governance and responsible resource management will become increasingly important. For us, the Group's diversified portfolio provides a strong platform to navigate this environment. The breadth of its businesses enables the Group to participate in different areas of the economy while balancing the risks associated with individual sectors.

The Group will continue to focus on strengthening its businesses, improving productivity, managing costs, developing its people and responding to changing customer expectations. Technology and innovation will remain important enablers of this journey, while sustainability will continue to be integrated into business decision-making. The lessons of recent years have reinforced the importance of resilience and preparedness. The Group remains focused not only on managing challenges but also on using changing conditions as opportunities to improve and grow.

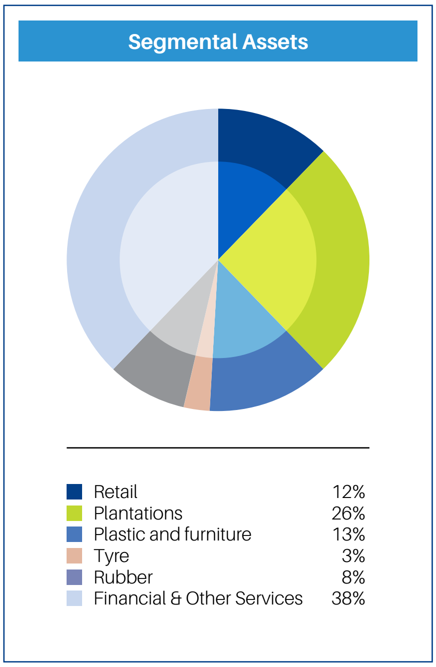
The operating environment of 2025/26 was therefore one of recovery, adaptation and renewed opportunity. While challenges remain, the gradual improvement in economic conditions provides a stronger platform for sustainable business activity.

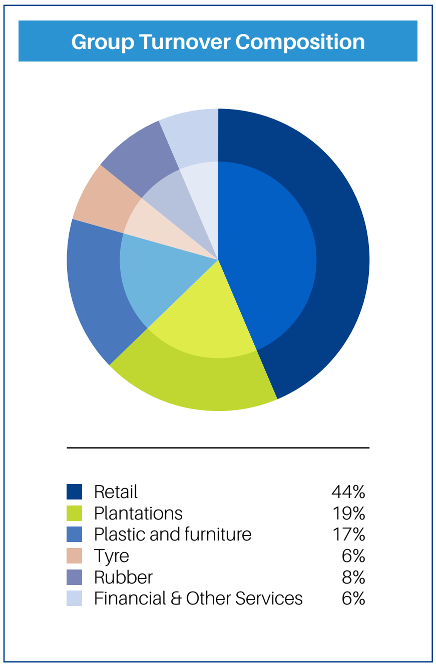
Looking ahead, the ability to remain close to customers, respond quickly to market changes, improve operational efficiency and invest responsibly will be central to long-term success. Richard Pieris & Company PLC remains committed to building resilient businesses, creating value for its stakeholders and contributing positively to the communities and economy in which it operates.

The Group enters the next financial year with a clear focus on sustainable growth, operational excellence and long-term value creation, supported by the strength of its diversified portfolio and the experience of its people.

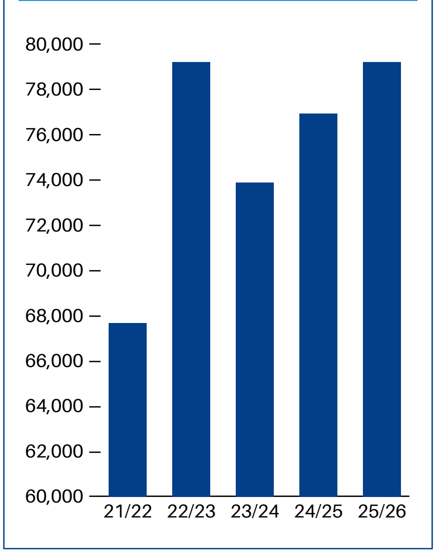
FINANCIAL HIGHLIGHTS

	2025/2026 Rs.'000	2024/2025 Rs.'000
Revenue	79,176,952	76,965,282
Profit from operations	7,018,166	7,735,201
Profit before tax from continuing operations	6,403,286	7,005,835
Income tax expense	(2,662,345)	(2,403,758)
Profit for the year from continuing operations	3,740,941	4,602,077
Profit for the year	3,738,708	4,599,934
Profit attributable to equity holders of the parent	2,961,063	3,787,853
Total assets	109,636,991	100,099,154
Shareholder funds	27,984,523	25,917,198
Market capitalisation	62,679,179	51,486,468
Total value addition	27,311,882	26,258,955
Per Ordinary Share		
Earnings (Rs.)	1.46	1.86
Net assets (Rs.)	13.75	12.74
Market value (Rs.)	30.80	25.30
Ratios		
Return on equity (%)	10.99	14.99
Interest cover (No of times)	3.75	4.28
Dividend payout (%)	48.11	69.84
Gearing ratio (%)	32.70	29.68
Price Earnings (No. of times)	21.17	13.59
Dividend per share (Rs.)	0.70	1.30
Dividend Cover (No. of times)	2.08	1.43
Current Ratio (No. of times)	1.11	1.08

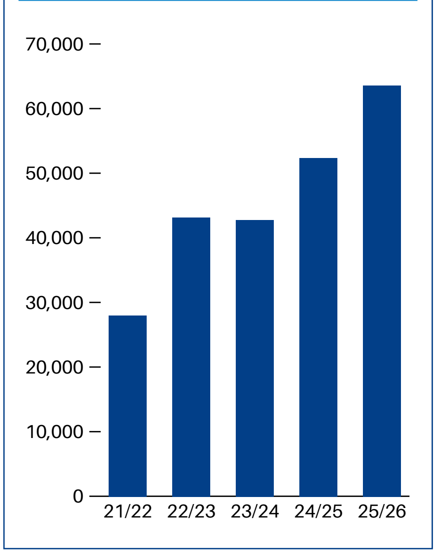




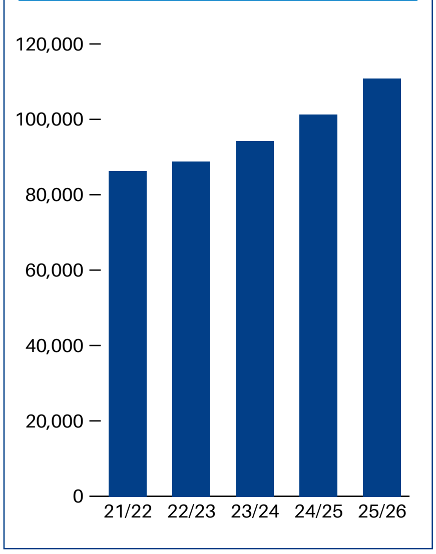
Revenue (Rs. Mn)



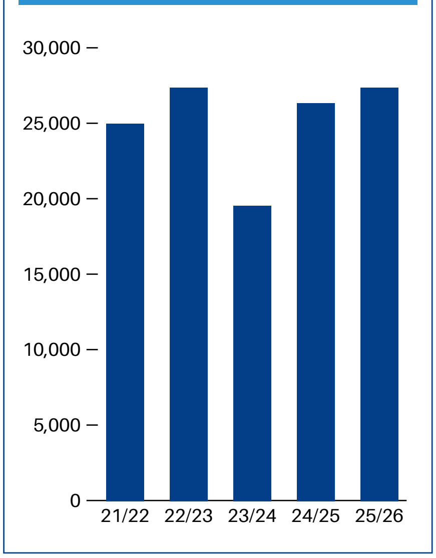
Market Capitalization (Rs. Mn)



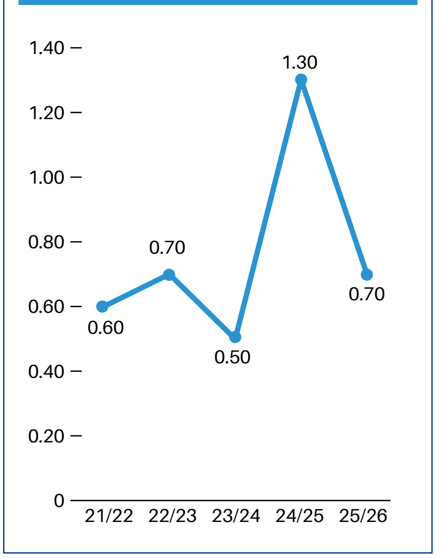
Total Assets (Rs. Mn)



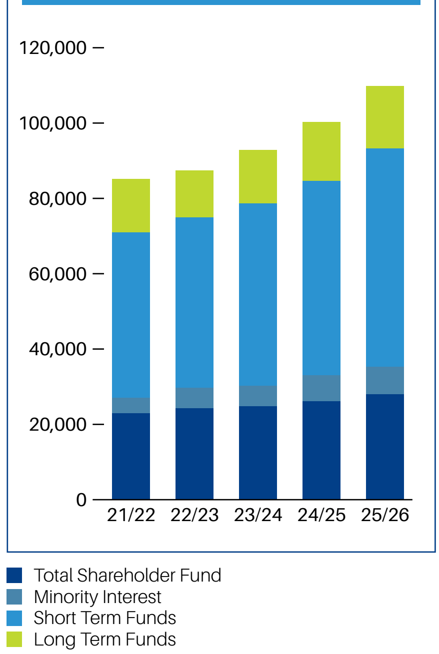
Total Value Addition (Rs. Mn)



Dividend Per Share (Rs.)



Capital Structure (Rs. Mn)



FINANCIAL REVIEW

Overall Group Performance

During the financial year 2025/26, the Group was able to demonstrate resilience in the market in terms of revenue amounting to Rs. 79.1bn, with an increase of 2.9% over the previous financial year. Consequently, the Group recorded a Profit before Tax of Rs.6.4bn and Profit after Tax of Rs. 3.7 bn.

Revenue Analysis

The group recorded an increase in its revenue by 2.9% 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 44% to the Group revenue. The sector reported revenue of Rs. 34.5 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 to focus on innovation, product diversification and market expansion during the year. Revenue declined by 17% to Rs. 6.1bn amid challenging global market conditions and recessionary pressures across key international markets. Despite these challenges, the sector demonstrated resilience, supported by increased volumes and the depreciation of the Sri Lankan Rupee.

Tyre Sector

Revenue of the Tyre sector reached Rs. 5.1 bn, contributing 6.4% 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 of 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. 13.2 bn for the financial year 2025/26 contributing 16.6% 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 through the entire value chain.

Plantation Sector

The sector ended the year by recording total revenue of Rs. 15.2 bn and continued to be the second highest contributor to the Group revenue, contributing 19.1% during the year under review.

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

Financial Services Sector

The Financial Services sector comprises 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. 5.0 bn contributing 6.3% of the Group Revenue.

Cost of Sales and Operating Expenses

The cost of sale of the Group increased by 3% during the year under review, which absorbed 74% of the Group revenue. The cost of sales reported to be Rs. 58.8 bn in the period under review compared to Rs. 56.8 bn in the corresponding year.

Administration costs were reported to be Rs. 10.1 bn in the reporting year compared to Rs. 9.2 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, decreased by 1% to reach Rs. 5.1 bn during the year, accounting for 6.4% of the total revenue.

Profit from Operations

The gross profit was reported to be Rs. 20.4 bn for the reporting year 2025/26 compared to Rs. 20.14 bn in the financial year 2024/25. Other operating income for the year was recorded at Rs. 2.0 bn. Consequently, profit from operations of the Group decreased by 9% to Rs. 7 bn, which reflects an operating profit margin of 9% for the reporting financial year.

Retail Sector

Retail sector pivoted to be the third highest contributor to Group's profits generated from operations contributing 19% to the Group operating profit compared to 22% in the corresponding year. The operating profit of the Retail sector was Rs. 1.71 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 was a positive contributor to the Group's operating profit; accounting for 2% of the Group's operating profit during the period under review. The operating profit reached to Rs. 137.5mn for the year under review compared to operating loss of Rs. 162.7mn reported in the previous financial year.

Tyre Sector

The tyre sector reported an operational profit of Rs. 728 mn for the reporting financial year contributing 8% 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. 13.16 bn while recording an operating profit of Rs. 1.78 bn. 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. 4.12 bn and contributed by 47% of the operating profit of the group.

Financial Services Sector

The financial Services sector emerged to be the only negative contributor for the Group operating profit accounting for -1.4% during the period under review.

Group Financial Position and Liquidity

Non-Current Assets

The non-current assets of the group represent Rs. 45.6 bn during the year, and as such represent 42% of total assets. The property, plant and equipment category, which accounts for 25% of the total assets, increased by 4.6% over the previous financial year.

Working Capital

During the year, the current assets of the Group increased to Rs. 64 bn compared to Rs. 56 bn reported during the corresponding period, whilst current liabilities also reached Rs. 57.7 bn indicating an increase of 14% and 12% respectively. Inventory decreased by Rs. 428 mn and stock level reached to Rs. 13.3 bn. Trade receivables were reported to be Rs. 11.5 bn in the reporting year compared to Rs. 11.2 bn in the previous financial year. The working capital cycle curtailed, which induced trade and other payables also increased to Rs. 13 bn. Accordingly working capital days were managed within the controllable limits. The total current assets of the Group accounted for 58% of its total assets while total current liabilities accounted for 78% of the total liabilities. The Group's current ratio was reported to be 1.1 and the quick ratio was reported at 0.88 compared to 1.08 and 0.82 times respectively in the corresponding period.

Capital Structure

Equity

The profit attributable to the shareholders for the year was recorded at Rs. 2.97 bn, which in turn induced the reserves to reach Rs. 24 bn.

Borrowing

In terms of borrowings, the net debt including cash balance was stationed at Rs. 17.2 bn compared to Rs. 13.8 bn in the previous financial year, a increase of Rs. 3.4 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. 62.67 bn at the closing price of the share, increased from Rs. 51.49 bn recorded in the previous year. During the year under review, the highest traded price of the Group's share was Rs. 50.10, while the lowest price was Rs. 23.00. During the period under review 75,983,700 shares were traded and the share price closed for the year at Rs. 30.80.

RETAIL
SECTOR

OUR BUSINESS

Our retail sector is involved in the sale of a wide array of FMCG, household goods, furniture and electronic goods, while also providing value – added services, such as bank service points, ATMs, credit card and mobile bill payment facilities, and delivering a unique shopping experience to customers.

FINANCIAL HIGHLIGHTS OF 2025/26

Revenue
LKR 34.52Bn

Operating Profit
LKR 1.71Bn

Operating Assets
LKR 17Bn

Property, Plant & Equipment (NBV)
LKR 4 Bn

Capital Expenditure
LKR 113Mn

OUR BUSINESS - RETAIL SECTOR

The Retail Sector stands as a dynamic and strategically significant pillar of the Richard Pieris Group. Comprising four key entities — Richard Pieris Distributors Limited, Arpimalls Development Company (Pvt) Ltd, RPC Retail Development Company (Pvt) Ltd, and RPC Real Estate Development Company (Pvt) Ltd — the sector is entrusted with managing and advancing the renowned chain of supermarkets operating under the trusted Arpico brand name.

Despite operating amidst a challenging and highly competitive business environment during the year under review, the Retail Sector continued to demonstrate resilience and agility. It remained a substantial contributor to the Group's overall revenue and profitability, reinforcing its position as a cornerstone of the Group's diversified portfolio.

The Arpico supermarket chain sustained its strong market presence by offering one of the widest assortments of high-quality products, complemented by exceptional customer service. This customer-centric philosophy has strengthened brand loyalty, enhanced brand equity, and ensured the retention of a distinct competitive advantage within the industry.

Richard Pieris Distributors Limited

Richard Pieris Distributors Limited currently operates a comprehensive retail network comprising 22 Supercentres, 9 Superstores, 20 Arpico Daily outlets, and 7 showrooms across the island. The chain continues to serve as a preferred shopping destination, delivering a holistic family shopping experience under one roof.

Customers benefit from an extensive and diverse product portfolio including Fast Moving Consumer Goods (FMCG), General Merchandise, Furniture, Mattresses, Bakery products, Pharmacy items, and Electronics. This broad assortment ensures convenience, accessibility, and value, enabling customers to fulfill all their shopping needs within a single destination.
A key differentiating factor of Arpico Supercentres and Superstores lies in their expansive retail space and ample parking facilities, ensuring a seamless and comfortable shopping experience.

In addition to core retail offerings, selected outlets provide complementary services such as banking facilities, utility bill payment counters, restaurants, and laundry kiosks — collectively enhancing customer convenience and enriching the overall retail journey.

During the year under review, the Company undertook several outlet upgrades to further elevate the customer experience. Continuous improvements to both interior and exterior environments incorporated modern retail concepts and innovative design trends, creating engaging, contemporary, and customer-friendly shopping spaces.

As a socially responsible organization, Richard Pieris Distributors Limited remained steadfast in its commitment to sustainability. The Company continued aligning its operations with global environmental standards, implementing initiatives such as the installation of solar panels alongside energy-efficient lighting and equipment. These measures reflect a proactive approach toward reducing environmental impact and contributing to a greener and more sustainable future.

Customer satisfaction remained at the heart of strategic priorities. Under the theme "Shop Smart, Save More," the Company introduced impactful promotional campaigns and value-driven initiatives, ensuring affordability while preserving customer loyalty. Enhanced digital engagement strategies further expanded outreach, enabling the brand to connect more effectively with a broader customer base.

Significant attention was also directed toward strengthening the fresh produce category. The Company invested in ensuring superior quality and freshness, aligned with international retail standards. State-of-the-art cold room facilities integrated into store infrastructure preserve product integrity and support excellence in food retailing.

Throughout the year, the Company achieved noteworthy milestones while implementing forward-looking strategies designed to enhance operational efficiency and the customer retail experience.

Arpimalls Development Company (Pvt) Ltd.

Arpimalls Development Company (Pvt) Ltd owns two major Arpico Supercentres located in Battaramulla and Dehiwala, both operated by Richard Pieris Distributors Limited. The Company sustained its strong financial performance during the year under review, continuing its consistent profit-making trajectory while supporting the expansion and stability of the Retail Sector.

RPC Retail Development Company (Pvt) Ltd.

RPC Retail Development Company (Pvt) Ltd owns the Arpico Supercentres situated in Negombo and Kadawatha. During the year under review, the Company maintained its profitability and reinforced its position as a stable and valuable contributor to the Group's retail property portfolio.

RPC Real Estate Development Company (Pvt) Ltd.

RPC Real Estate Development Company (Pvt) Ltd owns the Arpico Supercentre in Kandy. The Company continued its steady profit performance during the year under review, demonstrating consistent operational strength and sustained value creation within the Retail Sector.

PLANTATION
SECTOR

OUR BUSINESS

Our plantation sector holds large land banks in sri lanka, with tea, rubber, palm, oil, 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.

FINANCIAL HIGHLIGHTS OF 2025/26

Revenue	Operating Profit	Operating Assets	Property, Plant & Equipment (NBV)	Capital Expenditure
LKR 15.16Bn	LKR 4.12Bn	LKR 35Bn	LKR 12Bn	LKR 1.6Bn

OUR BUSINESS - PLANTATION SECTOR

During the year under review the sector recorded the highest operating 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 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 Operating Profit of 4.1 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 1.3 million kilograms of tea, recording a harvest of 305,171 kg rubber and a crop harvest in the Oilpalm sector exceeding 32 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 to meet the requirement of rubber plants for field planting.

Despite absorbing the impact on the worker wage hike granted from January 2026, Namunukula Plantations PLC continue to remain one of the highest profits generating RPCs justifying the confidence of all stake holders.

Kegalle Plantations PLC

During the 2025/26 financial year, Kegalle Plantations PLC's agricultural performance reflected the prevailing market conditions and operational challenges experienced within Sri Lanka's plantation sector. Rubber production declined from 2.681 million kg in the previous year to 2.310 million kg, mainly due to reduced tappable acreage, adverse weather conditions, and labour-related constraints. Tea production also recorded a marginal decline from 1.361 million kg to 1.290 million kg, reflecting lower field productivity and operational challenges experienced during the year.

In contrast, coconut production increased from 683,000 nuts to 780,000 nuts, supported by improved crop management practices and favourable harvesting conditions. Oil palm production recorded a significant increase from 878,000 kg to 1.395 million kg, driven by improved crop productivity and enhanced harvesting efficiency from the existing mature cultivation extent.

Rubber yield improved slightly from 791 kg per hectare to 802 kg per hectare, indicating improved field productivity despite the lower overall production. However, tea yield declined from 697 kg per hectare to 641 kg per hectare, reflecting the impact of unfavorable growing conditions and lower green leaf intake. Coconut yield improved from 1,644 nuts per hectare to 1,887 nuts per hectare, while oil palm yield increased substantially from 6,151 kg per hectare to 9,550 kg per hectare, demonstrating improved productivity from the mature oil palm plantations.

Market conditions remained mixed during the year. The Net Sales Average (NSA) for rubber improved marginally from Rs. 846.46 per kg to Rs. 857.95 per kg, while the tea NSA decreased from Rs. 1,081.82 per kg to Rs. 1,048.48 per kg, reflecting prevailing market price movements. Despite these price reductions, the Company continued to focus on improving operational efficiency and cost management.

Profitability remained under pressure in both rubber and tea operations. Rubber profit per kilogram decreased from Rs. 234.89 to Rs. 155.05, while tea recorded a deterioration from a profit of Rs. 107.98 per kg in the previous year to a loss of Rs. 1.82 per kg during the year. Nevertheless, the improved productivity achieved in coconut and oil palm operations contributed positively to the Company's overall agricultural performance.
The Company continued to focus on enhancing operational efficiency, strengthening crop management practices, and improving long-term sustainability in response to evolving market conditions and the broader macroeconomic environment.

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. 7bn, an increase of 5% compared to the prior year. During the same period the crop increased by 1% and the costs too increased by 6%. The Company NSA Increases by 2% 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.

RUBBER
SECTOR

OUR BUSINESS

Our rubber sector, which mainly caters to the export market, is involved with products such as mattresses, pillows, latex, rings, crutch tips, shoe soles and jar rings along with specialty items such as fire retardant mats, electrical safety mats and anti - static mats. We have also introduced products such as arpico organic latex foam, certified by global organic latex standards (GOLS).

FINANCIAL HIGHLIGHTS OF 2025/26

Revenue
LKR 6.14Bn

Operating Profit
LKR 137.51Mn

Operating Assets
LKR 12Bn

Property, Plant & Equipment (NBV)
LKR 4Bn

Capital Expenditure
LKR 239Mn

OUR BUSINESS - RUBBER SECTOR

Overview

The financial year 2025/26 unfolded against one of the most challenging operating environments experienced by rubber sector in recent years. While Sri Lanka's macroeconomic landscape continued to stabilise following the economic crisis, global export markets remained subdued amid shifting trade policies, geopolitical tensions and weaker consumer demand across several key markets. The imposition of tariffs in the US, coupled with the escalating conflict in the Middle East during the latter part of the financial year, created additional uncertainty, resulting in supply chain disruptions, higher input costs and softer demand across several export destinations.

Against this backdrop, the sector adopted a disciplined approach to cost management, operational efficiency and market diversification to mitigate external pressures. Although revenue moderated during the year owing to weaker demand in the sector's principal export markets, decisive management actions enabled the sector to significantly narrow its overall losses while preserving its financial stability and strengthening its long-term competitive position. Performance across the sector's businesses reflected differing market dynamics.

Richard Pieris Exports PLC (RPE) experienced a contraction in revenue as demand for hard rubber products weakened in its traditional markets, particularly in Europe and the US. However, encouraging growth in selected Asia-Pacific markets, together with improved demand for selected product categories during the latter part of the year, provided a positive foundation for future growth.

Richard Pieris Natural Foams Limited (RPNF) also faced challenging export market conditions, particularly across the US and Europe. Nevertheless, stronger demand from Asia-Pacific markets, continued growth in domestic sales and a comprehensive cost optimisation programme enabled the subsidiary to substantially reduce operating losses despite lower revenue. Micro Minerals (Pvt) Ltd continued to provide reliable support to the sector's manufacturing operations while maintaining stable operational performance.

The sector significantly improved its financial performance during the year, reducing its loss before taxation by over 90% compared to the previous financial year.

Macroeconomic Environment and External Challenges

The global economic environment remained characterised by uncertainty throughout the financial year. Although inflation moderated across many developed economies and central banks gradually eased monetary policy, export demand continued to be constrained by subdued consumer spending, elevated geopolitical tensions and changing international trade policies.

One of the most significant developments affecting the sector during the year was the introduction of tariffs in the US, which adversely impacted both sales volumes and pricing across several export product categories. These measures reduced competitiveness in one of the sector's largest markets and placed additional pressure on operating margins. Demand for jar sealing rings in Europe also softened considerably, further affecting

export volumes within the Hard Rubber Segment.

Towards the latter part of the financial year, the conflict between the US and Iran introduced further volatility into global markets. Rising freight and raw material prices, coupled with disruptions to international supply chains, increased procurement costs and created additional challenges in sourcing materials while dampening customer demand in certain markets.

Domestically, Sri Lanka continued its gradual economic recovery, supported by easing inflation, lower interest rates and improved macroeconomic stability. Nevertheless, exporters continued to contend with a stronger Sri Lankan Rupee against the US Dollar, which reduced export realisations, while evolving international sustainability regulations and customer compliance requirements continued to raise operating expectations across global supply chains.

Against this challenging operating backdrop, the sector remained focused on strengthening operational resilience through disciplined cost management, prudent working capital management and continued investment in productivity improvements, while expanding opportunities across alternative export markets.

Operational Review

Hard Rubber Segment

Richard Pieris Exports PLC (RPE)

Richard Pieris Exports PLC operated in an increasingly challenging export environment during the financial year, as weakening demand across its principal markets coincided with changing global trade dynamics. The introduction of tariffs in the US, softer demand for jar sealing rings in Europe, and continued pricing pressures across international markets adversely affected both sales volumes and margins. Despite these headwinds, the Company remained profitable, demonstrating the resilience of its business model and the effectiveness of its operational management.

Revenue for the year was Rs. 1.40 billion and Rs. 2.16 billion in previous year, reflecting lower export demand and reduced selling prices across several product categories. Profitability of the company successfully maintained positive earnings through prudent cost management, disciplined pricing strategies and continued operational efficiencies.

Export volumes were impacted during 2025/26, reflecting subdued demand across the Company's traditional markets. Shipments to the United States and to the Europe were lower, largely due to the impact of tariff measures and softer customer demand.

In contrast, the Asia-Pacific region continued to demonstrate encouraging momentum, with volumes increasing by 94%, highlighting the success of ongoing market diversification initiatives and the growing importance of emerging regional markets.

Across product categories, mats continued to account for the largest share of exports despite volumes decline. Sales of sealing rings experienced the sharpest contraction, due to weaker demand in European markets. Conversely, sales of crutch tips increased by 200%, while the continuous sheeting product line continued to gain traction following its introduction, providing opportunities for further product diversification.

The company maintained disciplined control over operating expenditure. Cost of sales reduced by 25% to Rs. 1.17 billion, reflecting lower production volumes and prudent procurement practices. Distribution costs declined by 29% owing to reduced export shipments and lower freight costs, while administrative expenses remained broadly unchanged, demonstrating continued focus on cost discipline.

Finance costs remained stable, while lower interest rates resulted in a modest reduction in finance income.

The Company also benefited from favourable currency movements during the year, recording an exchange gain of Rs. 76 million, compared with an exchange loss of Rs. 26 million in the previous financial year, partially offsetting the impact of lower operating margins.

Working capital management remained proactive throughout the year. Inventories and trade receivables increased during the year, reflecting increased orders, particularly within the ring product category, scheduled for delivery in the early months of the new financial year. This deliberate inventory build-up positions the Company to respond efficiently to anticipated customer demand while supporting improved production planning.

Despite the challenges experienced during the year, management remains encouraged by the gradual recovery observed in selected export markets during the latter part of the financial year. Continued expansion within Asia-Pacific markets, growing demand for newer product lines and the Company's longstanding customer relationships provide a solid platform for renewed growth as global market conditions improve.

Latex Segment

Richard Pieris Natural Foams Limited (RPNF)

Richard Pieris Natural Foams Limited (RPNF) demonstrated considerable fortitude during a difficult trading year, successfully improving its operating performance despite softer revenue and continued weakness across several of its traditional export markets. While demand in the US and Europe remained constrained, strong growth across Asia-Pacific markets, improved domestic sales and disciplined cost management enabled the subsidiary to substantially narrow its losses and strengthen its operational position.

OUR BUSINESS - RUBBER SECTOR

Revenue was Rs. 4.58 billion, compared with Rs. 5.04 billion in the previous financial year. However, the reduction in revenue was significantly lower than the decline experienced by the Hard Rubber Segment, reflecting the relative resilience of the latex-based product portfolio. Importantly, export volumes increased by approximately 6%, in the previous year. Although shipments to the US and Europe lower, these reductions were more than offset by strong growth in Asia-Pacific markets, where volumes increased by 75%, together with a 30% increase in domestic sales. This shift in geographic sales mix highlights the Company's success in broadening its customer base while reducing dependence on its traditional export destinations.

Product performance also reflected encouraging diversification. Mattress volumes remained broadly stable, while pillow sales increased by 19%. Continuous sheeting recorded exceptional growth of 282%, reflecting growing customer acceptance of the product, while export recycled products increased by 33%. Domestic sales of mattresses and pillows also strengthened significantly during the year, further supporting revenue stability.

Operational efficiencies delivered measurable improvements in profitability despite lower revenue. Cost of sales declined by 11%, contributing to a 4% increase in gross profit to Rs. 522 million. Distribution costs reduced substantially by 44%, primarily due to lower freight costs following a reduction in CIF shipments, together with more efficient logistics management and lower promotional expenditure across overseas markets.

Other operating income more than doubled during the year, while favourable exchange movements and other financial gains further strengthened earnings. Although finance costs increased owing to higher working capital borrowings and interest expenses, these were substantially offset by higher finance income and improved other financial gains.

Consequently, the subsidiary recorded a loss before taxation of Rs. 94.7 million, representing a significant improvement from the Rs. 573.5 million loss recorded in the previous financial year. Losses after tax also reduced substantially, reflecting the positive impact of management's comprehensive operational improvement initiatives.

Working capital efficiency also improved during the year. Inventories declined largely due to the successful disposal of accumulated inventory, while trade receivables increased in line with higher sales volumes and customer deliveries.

Although market conditions remain challenging, RPNF has demonstrated its ability to adapt to changing customer demand through improved operational efficiency, disciplined cost management and continued market diversification. The focus on strengthening productivity, enhancing product innovation and expanding opportunities across high-growth regional markets remains, positioning the business for a stronger recovery as international demand improves.

Minerals Segment

Arpitalian Compact Soles (Pvt) Ltd

Arpitalian Compact Soles (Pvt) Ltd., the sector's joint venture with Davos SPA of Italy, continued to maintain stable operations during the financial year despite the challenging global manufacturing environment. The Company remained focused on serving its established customer base in India and Italy while adapting to evolving market conditions across the footwear industry. The joint venture continues to benefit from the technical expertise, product innovation and international market access provided through its long-standing partnership with Davos SPA. These strengths will be leveraged to explore new business opportunities and expand its presence in specialised footwear components as market conditions improve. The Company also continues to evaluate opportunities to broaden its customer base and strengthen its long-term strategic contribution to the sector through product innovation and enhanced operational collaboration with its international partner.

Micro Minerals (Pvt) Ltd

Micro Minerals (Pvt) Ltd. continued to provide an important strategic contribution to the sector by ensuring a reliable supply of mineral-based raw materials required for the manufacture of polymer and rubber-based products. As an integrated supplier within the sector's value chain, the Company plays a critical role in supporting uninterrupted production while maintaining consistent quality standards across manufacturing operations.

During the year, Micro Minerals recorded revenue of Rs. 76.1 million, reflecting softer demand from the sector's manufacturing businesses as overall production volumes moderated. The Company maintained stable operations and continued to supply raw materials efficiently, reinforcing supply chain reliability during a period of external market volatility. The subsidiary remained profitable during the year, contributing Rs. 3.1 million in profit before taxation while continuing to optimise operational costs and support the sector's manufacturing activities. Inventory levels remained broadly unchanged, while trade receivables increased in line with customer settlements and production requirements.

Micro Minerals remains an important component of the sector's vertically integrated manufacturing model, providing greater control over raw material quality, supply continuity and procurement efficiency. This integrated approach enhances the sector's operational resilience while reducing dependence on external suppliers and strengthening long-term manufacturing competitiveness.

Sustainability & Compliance

Sustainability continues to remain an integral component of the sector's long-term business strategy, underpinning operational resilience, resource efficiency and responsible manufacturing practices across its operations. Throughout the year, the sector continued to invest in initiatives aimed at enhancing operational efficiency while reducing its environmental footprint and strengthening its competitiveness within increasingly sustainability-conscious export markets.

The sector also continued its efforts to improve resource utilisation through enhanced production planning, inventory optimisation and operational process improvements. These initiatives not only contributed to improved cost efficiency during the year but also support the sector's broader objective of creating more sustainable and resilient manufacturing operations.

Recognising the growing importance of environmental stewardship within global supply chains, management remains committed to continuously strengthening its sustainability practices while aligning business operations with the evolving expectations of international customers and regulatory authorities.

Operating within highly regulated international markets requires the sector to maintain rigorous standards of compliance across its manufacturing, sourcing and export operations. During the year, the sector continued to strengthen its governance and compliance framework to ensure adherence to evolving international trade requirements, environmental standards and customer-specific compliance expectations.

Particular emphasis continued to be placed on preparedness for emerging regulatory requirements, including the European Union Deforestation Regulation (EUDR), while ensuring that manufacturing processes, procurement practices and supply chain management remain aligned with internationally accepted environmental and social standards.

The Company continued to benefit from its biomass energy investment, the Temporary Importation for Export Processing (TIEP) scheme and ongoing process improvement initiatives during the year. These measures contributed to lower production costs, improved price competitiveness and enhanced operational efficiency, while also creating a safer and more productive working environment.

The sector also continued to uphold its commitment to maintaining high product quality, ethical business practices and responsible sourcing across all operations. These efforts reinforce customer confidence and support the sector's ability to compete effectively within global export markets where regulatory compliance has become an increasingly important differentiator.

Investment in employee capability, together with continuous improvements in operational processes, remains central to enhancing productivity and supporting the sector's long-term competitiveness within increasingly demanding global markets.

Outlook

The sector enters the new financial year with cautious optimism. While global economic conditions are expected to remain uncertain, improving macroeconomic stability in Sri Lanka, easing inflationary pressures and gradually recovering business confidence provide a more favourable operating environment than in recent years. Nevertheless, external challenges are expected to persist. Geopolitical developments, evolving international trade policies and continued uncertainty across key export markets are likely to influence customer demand and pricing dynamics in the near term. Against this backdrop, the sector will continue to prioritise operational efficiency, prudent cost management and disciplined capital allocation while strengthening its presence across diversified export markets.

Within the Hard Rubber Segment, management remains focused on rebuilding volumes through deeper customer engagement, expanding opportunities within Asia-Pacific markets and growing demand for newer product categories, including continuous sheeting and specialised industrial rubber products.

Meanwhile, RPNF will continue to build on the operational improvements achieved during the year by enhancing product innovation, optimising manufacturing efficiencies and further strengthening its market presence across high-growth regions.

Across the sector, continued investments in manufacturing capability, responsible business practices and operational excellence will support long-term value creation while reinforcing competitiveness within global markets.

TYRE
SECTOR

OUR BUSINESS

Our tyre sector has successfully made its mark across the island as the finest and the largest tyre retreader in sri lanka. We have also introduced popular tyre brands to the domestic market and included solid tyres to the product portfolio.

FINANCIAL HIGHLIGHTS OF 2025/26

Revenue	Operating Profit
LKR 5.10Bn	LKR 727.57Mn

Operating Assets	Property, Plant & Equipment (NBV)	Capital Expenditure
LKR 4Bn	LKR 230Mn	LKR 22Mn

OUR BUSINESS - TYRE SECTOR

Overview

Against a backdrop of evolving global market dynamics and domestic economic pressures, the Tyre Sector of Richard Pieris & Company PLC demonstrated resilience, adaptability, and disciplined execution throughout FY 2025/26. Leveraging a diversified business portfolio spanning tyre retreading, trading, and manufacturing, the sector continued to strengthen its market position while enhancing operational efficiency and advancing its sustainability agenda.

Despite challenges arising from exchange rate volatility, elevated freight costs, and rising logistics expenses, the sector remained focused on delivering value through strategic resource optimization, innovation, and customer-centric growth initiatives.

Strategic Performance Overview

Sustaining Market Leadership in Retreading

Retreading remained the cornerstone of the sector, contributing over 59% of total revenue during the year. Backed by an extensive islandwide service network and decades of technical expertise, Richard Pieris Tyres continued to reinforce its leadership position in Sri Lanka's retreading industry.

Operational excellence, enhanced process efficiencies, and consistent product quality enabled the business to navigate cost pressures while maintaining customer confidence and strengthening its competitive advantage.

Expanding the Trading Portfolio

The tyre trading business continued its positive growth trajectory, contributing 41% of sector revenue. Strong market demand for internationally recognized brands including Nexen, Maxtrek, ARL, and Aufine reflected growing customer confidence and the effectiveness of the sector's expanding distribution network.

The continued focus on strengthening dealer relationships and enhancing product availability further reinforced the trading portfolio's contribution to overall sector performance.

Enhancing Operational Resilience

Throughout the year, the sector remained committed to improving productivity and operational efficiency. Lean resource management, cross-functional collaboration among Group companies, and continuous process improvements helped mitigate margin pressures while ensuring business continuity under challenging market conditions.

Driving Sustainable Value Creation

Sustainability remains firmly embedded within the sector's long term growth strategy. Richard Pieris Tyre Company Limited continued to integrate environmentally responsible practices across its operations, supporting both operational efficiency and the Group's broader sustainability objectives.

Key initiatives undertaken during the year included:

- Strengthening circular economy practices through tyre retreading, reducing dependence on imported new tyres.
- Increasing the use of recyclable materials through the reuse of buffing dust and reclaim rubber.
- Advancing research into sustainable raw material alternatives, including regenerated carbon black produced through pyrolysis technology.
- Optimizing mixer capacity and batch configurations to improve manufacturing productivity.
- Enhancing material utilization by implementing structured systems to maximize the use of compound trimming received from Arpidag, thereby reducing production waste.
- Introducing cost-effective material substitutes to maintain competitive manufacturing costs without compromising product quality.

These initiatives reflect the sector's commitment to balancing commercial performance with environmental responsibility while supporting the transition towards more sustainable manufacturing practices.

Despite a challenging operating environment, the Tyre Sector recorded encouraging volume performance across its core product categories during FY 2025/26.

Market leadership in retreaded tyres and tubes reflected resilient market demand, effective distribution strategies, and sustained customer loyalty. While flap volumes experienced a marginal decline, targeted sourcing improvements and focused sales initiatives are expected to strengthen performance in the coming year.

Entity Performance Highlights

Richard Pieris Tyre Company Limited
As the flagship company of the sector, Richard Pieris Tyre Company Limited continued to reinforce its leadership in Sri Lanka's retreading industry while progressing its digital transformation and sustainability initiatives.

Retreading accounted for approximately 63% of the company's revenue, with tyre trading contributing the remaining 37%. Although profitability was impacted by macroeconomic volatility and increased import related costs, the company responded proactively through operational improvements, process digitization, and the expansion of its nationwide dealer network.

Continued investment in sustainable raw material sourcing, employee awareness on energy efficient practices, and research into next generation tyre technologies further strengthened the company's long term competitive positioning.

Arpidag International (Pvt.) Limited
As the Group's specialist manufacturer of high quality precured tread rubber, Arpidag International continued to play a pivotal role in supporting the sector's retreading operations.

Maintaining its ISO 9001 certified quality management systems, the company remained focused on manufacturing consistency, efficient raw material utilization, and continuous quality improvement. Sustainability initiatives centered on improving production efficiency, minimizing environmental impacts, and supporting circular manufacturing practices across the value chain.

Richard Pieris Rubber Compounds Limited
Richard Pieris Rubber Compounds Limited continued to provide specialized rubber compounds to both Group companies and external customers, maintaining high standards of formulation accuracy and product consistency.

During the year, the company intensified its focus on research and development aimed at identifying sustainable raw material alternatives while strengthening supplier partnerships and quality assurance processes. These initiatives provide a strong platform for future innovation and environmentally responsible manufacturing.

BGN Industrial Tyre (Pvt.) Ltd
BGN Industrial Tyre (Pvt.) Ltd continued to strengthen its international presence by exporting premium solid tyres under the Ecomaster and Compeer Plus brands to markets across the United States, Europe, Africa, Asia, and the Middle East.

The company remained focused on manufacturing excellence, product diversification, and innovation, responding effectively to evolving global customer requirements. Strategic investments in production technology, sustainable rubber formulations, and climate-resilient tyre solutions further enhanced its position as a globally competitive manufacturer committed to sustainable mobility.

Strong customer partnerships and a forward-looking product development strategy continue to support BGN's long term international growth ambitions.

Outlook

The Tyre Sector enters the new financial year with renewed confidence, supported by a diversified business model, trusted brands, an expanding dealer network, and a disciplined approach to operational excellence.

Looking ahead, the sector will continue to prioritize innovation, digital transformation, sustainability, and customer value creation while strengthening its market leadership across all business segments. Through the collective strengths of its operating companies, the Tyre Sector remains well positioned to capture future growth opportunities and deliver sustainable long term value to all stakeholders.

PLASTICS, FURNITURE AND ELECTRONICS
SECTOR

OUR BUSINESS

Our plastic segment of the sector is in the business of manufacturing and distribution of mattresses, water tanks, plastic furniture, cushions and sheets, rigifoam products, PVC pipes and fittings, day to day consumer durables, as well as industrial and domestic rubber products, water pumps, whilst the furniture operation focuses on manufacturing sofas, panel furniture and wooden furniture.

FINANCIAL HIGHLIGHTS OF 2025/26

Revenue	Operating Profit
LKR 13.16Bn	LKR 1.78Bn

Operating Assets	Property, Plant & Equipment (NBV)	Capital Expenditure
LKR 18Bn	LKR 3Bn	LKR 297Mn

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 2025/26, 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 2025/26, 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.

FINANCIAL SERVICES AND OTHER

OUR BUSINESS

Our financial services sector includes various services such as insurance, finance, stock broking, margin trading and a logistic arm. Our finance company offers a variety of products such as fixed deposits, saving deposits, leasing, hire purchase, term loans and Islamic finance, while the portfolio of the insurance arm includes endowment, term assurance, education, hospitalization, investment, group assurance and loan protection plans. RPC logistics Limited, the logistics arm of the group, provides fully - fledged integrated logistics solutions both locally and internationally.

FINANCIAL HIGHLIGHTS OF 2025/26

Revenue

LKR 5.09Bn

Operating Profit

LKR 297.28Mn

Operating Assets

LKR 51Bn

Property, Plant & Equipment (NBV)

LKR 4Bn

Capital Expenditure

LKR 171Mn

OUR BUSINESS - FINANCIAL SERVICES AND OTHER

About Arpico Insurance PLC

Arpico Insurance PLC stands as a prominent and respected pillar of the Sri Lankan life insurance sector. Incorporated in 2011 and regulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL), the company was founded on an unwavering commitment to serve its policyholders with absolute integrity, empathy, and professionalism. This dedication is backed by the formidable strength of the Richard Pieris Group, whose corporate lineage infuses Arpico Insurance with superior financial stability, institutional trust, and long-term resilience.

Anchored by industry best practices and a culture of innovation, Arpico Insurance has established a reputation as a premier innovator, constantly expanding its geographical footprint and optimizing its product and service portfolio to meet shifting market demands. The company maintains long-standing, strategic partnerships with global reinsurance giants such as Munich Re and delivers a comprehensive, world-class range of insurance solutions, ranging from Endowment, Health Insurance, Term Assurance and Education to Retirement, Investment, Group Assurance and Loan Protection among many others.

Steered by a group of dynamic, forward-thinking professionals who relentlessly strive for operational excellence, Arpico Insurance PLC takes immense pride in being the premier life insurer committed to providing "Insurance for the Living" – a unique philosophy that ensures products are designed as active instruments that empower policyholders to live their lives to the fullest. By blending corporate legacy with modern agility, Arpico Insurance PLC remains resolutely focused on safeguarding the health, wellbeing, and futures of its customers with unfaltering integrity and loyalty.

Richard Pieris Finance Limited 2025/26 Financial Performance Review

Richard Pieris Finance Limited delivered a strong financial performance for the year ended 31 March 2026, recording a Profit Before Taxes of Rs. 495 million. The result reflects the Company's sustained business growth, operational resilience, and the continued confidence of its customers and stakeholders. Operating within an increasingly competitive environment, the Company remained focused on disciplined execution, prudent financial management, and strategic growth initiatives, enabling it to strengthen its market position while delivering sustainable performance.

Profit After Tax for the financial year rose to Rs. 448.7 million, compared to Rs. 254.7 million in the previous year, marking a significant improvement in overall performance. This growth was driven by continued expansion across the Company's core business segments, improved operational efficiencies, effective portfolio management, and a sustained focus on customer-centric financial solutions. Together, these factors reflect the Company's ability to generate consistent value through a balanced approach to growth.

Total assets increased to Rs. 24.57 billion as at 31 March 2026, compared to Rs. 20.24 billion in the previous financial year, reflecting the continued expansion of the Company's business operations. Customer deposits grew to Rs. 11.68 billion, demonstrating the sustained confidence and trust placed in the Company by its depositors and investors, while shareholders' funds strengthened to Rs. 4.43 billion, further enhancing its capital base. Together, these figures point to the underlying strength of the Company's operating model, supported by sound governance and a disciplined approach to growth.

The Company's lending portfolio continued to expand during the year, with loans and advances increasing to Rs. 10.84 billion and lease receivables rising to Rs. 7.41 billion. This growth was underpinned by a diversified product portfolio spanning vehicle leasing, gold loans, Islamic finance, consumer lending, and the newly introduced Sarumaga mortgage solution. By continually broadening its product offering to meet the evolving financial needs of individuals and businesses, Richard Pieris Finance consolidated its position as a trusted financial services provider with a growing presence across Sri Lanka.

Net Operating Income increased to Rs. 1.74 billion during the financial year, supported by higher business volumes and continued improvement in operational performance. Growth was achieved through prudent risk management and a consistent focus on portfolio quality, allowing the Company to enhance earnings while reinforcing the resilience and sustainability of its operations.

In line with its long-term growth strategy, Richard Pieris Finance continued to invest in digital transformation, operational excellence, and improved customer accessibility throughout the year. Key initiatives included the launch of the Loan Origination System (LOS) Mobile App, which streamlined internal loan processing, and the introduction of the Company's Device Finance solution, offering customers convenient access to Samsung smartphones through simplified financing and flexible repayment options. These initiatives, together with ongoing enhancements to the Company's cybersecurity framework in line with internationally recognised standards, reflect its commitment to using technology to improve operational effectiveness and strengthen the overall customer experience.

Supported by its Fitch Rating of 'A(lka)' with a Stable Outlook, Richard Pieris Finance remains well positioned to pursue its long-term strategic objectives. Its financial fundamentals, diversified business portfolio, expanding branch network, robust capital base, and the enduring strength of the Richard Pieris Group together provide a solid foundation for continued growth. This foundation, supported by sound risk management and governance, positions the Company to create long-term value for its customers, investors, and other stakeholders.

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 is 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, 63% of the Company’s revenue is generated from its freight forwarding and 22% from customs brokerage and 15% from transport operation. The Company’s portfolio of services includes air freight, sea freight, sea freight consolidation, customs brokerage, transshipment and local transportation. 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.

The company has been objectively working on business expansion, and as part of the expansion program, RPC Logistics is turning its focus on developing more external business although it has been predominantly providing freight and logistics services for the group of companies as its primary business. This mission was commenced in 2025 and after realigning its strategies for growth, the company continues to focus in further developing its external business both locally and in overseas through its agency network. The company also recognize the potentials to expand its local transportation division and continues to increase its fleet of vehicles to meet the current demand arising from the group of companies as well as the external business growth foreseen.

STATEMENT OF VALUE ADDED

	2025/2026 Rs.'000	%	2024/2025 Rs.'000	%
Turnover	79,176,952		76,965,282	
Cost of material & services purchased	(53,861,496)		(52,869,383)	
	25,315,456		24,095,899	
Other Income	1,996,426		2,163,056	
	27,311,882		26,258,955	
Distribution of value added				
To employees				
- Remuneration	13,161,331	48%	11,337,741	43%
To government				
- Taxes	4,231,911	15%	3,189,429	12%
To providers of capital				
- Interest on loan capital	2,327,557	9%	2,138,262	8%
- Minority interest	777,645	3%	812,081	3%
- Dividend to shareholders	1,424,527	5%	2,645,550	10%
Retained in the business				
- Depreciation and Amortization	2,427,848	9%	2,348,040	9%
- Profit/(loss) retained	2,961,063	11%	3,787,853	14%
	27,311,882		26,258,955	

Value We Created

79,176,952

Total Income
(Rs. '000)

Value We Distributed

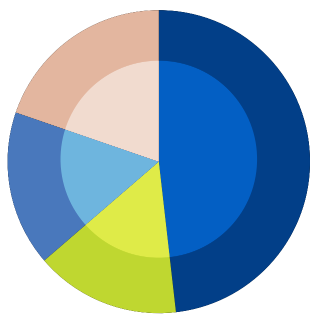
13,161,331 (48%)
To Employees (Rs. '000)

4,231,911 (15%)
To Government (Rs. '000)

4,529,728 (17%)
To Providers of Capital (Rs. '000)

5,388,911 (20%)
Retained in the Business (Rs. '000)

Value Added At A Glance



To Employees	48%
To Government	15%
To Providers of Capital	17%
Retained in the Business	20%

SUSTAINABILITY

OUR STRATEGY

At Richard Pieris & Company PLC, sustainability is not viewed as a peripheral obligation; it is an integral part of how we conduct our business and create lasting value across our seven business segments. As a diversified Group with a significant presence across Sri Lanka, employing over 17,000 people and serving communities island-wide, we recognise the responsibility that comes with our scale and reach. We are committed to operating in a manner that is environmentally responsible, socially inclusive and guided by the highest standards of governance, integrity and accountability.

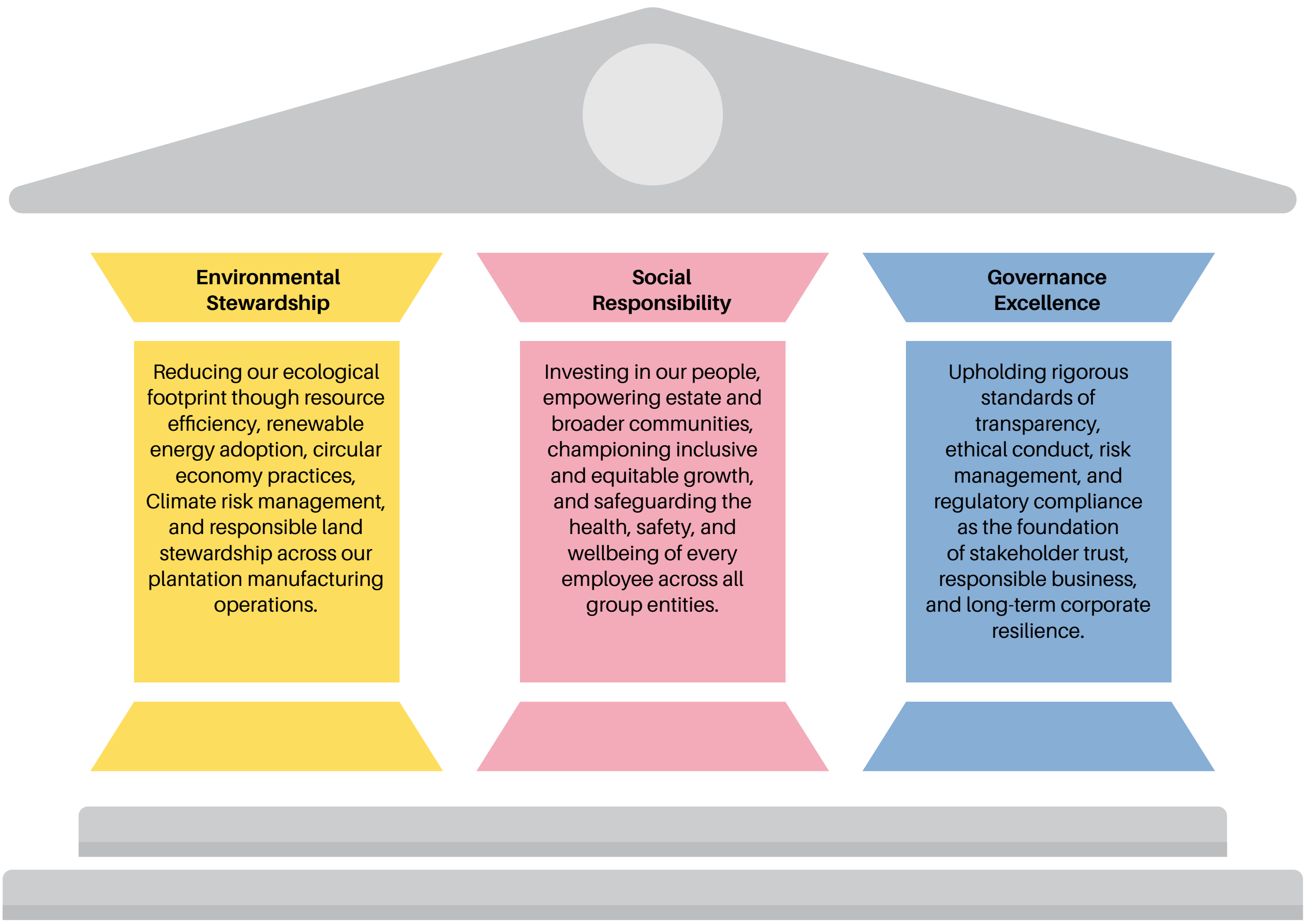
Our sustainability strategy provides a clear framework for embedding these principles across every dimension of our operations. It shapes the way we manage our resources, engage with our employees and communities, serve our customers, develop our businesses and make decisions for the future. From our head office in Maharagama to our tea and rubber estates across Sri Lanka, and from our extensive Arpico retail network to our manufacturing operation facilities and distribution network to financial services and logistics operations, sustainability is integrated into the way we operate and create value.

This approach reflects our commitment to building businesses that are not only commercially resilient, but also responsible and responsive to the needs of our stakeholders. By integrating environmental stewardship, social responsibility and sound governance into our business practices, we seek to strengthen the resilience of our operations, support the communities in which we operate and create sustainable long-term value for all our stakeholders.

Strategic Framework

Three pillars of Sustainable Progress

Our Sustainability strategy rests on three interconnected pillars, each with defined priorities and measurable commitments for FY 2025/26 and the medium term. These pillars are embedded into our Group-wide planning and performance management processes.



SDG Alignment

Our Sustainability activities are aligned with the United Nations Sustainable Development Goals. The Group's diversified operations allow us to contribute meaningfully across multiple SDGs simultaneously, leveraging our scale for broad societal impact.

Environmental Stewardship

The Group's environmental strategy is guided by a commitment to minimizing our ecological footprint while preserving the natural resources that underpin our plantation, rubber, and manufacturing businesses. Across our 32000+ hectares of plantation land and our manufacturing facilities, we are integrating environmental best practices into daily operations and long-term capital planning.

Circular Economy & Waste Reduction

Our rubber manufacturing operations incorporate in-house rubber recycling processes. We are extending circular economy principles across the plastics and tyre segments, targeting reduction of manufacturing waste and exploring end of life tyre recycling Pathways. The Plastics sector promotes the eco - friendly "Green Gas" concept as part of a broader push toward cleaner industrial energy.

Sustainable Land Management

Our plantation subsidiaries – Maskeliya, Namunukula, and Kegalle Plantations PLC manage over 32,000 hectares across 53 estates with crops including tea, rubber, oil palm, coconut, cinnamon, and coffee. We are committed to sustainable agricultural practices, soil conservation, and biodiversity protection. Post-cyclone ditwah rehabilitation is being conducted with full environmental sensitivity.

Water Stewardship and Climate Disclosure

We are progressing our environmental disclosure in line with SLFRS S1 and S2 reporting standards adopted in our 2025/26 Annual Report. This includes climate-related risk assessment and progressive disclosure of Scope 1 and Scope 2 emissions across our highest- impact operations. Water usage monitoring is prioritized across manufacturing and estate operations.

Social Responsibility

The Richard Pieris Group employs over 17,000 people across Sri Lanka, making us one of the country's largest private sector employers. Our social strategy centres on the well-being and professional development of our workforce, and on making a meaningful, lasting difference to the communities we serve- particularly the estate communities where many of our plantation workers and their families reside.

Human Capital Development

We invest continually in training and development across all employee grades, recognizing that the competence and motivation of our people is the primary driver of our competitive strength. Career development pathways, leadership programmes, and skills training are embedded in our HR strategy. Employee wellbeing initiatives_ including healthcare access and work life balance support are being strengthened group-wide.

OUR STRATEGY

Estate Community Empowerment

We have constructed child development Centers (CDCs) as part of World Bank assisted early childhood development (ECD) project, ensuring that children of estate workers receive quality early learning. Healthcare access, housing improvements, and social infrastructure on our estates reflect our commitment to the dignity and advancement of our plantation workforce and their families across 53 estates.

Inclusion and Accessibility

Our Commitment to inclusion is demonstrated through initiatives such as the introduction of a Braille version from our 2024/25 Annual Report ensuring visually impaired stakeholders can access key disclosures. Gender equity targets, diversity hiring policies, and inclusive workplace practices are embedded in our Group HR Framework, with digital integration enabling broader stakeholder engagement.

Health, Safety and Community CSR

Health and Safety standards are maintained across all manufacturing and plantation operations. Community CSR initiatives during the year included a Group-wide children's education campaign benefiting employees' families, participation in the beach clean-up, and post- cyclone Ditwah relief and reconstruction support for affected communities island-wide.

17,000+
Employees across the Group

32,000+
Hectares of Plantation Land Managed

53
Estates across three Plantation Companies

1,000+
Retail outlets, Dealerships & Factories

Governance Excellence

Strong corporate governance is the bedrock of the Group's long-standing reputation as one of Sri Lanka's most trusted conglomerates. Our governance framework encompasses board-level oversight, transparent financial reporting, robust risk management, and full compliance with the Colombo stock exchange listing rules, the Companies Act No. 07 of 2007, and all applicable securities and accounting regulation.

SLFRS S1 & S2 Climate Disclosure

The Group adopted SLFRS S1 (General Sustainability Disclosures) and SLFRS S2 (Climate- related Disclosures) in the 2025/26 reporting cycle, demonstrating early commitment to international sustainability reporting standards. We are embedding climate risk assessment into our enterprise risk management framework and progressively expanding the scope of our disclosures in line with regulatory expectations and the TCFD (Task Force on Climate-related Financial Disclosures) Framework.

Ethics, Compliance & Anti-Corruption

The Group maintains a robust compliance framework governed by the Board through its Audit, Remuneration, Nomination & Governance, and Related party transactions Review Committee. All employees are bound by the Group's Code of Conduct, which sets clear expectations on ethical business behavior, conflicts of interest, anti-bribery, and whistleblower protections.

Risk Management Integration

Enterprise risk management at the Group level integrates financial, operational, environmental, and reputational risks into a unified framework. The impact of cyclone Ditwah in November 2025 underscored the critical importance of business continuity planning and climate resilience risk assessment areas where the Group is investing in enhanced frameworks for the 2026/27 reporting cycle.

Stakeholder Engagement

We engage actively and transparently with shareholders, customers, employees, Suppliers, Regulatory bodies, and Communities. Stakeholder feedback is formally incorporated into our strategy review process. The integrated reporting approach adopted by the Group, aligned with the <IR> Framework, reflects our commitment to a holistic and honest account of value creation, trade-offs, and material risks.

How We Report Our Impact

In line with the International Integrated Reporting Framework (<IR>), our sustainability strategy is guided by the Six Capitals, recognising the value we draw on and influence through our activities.

Financial Capital

LKR 6.4Bn

Profit before tax for FY 2025/26 and Strong balance sheet enables sustained investment in sustainability initiatives.

Manufactured Capital

1,000+

Outlets, factories, and Dealerships Island wide. Manufacturing and retail infrastructure operated responsibly with efficiency and safety as core priorities.

Human Capital

17,000+

Employees whose skills, Commitment, and well-being are the foundation of our competitive strength and our social impact across Sri Lanka.

Intellectual Capital

94 Years

Institutional Knowledge, proprietary rubber and latex formulations, and the ARPICO brand trust built over nine decades of serving Sri Lankan Communities.

Natural Capital

32,000+ ha

Plantation, land, water resources, and biodiversity across our estates_ managed sustainably to preserve long-term ecological health and agricultural Productivity.

Social & Relationship Capital

Multi-Gen

Trusted relationships with estate communities, retail customers, business partners, and regulators, built through decades of consistent and ethical engagement.

Key Sustainability Targets - FY 2025/26 and Beyond

Pillar	Commitment	Initiative/ Target	Status
Environmental	Renewable energy expansion	Increase solar capacity	In Progress
Environmental	Rubber Recycling Program	Maintain in house recycling	In Progress
Environmental	Climate risk disclosure (SLFRS S2)	Expand Scope 1 & 2 emissions reporting: align with TCFD framework across key group entities.	Expanding
Social	Employee Training & development	Increase training hours per employee, enhance access to professional development	Ongoing
Social	Health & Safety Standards	Maintain zero serious injury target across all operation	Ongoing
Governance	SLFRS S1 & S2 Compliance	Full adoption of sustainability disclosure standards: Expand scope progressively across Group entities	Expanding
Governance	Climate resilience framework	Integrate climate risk assessment into enterprise risk management: develop business continuity protocols	Priority FY 26

VALUE CREATION MODEL

INPUTS

Financial Capital
Equity and debt used to finance operations and investments.

Manufactured Capital
Extensive network of retail outlets (Arpico Supercentres), production plants, logistics assets.

Human Capital
Over 17,000 employees across Sri Lanka with ongoing training and well-being programs.

Intellectual Capital
In-house IT development, brand equity (e.g., Arpico), innovation in mattresses and PVC.

Natural Capital
Plantation estates, renewable energy (Solar, Hydro), water conservation and waste reduction.

Social & Relationship Capital
Broad supplier and customer networks, CSR initiatives, loyalty programs.

PROCESSES

Business Processes (Diversified Operations)

Retail
(Arpico Super Centres)

Manufacturing
(Furniture, PVC, Rubber)

Financial Services
(Finance, Insurance, Stock broking)

Plantations
(Tea, Rubber and Oil Palm)

Logistics and Distribution
(Integrated value chain from plantation to processing to distribution)

Strategy and Governance

Strategy
Focused on customer-centric innovation (Loyalty programs & flexible payment schemes), continuous digital transformation, sustainable growth, and risk diversification.

Governance
Robust internal control and oversight (Audit, Remuneration, and Related Party Committees).

OUTPUTS

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. 3.7 Bn** profit after tax ★ **Rs. 27.3 Bn** in value added
Employment	★ Job creation and capacity building across Sri Lanka **[SDG 01 No 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.] **[SDG0 7 Affordable and Clean Energy:** The Group's investment in solar energy infrastructure reduces dependence on non-renewable energy sources and promotes clean energy adoption.]

VALUE CREATED FOR STAKEHOLDERS

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

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.

Delivering Sustainable Financial Performance

Financial capital remains fundamental to the Group's ability to create long-term value, maintain resilience, and support sustainable growth across its diversified portfolio. During the financial year 2025/26, the Group demonstrated disciplined financial management, prudent capital allocation, and strong liquidity management, enabling continued investment in strategic priorities while navigating evolving economic conditions.

The effective deployment of financial resources supported operational continuity, strengthened stakeholder confidence, and enhanced the Group's capacity to respond to changing market dynamics.

Financial Capital Outcomes

Key Indicators	2025/26	2024/25
Profit Before Tax	6,403,286	7,005,835
Profit for the Year	3,738,708	4,599,934
Operating Cash Flow	3,898,230	4,809,981
Debt to Equity Ratio	0.98	0.87
Return on Equity	10.99%	14.99%

The Group's financial performance reflects operational efficiencies, stronger sectorial contributions, and disciplined cost management, reinforcing the resilience of the business model.

Revenue Growth and Market Expansion

Group revenue increased to Rs. 79.18 billion during the year, recording growth of 3% over the previous financial year. Revenue generation continued to be diversified across the Group's operating sectors, reducing concentration risk and enhancing earnings stability.

The retail sector remained the largest contributor, generating Rs. 34.52 billion and accounting for 44% of total Group revenue. The continued expansion of modern retail formats, changing consumer lifestyles, and growing demand for convenience contributed significantly to this performance.

The expansion of the large-format store network to 31 outlets further strengthened market presence and improved accessibility. In parallel, product diversification initiatives and geographic expansion strategies supported customer acquisition and market penetration.

These investments position the Group to capitalize on evolving consumer trends while supporting sustainable revenue growth.

Finance Costs and Capital Efficiency

The Group continued to focus on effective management on its financing cost during the year. Finance cost amounted to Rs. 2.33bn in 2025/26 compared with Rs. 2.14bn in the previous year.

Despite the increasing finance cost, the group maintained a discipline approach to managing its financing arrangements and funding requirements.

Finance Income and Interest Coverage

Finance income increased by 12% to Rs. 1.4 billion, primarily driven by higher returns from third-party investments and effective cash management strategies.

This improvement indicates increased financial resilience and a stronger capacity to withstand fluctuations in interest rates and economic conditions.

Tax Contribution

The Group remains committed to responsible tax practices and compliance with all applicable taxation regulations.

Total tax expense increased to Rs. 2.66 billion during the year, compared with Rs. 2.4 billion in the previous year, reflecting increased taxable earnings.

Through its tax contributions, the Group continues to support national economic development and public infrastructure investments.

Profitability

The Plantation sector emerged as the largest contributor to Group profitability, generating operating profits of Rs. 4.12 billion. Strong commodity prices, operational efficiencies, and improved productivity supported this performance.

The earnings profile demonstrates the benefits of portfolio diversification and the resilience of the Group's business sectors.

Cash Flow Management

The Group generated operating cash inflows of Rs. 3.89 billion during the year, reflecting the strength of underlying operations.

Investing activities resulted in cash outflows of Rs. 4.16 billion, including capital expenditure of Rs. 2.44 billion on property, plant, and equipment to support future growth.

Financing activities recorded net cash outflows of Rs. 0.68 billion, mainly attributable to:

- Debt repayments of Rs. 2.18 billion.
- Dividend payments amounting to Rs. 1.59 billion.
- Lease liability settlements totaling Rs. 1.52 billion.

CAPITAL REPORTS

Despite increased capital commitments, the Group maintained adequate liquidity levels and continued to prioritize effective cash flow management to support long-term financial sustainability.

Financial Position and Liquidity

Total non-current assets amounted to Rs. 45.6 billion and represented 42% of total assets. Property, plant, and equipment accounted for 25.4% of total assets, reflecting continued investment in strategic operating assets.

Current assets increased to Rs. 64 billion, while current liabilities reached Rs. 57.7 billion. The Group maintained sound liquidity levels, with:

- Current ratio: 1.10
- Quick ratio: 0.88

Working capital remained within manageable levels, with effective management of inventories, receivables, and payables supporting operational requirements.

The Group's strong asset base and prudent liquidity management provide a solid platform for future growth.

Capital Structure

Shareholders' funds continued to strengthen during the year, with reserves increasing to Rs. 24 billion, supported by retained earnings attributable to shareholders.

The Company's market capitalization increased to Rs. 62.67 billion at year-end. During the year, the share price traded between Rs. 23.00 and Rs. 50.10, closing at Rs. 30.80.

A total of 75.9 million shares were traded during the year, reflecting active investor participation and confidence in the Group's long-term prospects.

Climate and Sustainability Considerations

The Group recognizes that climate change, resource constraints, and evolving stakeholder expectations can influence future financial performance.

In line with the requirements of SLFRS S1 and SLFRS S2, management continues to evaluate sustainability-related risks and climate-related risks that may affect enterprise value, including:

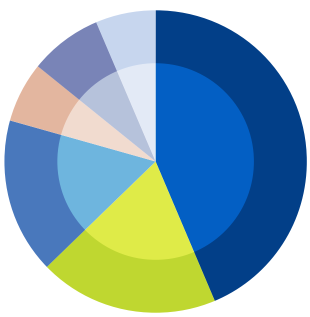
- Physical climate risks affecting agricultural and plantation operations.
- Energy costs and carbon-related regulatory developments.
- Supply chain disruptions.
- Resource availability and operational resilience.

The integration of sustainability considerations into investment decisions, risk management processes, and capital allocation supports the Group's long-term financial resilience.

Contribution to UN Sustainable Development Goals

The Group's financial performance and capital allocation contribute to several United Nations Sustainable Development Goals.

Revenue Composition



Retail	44%
Plantations	19%
Plastic and furniture	17%
Tyre	6%
Rubber	8%
Financial & Other Services	6%

1.10

Current Ratio

0.88

Quick Ratio

SDG	Contribution
Decent Work and Economic Growth	Employment generation and economic value creation.
Industry, Innovation and Infrastructure	Investments in manufacturing facilities and operational assets.
Responsible Consumption and Production	Efficient resource utilization and operational improvements.
Climate Action	Consideration of climate-related risks in decision-making.
Partnerships for the Goals	Engagement with investors, suppliers, regulators, and communities.

Looking Ahead

The Group enters the forthcoming financial year with a strengthened balance sheet, strong profitability, and enhanced operational resilience. Continued investment in growth opportunities, disciplined capital management, and the integration of sustainability considerations into business decisions will support long-term value creation for all stakeholders.

Management remains focused on maintaining financial strength, enhancing returns, and building resilience against future economic and environmental challenges.

MANUFACTURED 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.

Strengthening Operational Capacity and Infrastructure

Manufactured capital represents the Group's physical assets, production facilities, logistics infrastructure, retail network, and technological platforms that support operational excellence and long-term value creation. Through continued investments in strategic assets, facility enhancements, and digital capabilities, the Group has strengthened its ability to deliver products and services efficiently while enhancing customer experience and operational resilience.

During the financial year, the Group continued to expand and modernize its infrastructure across key business sectors, supporting growth initiatives, improving productivity, and reinforcing competitive positioning.

Manufactured Capital Base

Key Indicators	2025/26	2024/25
Property, Plant and Equipment	27,891,043	26,676,969
Investment Properties	549,825	985,716
Consumable Biological Assets	2,361,227	2,104,636

The Group's substantial investment in physical assets provides a strong operational foundation that supports manufacturing, retail, logistics, plantation, and distribution activities across its diversified business portfolio.

Infrastructure Expansion

Strategic investments in infrastructure continued during the year to improve customer accessibility, strengthen supply chain capabilities, and enhance operational efficiency.

Retail Network Development

The Group maintains an extensive retail network comprising 22 Supercenters, 9 Superstores, 20 Arpico Daily outlets, and 07 showrooms operated under Richard Pieris Distributors Limited.

During the year, investments were undertaken to modernize retail facilities and improve customer convenience. Several outlets were upgraded to incorporate value-added services, including banking facilities, utility payment counters, restaurants, and creating integrated shopping destinations that enhance customer engagement.

Store layouts were redesigned to improve customer navigation, optimize product placement, and increase operational efficiency. Interior renovations and modern retail concepts were introduced to provide a contemporary shopping environment aligned with changing consumer expectations.

These enhancements have strengthened the Group's market presence while supporting customer retention and long-term growth.

Supply Chain and Logistics Enhancement

RPC Logistics continued to strengthen its transportation and cargo-handling capabilities through investments in fleet expansion. During the past three years, the company acquired two 40-foot prime movers, two 20-foot prime movers, and four trailers, significantly improving import and export logistics capacity.

These investments have enhanced operational reliability, increased cargo handling capabilities, and improved service delivery to customers.

Investment in Digital Infrastructure

During the year, the Group made significant investments in server infrastructure to strengthen its digital backbone and support the increasing technology requirements of its businesses. These investments enhanced data storage and processing capabilities, system reliability, cyber-security, and business continuity while providing the infrastructure required to support digital transformation initiatives across the Group.

The upgraded server infrastructure also facilitates the integration of enterprise systems, improved data management, automation, analytics, and other digital applications, enabling the Group to operate more efficiently and make faster, data-driven decisions.

Manufacturing Capacity Expansion

Richard Pieris Exports PLC commissioned a new sheeting line during the last year to increase production capacity for rubber-based products. The investment has improved process efficiency, reduced material wastage, and enhanced manufacturing productivity.

In addition, a state-of-the-art latex foam manufacturing facility is scheduled to commence operations in 2026. The new plant is expected to significantly increase production capacity, improve product quality, and strengthen the Group's competitiveness in international markets.

Arpico Furniture expanded its manufacturing capabilities to meet increasing demand for customized furniture solutions while upgrading its retail outlets to enhance customer experience and product presentation.

Plantation Infrastructure and Land Utilization

Richard Pieris Plantations continued to invest in facility upgrades, land optimisation initiatives, and crop diversification programs. These investments are aimed at improving agricultural productivity, enhancing resource utilization, and supporting long-term environmental sustainability.

The Group's continued investment in plantation infrastructure contributes to operational resilience while supporting sustainable agricultural practices.

CAPITAL REPORTS

Technology Integration and Digital Transformation

Digital transformation remains a key strategic priority supporting operational efficiency, customer engagement, and informed decision-making.

The Group's in-house information technology team plays a critical role in developing and upgrading software applications that support the evolving requirements of individual business sectors. Automation initiatives implemented during the year have streamlined workflows, improved data management capabilities, and enhanced operational transparency.

The Group also continued to strengthen its digital commerce platforms in response to changing consumer purchasing behavior. Significant enhancements were made to e-commerce systems, including:

- Advanced inventory management capabilities.
- Real-time order tracking systems.
- Enhanced payment security measures.
- Improved user interface and customer experience features.
- Strengthened cyber security controls.

These digital initiatives have improved operational efficiency while supporting seamless customer interactions across multiple channels.

Operational Efficiency and Value Creation

The Group's investment in manufactured capital supports value creation through:

- Enhanced production capacity and operational efficiency.
- Improved customer accessibility and service delivery.
- Reduced process inefficiencies and material wastage.
- Strengthened supply chain resilience.
- Increased manufacturing productivity.
- Greater digital integration and data-driven decision-making.
- Improved product quality and customer experience.

Continued investments in physical and technological infrastructure enable the Group to respond effectively to evolving market conditions while supporting sustainable growth.

Sustainability Considerations

The Group recognizes the importance of integrating sustainability considerations into infrastructure development and operational activities. Investments in modern production technologies, process improvements, efficient resource utilization, and waste reduction initiatives contribute to environmental stewardship and operational resilience.

Facility upgrades and technological enhancements are increasingly evaluated based on their ability to improve energy efficiency, reduce resource consumption, and support sustainable business practices.

The Group remains committed to developing infrastructure that supports both economic performance and environmental responsibility.

Contribution to UN Sustainable Development Goals

SDG		Contribution
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	Investment in infrastructure and employment generation.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure	Expansion of manufacturing facilities and logistics capabilities.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	Improved process efficiency and resource optimization.
13 CLIMATE ACTION	Climate Action	Sustainable operational practices and efficient resource utilization.
17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals	Strengthened relationships across supply chains and customer networks.

Looking Ahead

The Group will continue to invest in modern infrastructure, advanced manufacturing capabilities, digital technologies, and customer-focused facilities to strengthen operational resilience and support future growth.

The commencement of the new latex foam manufacturing facility, continued retail modernization initiatives, and ongoing technology investments are expected to enhance productivity, improve customer experience, and create long-term value for stakeholders.

By maintaining a disciplined approach to capital investment and infrastructure development, the Group remains well-positioned to support sustainable growth and adapt to evolving market and customer requirements.

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.

Empowering People for Sustainable Growth

Human capital remains one of the Group's most valuable assets and a critical driver of long-term sustainability, operational excellence, and value creation. Our employees contribute diverse knowledge, experience, skills, and expertise that enable the Group to adapt, innovate, and compete effectively across its diversified business portfolio.

Recognizing that people are fundamental to business success, the Group continues to invest in attracting, developing, and retaining talent while fostering an inclusive, safe, and engaging workplace. Human capital strategies are closely aligned with the Group's business objectives to build a capable, resilient, and future-ready workforce.

Human Capital Base

Key Indicator	2026	2025
Total Employees	17,363	17,656

Workforce Composition

The Group maintains a diverse workforce operating across multiple business sectors, functions, and geographic locations. Employees represent a wide range of educational, professional, religious, ethnic, and cultural backgrounds, contributing to a dynamic and inclusive organizational culture.

The employee hierarchy is structured to support effective decision-making, operational efficiency, and leadership development. The workforce comprises executive, managerial, supervisory, and operational employees, ensuring an appropriate balance of skills and expertise across all levels of the organization.

Workforce planning initiatives continue to support succession management, talent mobility, and the development of future leaders while ensuring that the Group possesses the capabilities required to meet evolving business needs.

Employee Retention and Talent Acquisition

The Group remains focused on attracting and retaining talented employees who contribute to sustainable business growth. Recruitment strategies are designed to identify individuals with the technical competencies, leadership potential, and values required to support the Group's long-term objectives.

Employee retention continues to be supported through competitive remuneration, career development opportunities, employee benefits, and initiatives that promote work-life balance. The Group also places emphasis on internal mobility and succession planning to create meaningful career pathways and enhance employee engagement.

New recruitment initiatives and talent development programs contribute to building a strong pipeline of future talent while reducing critical skill gaps across business sectors.

Learning and Development

The Group continued to invest significantly in employee learning and development during the year, recognizing that continuous learning is essential to organizational resilience and future success.

Leadership development remained a key priority, with executive coaching, mentoring programs, and leadership workshops implemented to strengthen succession pipelines and prepare high-potential employees for future responsibilities.

Training programs were expanded in areas such as:

- Data analytics and business intelligence.
- Artificial intelligence and digital technologies.
- Leadership and management development.
- Functional and technical competencies.
- Innovation and problem-solving.
- Customer service excellence.

During the year, the Group further strengthened its commitment to employee development by establishing a dedicated training center, the Knowledge Hub. The Knowledge Hub serves as a central platform for learning, collaboration, knowledge sharing, and professional development, providing employees with greater access to structured training programs and resources. Its establishment reinforces the Group's focus on building a future-ready workforce and fostering a culture of continuous learning.

Cross-functional training initiatives encouraged collaboration, knowledge sharing, and greater integration among business units, supporting a more agile and adaptable workforce.

These investments in employee capability development contribute to improved productivity, stronger leadership, and enhanced organizational performance.

Employee Wellbeing and Safety

The Group remains committed to promoting the health, safety, and wellbeing of its employees, recognizing that a healthy workforce is essential for sustainable business performance.

Employee wellbeing initiatives focus on:

- Promoting work-life balance.
- Supporting mental health and stress management.
- Encouraging healthy lifestyles.
- Providing access to healthcare services.

CAPITAL REPORTS

A comprehensive insurance scheme supports the health and welfare needs of employees, while the on-site medical facility provides free outpatient consultations and prescribed medication, ensuring convenient access to healthcare services.

The Group continues to foster a safe and supportive working environment that prioritizes employee wellbeing and encourages a culture of care and responsibility.

Diversity, Inclusion and Employee Engagement

The Group values diversity and is committed to maintaining an inclusive workplace where employees are treated with dignity, fairness, and respect.

The workforce comprises individuals from diverse religious, ethnic, and cultural backgrounds, creating an environment that encourages collaboration, innovation, and mutual understanding. Shared organizational values and a strong sense of purpose unite employees across the Group.

An open-door policy supports transparent communication and encourages employees to share ideas, raise concerns, and engage directly with management. This approach strengthens trust, accountability, and employee participation.

Employee engagement initiatives are further supported through the activities of the Sports Club, which organizes social, recreational, and sporting events throughout the year. These programs strengthen relationships among employees, promote teamwork, and contribute to both physical and mental wellbeing.

Collectively, these initiatives foster a positive workplace culture and support employee satisfaction, motivation, and organizational cohesion.

Employee Retention and Rewards

The Group's employee retention strategy focuses on creating an environment where individuals can develop professionally while maintaining personal wellbeing.

Retention initiatives include:

- Competitive remuneration and employee benefits.
- Career advancement opportunities.
- Leadership development programs.
- Performance recognition initiatives.
- Training and professional development.
- Flexible and supportive work practices.
- Employee wellness programs.
- These initiatives contribute to higher employee engagement, stronger organizational commitment, and improved workforce stability.

Human Capital Value Creation

Investment in human capital creates value by:

- Developing leadership capabilities.
- Enhancing employee skills and competencies.
- Improving productivity and operational performance.
- Supporting innovation and digital transformation.
- Strengthening employee engagement and retention.
- Promoting diversity, inclusion, and wellbeing.
- Building organizational resilience.

A motivated and capable workforce remains fundamental to the Group's ability to deliver sustainable growth and create long-term value for stakeholders.

Sustainability Considerations

The Group recognizes that human capital development is essential to sustainable business success. Investments in employee wellbeing, capability building, diversity, and leadership development contribute to long-term organizational resilience and responsible business practices.

By creating an inclusive, safe, and supportive workplace, the Group seeks to attract and retain talented individuals while fostering a culture of continuous improvement and innovation.

Contribution to UN Sustainable Development Goals

SDG	Contribution
3 Good Health and Well-being	Employee health, safety, and wellness programs.
4 Quality Education	Training, learning, and skills development initiatives.
5 Gender Equality	Promoting diversity and inclusion within the workforce.
8 Decent Work and Economic Growth	Employment generation and career development opportunities.
10 Reduced Inequalities	Inclusive workplace practices and equal opportunities.

Looking Ahead

The Group will continue to invest in developing a highly-skilled, engaged, and future-ready workforce capable of supporting long-term business growth.

Future priorities include strengthening leadership pipelines, enhancing digital capabilities, promoting employee wellbeing, and fostering a culture of innovation and inclusion. Through these initiatives, the Group remains committed to empowering its people and building a resilient organisation capable of responding to future opportunities and challenges.

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.

Preserving Natural Resources for Sustainable Value Creation

Natural capital represents the environmental resources and ecosystems that support the Group's operations, including land, forests, water resources, biodiversity, and renewable energy assets. As a diversified conglomerate with significant interests in plantations, manufacturing, retail, and industrial operations, the Group recognizes its responsibility to manage these resources responsibly and sustainably.

Our approach to natural capital focuses on conserving biodiversity, promoting sustainable agricultural practices, improving resource efficiency, reducing environmental impacts, and enhancing climate resilience. By integrating environmental stewardship into business operations, the Group seeks to create long-term value while safeguarding natural ecosystems for future generations.

Natural Capital Base

The Group's plantation sector manages an extensive land portfolio across Sri Lanka, supporting the cultivation of tea, rubber, oil palm, coconut, cinnamon, and coffee.

Estate Land Holdings

The Group's plantation companies collectively manage over 32,000 hectares of agricultural land distributed among several estates operated by Namunukula Plantations PLC, Maskeliya Plantations PLC, and Kegalle Plantations PLC.

Plantation Company	Number of Estates	Primary Crops
Namunukula Plantations PLC	18	Tea, Oil Palm, Rubber
Maskeliya Plantations PLC	18	Tea, Rubber
Kegalle Plantations PLC	17	Rubber, Oil Palm, Tea

These extensive land assets provide the foundation for the Group's agricultural operations while supporting biodiversity conservation, watershed protection, and rural livelihoods.

Sustainable Land Use and Agriculture

Sustainable agricultural practices remain central to the Group's plantation operations. The plantation sector continues to implement responsible land management practices that enhance productivity while preserving environmental integrity.

The Group manages more than 32,000 hectares dedicated to tea, rubber, oil palm, coconut, cinnamon, and coffee cultivation. Agricultural diversification initiatives have expanded into coffee cultivation by utilizing previously underproductive lands, improving land utilization while generating additional economic value.

Operations are guided by internationally recognized Good Agricultural Practices (GAPs), supported by certifications and standards including:

- Rainforest Alliance Certification.
- Ethical Tea Partnership standards.
- Fair Trade Certification.
- HACCP.
- ISO 22000 Food Safety Management Systems.
- Global Organic Latex Standards (GOLS).

These certifications demonstrate the Group's commitment to responsible agricultural practices, environmental protection, product quality, and sustainable value chains.

Forest Conservation and Biodiversity

The Group remains committed to protecting biodiversity and conserving natural habitats within and surrounding its plantation operations.

Environmental conservation initiatives include:

- Regulation and control of tree felling activities.
- Forest fire prevention programs.
- Protection of forest reserves adjacent to estate lands.
- Conservation of wildlife habitats.
- Reforestation and tree planting programs.

The Group's estates support diverse ecosystems containing numerous species of birds, butterflies, and other wildlife, including several endangered and endemic species. Environmental management practices are implemented to minimize ecological disturbance and preserve these valuable habitats.

The introduction of Balsa cultivation further demonstrates the Group's commitment to biodiversity enhancement and sustainable forestry. The Group remains the only commercial cultivator of this species in Sri Lanka outside botanical gardens.

Water and Soil Conservation

The sustainable management of water and soil resources is essential to maintaining agricultural productivity and ecosystem health.

Various soil conservation measures have been implemented across plantation estates, including:

- Terracing.
- Mulching.
- Controlled weeding.
- Cover cropping using species such as Maana grass.
- Soil erosion prevention techniques.

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Tyre retreading initiatives which extend the useful life of tyres by restoring worn tyres for further use, reducing the demand for new raw material and minimizing tyre waste. Through tyre retreading operations, the Group contribute to resource conservation and supports circular economy principles by extending product lifestyles and reducing the environmental impact associated with tyre disposal and the production of new tyres. These initiatives collectively improve operational efficiency, promote responsible resource utilization and reduce the Group's overall environmental footprint.

Water management initiatives focus on efficient resource utilisation through controlled irrigation systems, rainfall management practices, and water conservation measures, particularly within upcountry tea estates.

These initiatives contribute to maintaining soil fertility, reducing land degradation, and improving long-term agricultural sustainability.

Clean Energy and Climate Action

The Group continues to pursue opportunities to reduce its environmental footprint through renewable energy and climate-related initiatives.

Solar energy systems have been installed across selected retail and manufacturing facilities, reducing dependence on conventional energy sources and lowering greenhouse gas emissions.

Mini hydro power plants located within the Talawakelle and Brunswick estates generate renewable electricity for internal consumption while contributing surplus energy to the national grid.

The Group also continues to support carbon reduction initiatives through:

- ★ Reforestation programs.
- ★ Renewable energy expansion.
- ★ Energy efficiency improvements.
- ★ Sustainable land management practices.
- ★ Carbon footprint reduction initiatives.
- ★ These efforts support the Group's long-term ambition to progress towards carbon neutrality and strengthen climate resilience.

Waste Management and Resource Efficiency

The Group remains committed to reducing waste generation and promoting responsible resource consumption across its operations.

Key initiatives implemented include:

- ★ Adoption of environmentally-friendly packaging materials.
- ★ Reduction of paper consumption through digitalization.
- ★ Responsible rubber waste management practices.
- ★ Energy-efficient manufacturing processes.
- ★ Green Gas initiatives within the plastics and furniture sectors.
- ★ Process improvements that reduce material wastage.

These initiatives support circular economy principles while improving operational efficiency and reducing environmental impacts.

Environmental Stewardship and Value Creation

The Group's investment in natural capital creates value by:

- ★ Protecting biodiversity and ecosystems.
- ★ Preserving water and soil resources.
- ★ Supporting sustainable agricultural production.
- ★ Reducing carbon emissions.
- ★ Improving resource efficiency.
- ★ Enhancing climate resilience.
- ★ Strengthening environmental compliance and stakeholder trust.

The effective management of natural resources supports long-term operational sustainability while contributing to the wellbeing of communities and ecosystems connected to the Group's operations.

Sustainability Considerations

Climate change, biodiversity loss, water scarcity, and evolving environmental regulations present both risks and opportunities for the Group.

Environmental considerations are increasingly integrated into investment decisions, operational planning, and risk management processes to improve resilience and support sustainable growth.

The Group continues to align its environmental practices with national environmental policies and global sustainability frameworks while seeking opportunities to enhance environmental performance across all sectors.

Contribution to UN Sustainable Development Goals

SDG		Contribution
6 CLEAN WATER AND SANITATION	Clean Water and Sanitation	Water conservation and sustainable water management.
7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy	Renewable energy generation and energy efficiency initiatives.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	Resource efficiency and waste reduction programmes.
13 CLIMATE ACTION	Climate Action	Carbon reduction and climate resilience initiatives.
15 LIFE ON LAND	Life on Land	Biodiversity conservation, reforestation, and sustainable land management.

Looking Ahead

The Group remains committed to strengthening its natural capital through continued investments in renewable energy, sustainable agriculture, biodiversity conservation, and climate resilience initiatives.

Future priorities include expanding organic and sustainable farming practices, increasing renewable energy capacity, improving resource efficiency, and further integrating environmental considerations into business decision-making.

By protecting and responsibly managing natural resources, the Group seeks to create long-term value for stakeholders while contributing to environmental sustainability and supporting the wellbeing of future generations.

SOCIAL AND 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.

Building Trusted Relationships for Sustainable Value Creation

For more than 94 years, Richard Pieris & Company PLC has remained one of Sri Lanka's most enduring and diversified business enterprises, creating sustainable value through strong and enduring relationships with its stakeholders.
The Group recognizes that long-term business success depends not only on financial performance but also on the trust, collaboration, and mutual value created with customers, suppliers, communities, employees, regulators, and business partners.

Social and relationship capital represents the networks, partnerships, stakeholder relationships, and social license that support the Group's operations and contribute to long-term value creation. By fostering meaningful engagement and maintaining responsible business practices, the Group continues to strengthen stakeholder confidence while contributing to sustainable economic and social development.

Stakeholder Relationships

The Group engages with a broad range of stakeholders whose contributions are essential to business success. Through regular dialogue, transparent communication, and responsible business practices, the Group seeks to understand stakeholder expectations and incorporate their perspectives into decision-making processes.

Key stakeholder groups include:

- Customers.
- Suppliers, business partners and lenders.
- Local communities.
- Employees.
- Government and regulatory authorities.
- Investors and shareholders.
- Industry associations and development partners.

Maintaining strong stakeholder relationships enhances resilience, supports sustainable growth, and strengthens the Group's social license to operate.

Customer Relationships

The Group remains committed to its purpose of touching lives and creating better experiences every day. Customer satisfaction, trust, and loyalty continue to be central to the Group's long-term success.

Despite challenging economic conditions, the Group has continued to place customers at the center of its operations by:

- Delivering high-quality products and services.
- Enhancing customer experiences.
- Expanding product offerings.
- Adapting to evolving consumer preferences.
- Investing in sustainable and responsible operations.

Close engagement with customers enables the Group to identify emerging needs and continuously improve its products and services. The Group also promotes responsible consumption through efficient resource use, energy conservation, and environmentally responsible business practices.

The Group pioneered Sri Lanka's first retail loyalty program, which continues to evolve through innovative promotional campaigns and customer reward initiatives that strengthen customer loyalty and long-term relationships.

Product Quality and Safety

The Group maintains rigorous quality assurance standards throughout its value chain.

Agricultural operations comply with internationally recognized Good Agricultural Practices (GAPs), including standards established by:

- Rainforest Alliance.
- Ethical Tea Partnership.
- Fair-trade certification requirements.
- Tea Research Institute guidelines.

Manufacturing operations follow Good Manufacturing Practices (GMPs) and internationally recognized quality and food safety standards, including:

- HACCP.
- ISO 22000 Food Safety Management Systems.

These standards ensure product quality, customer safety, and responsible production practices.

Supplier Relationships and Responsible Procurement

Suppliers play a critical role within the Group's value chain by supporting operational efficiency, quality assurance, and business continuity.

The Group is committed to establishing long-term relationships with suppliers based on:

- Transparency.
- Fairness.
- Mutual trust.
- Ethical conduct.
- Shared value creation.

Dedicated procurement and supply chain teams work closely with suppliers to improve operational performance, encourage innovation, and promote responsible sourcing practices.

The Group maintains relationships with both local and international suppliers to ensure product availability, quality, competitive pricing, and supply chain resilience.

Responsible Sourcing

The Group is committed to ethical procurement practices and ensures that raw materials and products are sourced responsibly and sustainably.

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Procurement practices emphasize:

- Compliance with international quality standards.
- Adherence to Good Manufacturing Practices.
- Responsible sourcing principles.
- Fair trading practices.
- Supplier integrity and transparency.

The Group's approach to fair trading is built upon honouring commitments, maintaining transparency, and fostering relationships based on honesty and trust.

Supporting Local Suppliers

The Group actively supports local suppliers and entrepreneurs as part of its commitment to national economic development.

By collaborating with local suppliers, providing market access opportunities, and encouraging innovation and quality improvements, the Group contributes to:

- Local economic growth.
- Employment generation.
- SME development.
- Supply chain resilience.
- Community development.

These partnerships create shared value and strengthen long-term supplier relationships.

Community Development and Social Investment

As a responsible corporate citizen, the Group remains committed to contributing to the social and economic development of the communities in which it operates.

Community investment initiatives focus on four key areas:

Education and Youth Development

The Group supports educational advancement through:

- School infrastructure development.
- Provision of educational materials.
- Scholarship programs.
- Student welfare initiatives.

These programs seek to improve educational opportunities and empower future generations.

Healthcare and Wellbeing

Healthcare initiatives include:

- Medical assistance programs.
- Health screening campaigns.
- Community health awareness programs.
- Wellness initiatives.

These programs contribute to improving access to healthcare services and promoting healthier communities.

Environmental Sustainability

Environmental initiatives support:

- Reforestation programs.
- Waste management projects.
- Environmental awareness campaigns.
- Community-based sustainability programs.

These efforts contribute to environmental conservation and encourage responsible environmental stewardship.

Livelihood Development and Economic Empowerment

The Group supports small and medium-sized enterprises, particularly within agricultural communities, through:

- Skills development programs.
- Technical assistance.
- Capacity-building initiatives.
- Financial support programs.

These initiatives help improve livelihoods, strengthen local economies, and enhance economic resilience.

Employee Volunteerism and Social Engagement

Employees play an important role in the Group's community engagement efforts through volunteer activities and social initiatives.

Employee participation contributes to:

- Community development projects.
- Environmental initiatives.
- Educational programs.
- Health and wellbeing activities.
- Social welfare programs.

This culture of volunteerism strengthens employee engagement while creating meaningful social impact.

Social and Relationship Capital Value Creation

Strong stakeholder relationships create value by:

- Building customer trust and loyalty.
- Strengthening supply chain resilience.
- Supporting community development.
- Enhancing brand reputation.
- Improving stakeholder confidence.
- Promoting responsible business practices.
- Creating shared economic and social value.

The Group's long-standing relationships and stakeholder partnerships continue to support sustainable growth and organizational resilience.

Sustainability Considerations

The Group recognizes that evolving stakeholder expectations, social changes, and sustainability challenges require ongoing engagement and responsible business practices.

Through transparent communication, ethical conduct, and social investment, the Group seeks to strengthen trust and maintain positive relationships with all stakeholders.

Continued investment in customer relationships, responsible sourcing, community development, and stakeholder engagement supports long-term business sustainability.

Contribution to UN Sustainable Development Goals

SDG		Contribution
3 GOOD HEALTH AND WELL-BEING	Good Health and Well-being	Community healthcare and wellness programs.
4 QUALITY EDUCATION	Quality Education	Educational support and scholarship initiatives.
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	SME development and local economic support.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	Responsible sourcing and sustainable supply chains.
13 CLIMATE ACTION	Climate Action	Environmental responsibility and sustainability initiatives.
17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals	Stakeholder engagement and collaborative partnerships.

Looking Ahead

The Group will continue to strengthen relationships with customers, suppliers, communities, and other stakeholders through responsible business practices, transparent engagement, and shared value creation.

Future priorities include expanding community investment programs, enhancing customer experiences, promoting sustainable supply chains, and strengthening stakeholder partnerships.

By nurturing strong and enduring relationships, Richard Pieris & Company PLC remains committed to creating positive social impact while supporting sustainable business growth and long-term value creation for all stakeholders.

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.

Driving Innovation and Knowledge for Sustainable Value Creation

Intellectual capital represents the knowledge, innovation, systems, processes, technologies, and organizational capabilities that support the Group's ability to create sustainable value. It encompasses the collective expertise of employees, digital capabilities, research and development initiatives, organizational knowledge, and governance frameworks that enable the Group to respond effectively to changing market conditions.

As a diversified conglomerate operating across multiple sectors, the Group recognizes intellectual capital as a critical driver of innovation, operational excellence, and long-term competitiveness. Through continuous investment in technology, knowledge management, and organizational capabilities, the Group strengthens its ability to deliver value to customers, improve efficiency, and support sustainable growth.

Intellectual Capital Framework

The Group's intellectual capital is built upon four key pillars:

- Digital transformation and technology.
- Research, development, and innovation.
- Organizational knowledge and processes.
- Human expertise and leadership capabilities.

These elements collectively support informed decision-making, operational resilience, and continuous improvement across the Group.

Digital Transformation

Digital transformation remains a strategic priority as the Group continues to integrate technology solutions that enhance operational efficiency and improve customer experiences.

Investments in digital technologies support:

- Business process automation.
- Data analytics and business intelligence.
- Digital customer engagement.
- Operational monitoring and reporting.
- Improved decision-making capabilities.
- Enhanced service delivery.

The Group continues to expand the use of digital platforms and technology-driven solutions to improve productivity, streamline workflows, and increase responsiveness to evolving customer and market expectations.

The adoption of advanced analytics and emerging technologies has strengthened data-driven decision-making and enhanced operational visibility across business sectors.

Research, Development and Innovation
Innovation remains a key driver of sustainable growth and competitive advantage.

The Group actively pursues research and development initiatives aimed at:

- Enhancing existing products and services.
- Developing innovative solutions.
- Improving operational efficiency.
- Identifying new business opportunities.
- Responding to changing customer preferences.
- Supporting product diversification.

An innovation-oriented culture encourages creativity, collaboration, and continuous improvement throughout the organization. Employees are encouraged to contribute ideas and participate in initiatives that improve products, processes, and customer experiences.

These efforts enable the Group to remain adaptable and responsive within an increasingly dynamic business environment.

Organisational Capital

Organizational capital comprises the internal systems, governance structures, processes, and institutional knowledge that support effective management and operational excellence.

The Group continues to strengthen its organizational capabilities through:

- Strong governance frameworks.
- Clearly defined policies and procedures.
- Knowledge-sharing initiatives.
- Leadership development programs.
- Performance management systems.
- Continuous process improvement.

These initiatives support consistency, accountability, and operational effectiveness while enhancing organizational resilience.

A culture of collaboration and knowledge sharing enables the transfer of expertise across business sectors, promoting innovation and supporting long-term capability development.

Knowledge Management and Capability Building

Knowledge and expertise remain essential strategic assets within the Group.

The organization encourages continuous learning and professional development to strengthen technical capabilities, leadership competencies, and industry knowledge.

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Cross-functional collaboration, employee training, and knowledge-sharing initiatives contribute to:

- Improved problem-solving capabilities.
- Greater organizational agility.
- Enhanced decision-making.
- Stronger leadership succession.
- Increased innovation capacity.

By investing in intellectual resources, the Group strengthens its ability to adapt to changing market conditions and emerging business opportunities.

Information Security and Risk Management

Recognizing the increasing importance of intangible assets and digital information, the Group continues to implement measures to protect its intellectual capital.

Key risk management initiatives include:

Cyber Security and Data Protection
Advanced cyber security measures are implemented to safeguard digital systems, confidential information, and customer data. Security protocols, access controls, and monitoring systems help protect information assets and minimize cyber-related risks.

Talent Retention and Development
The Group invests in employee training, leadership development, and career advancement opportunities to retain critical knowledge and maintain organizational capabilities.

Regulatory Compliance
Compliance with applicable laws, regulations, and industry standards supports responsible business practices and reduces operational and legal risks.

Business Continuity
Risk management frameworks and operational controls help ensure resilience and continuity in the face of changing business conditions and emerging risks.

Intellectual Capital Value Creation

The Group's intellectual capital creates value by:

- Driving innovation and continuous improvement.
- Supporting informed and data-driven decision-making.
- Enhancing operational efficiency.
- Strengthening customer experiences.
- Improving organizational resilience.
- Protecting knowledge and information assets.
- Supporting sustainable business growth.

These capabilities enable the Group to maintain its competitive position while responding effectively to evolving market opportunities.

Sustainability Considerations

Rapid technological advancement, digital disruption, cyber security threats, and changing stakeholder expectations continue to influence the management of intellectual capital.

The Group remains committed to strengthening its technological capabilities, protecting information assets, and fostering a culture of innovation and learning.

By integrating knowledge, technology, and innovation into its business strategy, the Group supports long-term resilience and sustainable value creation.

Contribution to UN Sustainable Development Goals

SDG		Contribution
	SDG 4 – Quality Education	Employee learning, knowledge development, and capability building.
	SDG 8 – Decent Work and Economic Growth	Innovation and productivity enhancement.
	SDG 9 – Industry, Innovation and Infrastructure	Digital transformation and technological advancement.
	SDG 12 – Responsible Consumption and Production	Process improvements and operational efficiency.
	SDG 16 – Peace, Justice and Strong Institutions	Governance, compliance, and information security practices.

Looking Ahead

The Group will continue to strengthen its intellectual capital through investments in digital transformation, innovation, organizational capability, and knowledge management.

Future priorities include expanding data analytics capabilities, enhancing cyber security measures, accelerating digital initiatives, fostering innovation, and developing leadership capabilities across the organization.

By leveraging knowledge, technology, and innovation, the Group remains well-positioned to respond to future opportunities and challenges while creating sustainable value for all stakeholders.

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

1. Basis of Preparation

1.1 Reporting Entity

These sustainability-related financial disclosures have been prepared for Richard Pieris & Company PLC and its subsidiaries (collectively, "the Group"), consistent with the reporting entity used for the Group's consolidated financial statements. Richard Pieris & Company PLC is a public limited company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The Company is the ultimate parent of the Group.

The Group operates through a diversified portfolio of businesses covering Retail, Plantation, Rubber, Tyre, Plastics, Furniture and Electronics, Financial Services and other related activities. Accordingly, the sustainability-related risks and opportunities considered in these disclosures reflect the Group's diversified business model and operating environment.

1.2 Scope & Reporting Framework

These disclosures cover sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including those that may affect its cash flows, access to finance or cost of capital over the short, medium or long term.

The disclosures have been prepared with reference to:

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 – Climate-related Disclosures
- Relevant SASB Standards and industry-based guidance applicable to the Group's business activities.

SLFRS S1 provides the overall framework for identifying and disclosing material sustainability-related risks and opportunities. SLFRS S2 provides specific requirements for climate-related risks and opportunities. The SASB Standards are considered as an important source of industry-based guidance for identifying sustainability-related disclosure topics and metrics relevant to the Group's different business activities.

As the Group operates across multiple sectors, the applicability of relevant industry-based guidance has been considered by reference to the nature of the Group's activities and the sustainability-related risks and opportunities associated with those activities.

The sustainability-related financial disclosures form part of the Group's Annual Report and should be read together with the Group's audited financial statements and other relevant sections of the Annual Report.

1.3 Value Chain

The Group's assessment of sustainability-related risks and opportunities extends beyond its own operations to relevant activities across its value chain.

The value chain assessment considers, where relevant:

Upstream Activities	Own Operations	Downstream Activities
★ Suppliers of raw materials, agricultural inputs, packaging and other goods ★ Energy and utility providers ★ Logistics and transportation providers ★ Contractors and other service providers ★ Other business partners supporting the Group's operations	★ Plantations and other agricultural activities ★ Manufacturing and processing facilities; ★ Retail and distribution operations; ★ Tyre-related operations; ★ Financial services; ★ Logistics and support functions; and ★ Corporate and administrative activities.	★ Distributors and dealers ★ Retail customers ★ Industrial and commercial customers; ★ Consumers and other end users ★ Product distribution and transportation ★ Product use and end-of-life considerations

The Group continues to strengthen the availability and quality of value chain information. Where value chain data is not currently available at the required level of detail, reasonable estimates and appropriate assumptions may be used, subject to the requirements of the applicable standards.

1.4 Materiality

The Group identifies and discloses material information about sustainability-related risks and opportunities. Information is considered material where omitting, misstating or obscuring that information could reasonably be expected to influence decisions made by the primary users of the Group's general purpose financial reports.

The materiality assessment considers the nature, magnitude and likelihood of sustainability-related risks and opportunities and their potential effects on the Group's cash flows, access to finance and cost of capital. The assessment also considers the Group's business model, strategy, operating environment, value chain, stakeholder expectations, regulatory developments and industry-specific considerations.

Quantitative Materiality Thresholds

Materiality Basis	Threshold	Rationale
Profit Before Tax	5% of Group PBT	Reflects the threshold at which a Sustainability – related financial effect would meaningfully alter a user's assessment of earnings quality and performance.
Total Assets	1% of Total Assets	Provides a balance sheet perspective ensuring that asset- intensive risks. such as physical climate impact on property plant and machinery and biological assets are captured where they could alter the Group's financial position.

Materiality is reviewed periodically to ensure that the disclosures remain relevant to changes in the Group's activities, operating environment and sustainability-related risk profile.

1.5 Presentation Currency

The sustainability-related financial disclosures are presented consistently with the Group's consolidated financial statements. The Group's functional and presentation currency is the Sri Lankan Rupee (LKR).

Monetary amounts included in these disclosures are presented in Sri Lankan Rupees, with the applicable unit of measurement clearly stated in the relevant tables and disclosures. Non-financial metrics are presented using appropriate units relevant to the respective unit of measures.

1.6 Reporting Period

These sustainability-related financial disclosures cover the reporting period from 1 April 2025 to 31 March 2026, consistent with the reporting period of the Group's consolidated financial statements. Where relevant, comparative information is presented for the preceding reporting period in accordance with the applicable requirements of SLFRS S1 and SLFRS S2 and any applicable transition provisions.

1.7 Time Horizon

The Group assesses sustainability-related risks and opportunities over the following time horizons:

- Short Term: [0–2 years]
- Medium Term: [2–5 years]
- Long Term: [more than 5 years]

These time horizons are aligned, where appropriate, with the Group's strategic planning, capital allocation, investment and risk management processes. The time horizons may differ for individual risks and opportunities depending on their nature, expected timing and potential financial effects.

For climate-related risks and opportunities, the Group considers the timing over which physical climate risks and transition risks may reasonably be expected to affect its business model, operations, assets, value chain and financial performance.

1.8 Connected Information

The Group seeks to present sustainability-related financial information in a connected manner with information contained elsewhere in the Annual Report. The relationship between sustainability-related risks and opportunities and the Group's.

- Business model and value creation
- Strategy and strategic priorities
- Financial performance and financial position
- Capital expenditure and investment decisions
- Risk management processes
- Governance arrangements
- Operational performance

is considered when preparing these disclosures.

Where sustainability-related matters have financial implications, the disclosures are cross-referenced, where appropriate, to the relevant sections of the Annual Report and audited financial statements.

The Group also considers the connectivity between sustainability-related financial disclosures and its existing risk management and corporate governance processes.

1.9 Transitional Relief

Where applicable, the Group has considered the transitional provisions available under the first-time application of the SLFRS Sustainability Disclosure Standards.

For the first annual reporting period in which the Group applies the Standards, the Group may make use of applicable transition reliefs, including those relating to;

- Comparative information: prior period sustainability disclosures are not presented for all metrics in the first year of adoption.
- Scope 3 GHG emissions disclosures
- Climate Scenario analysis: simplified qualitative approach applied in the first year

Any transitional relief applied by the Group is clearly identified within the relevant disclosures.

The Group intends to progressively expand the scope, coverage and quality of its sustainability-related financial disclosures as its data, systems, processes and internal controls mature.

1.10 Professional Judgements, Uncertainties and Proportionality

The preparation of sustainability-related financial disclosures requires the Group to exercise professional judgement and use estimates and assumptions, particularly where sustainability-related information is subject to uncertainty or where reliable historical data is still being developed.

Judgements may be required in areas including:

- Identification of material sustainability-related risks and opportunities
- Assessment of the potential financial effects of sustainability-related matters
- Determination of relevant value chain activities
- Selection and application of industry-based SASB guidance
- Climate-related scenario analysis
- Estimation of greenhouse gas emissions;
- Assessment of the expected timing of risks and opportunities;
- Determination of relevant time horizons; and
- Assessment of the availability of reasonable and supportable information.

The Group uses reasonable and supportable information available at the reporting date without undue cost or effort when making these assessments.

Where precise information is not available, estimates and assumptions are developed using appropriate internal and external information. The Group will continue to improve the accuracy and completeness of such information as data systems and measurement methodologies develop.

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

1.11 Statement of Compliance

This report represents a complete set of sustainability-related financial disclosures for Richard Pieris & Company PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2026. The Group's sustainability-related financial disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards issued by the Institute of Chartered Accountants of Sri Lanka.

2. Governance

The Group recognises that effective governance is fundamental to the identification, assessment and management of sustainability-related risks and opportunities. The Group has established a governance structure that provides oversight from the Board of Directors and enables sustainability-related matters to be integrated into strategic decision-making, risk management, performance monitoring and reporting.

Sustainability Governance Structure

Board of Directors

Ultimate accountability for sustainability strategy and risk oversight

Board Audit Committee

Review of sustainability disclosures and oversight of information integrity

Sustainability Steering Committee

Strategic direction | Policy oversight | Progress monitoring | Materiality approval

Sustainability Working Committee

Cross-sector implementation | Data collection | KPI monitoring | Reporting preparation

2.1 Board Oversight Role

The Board of Directors holds ultimate oversight responsibility for sustainability related risks and opportunities. This responsibility is exercised through the Board Audit committee, which receives regular reporting from the sustainability steering committee and ensures that sustainability considerations are integrated into the Group's overall risk management and strategic decision-making process.

Board Audit Committee – Sustainability Oversight Responsibilities

Responsibility	Frequency
Review and approve the Group's Sustainability related financial disclosures prior to publication	Annually
Receive progress reports from the sustainability steering committee on sustainability risks, opportunities and KPI performance	Quarterly
Review the effectiveness of sustainability risk management and control frameworks	Annually
Oversee the integrity and completeness of sustainability related financial information, including GHG emission data	Annually
Approve material changes to sustainability strategy, policy or reporting boundaries.	As required
Monitor emerging regulatory developments relating to sustainability disclosure obligations	Quarterly

The Board receives information and updates from the relevant management committees on sustainability-related matters, including materiality assessments, key risks and opportunities, progress against targets, significant incidents and developments in sustainability-related reporting.

2.2 Management Role

Management is responsible for implementing the sustainability strategy and policies approved by the Board and for ensuring that sustainability-related risks and opportunities are appropriately identified, assessed, managed and monitored. The Sustainability Steering Committee provides management-level strategic direction and oversees the implementation of the Group's sustainability priorities.

Sustainability Steering Committee – Key Responsibilities

- Formulating and reviewing the Group's Sustainability strategy and policies
- Setting and approving sustainability targets and key performance indicators
- Reviewing materiality assessments and ensuring their adequacy.
- Monitoring progress against sustainability commitments and escalating material issues to the Board Audit committee
- Overseeing the Group's climate risk management framework, including the identification and assessment of climate related risks and opportunities (CRROs)
- Approving the sustainability disclosures prior to submission to the Board Audit committee

Sector Representatives are responsible for implementing relevant sustainability initiatives within their respective business segments and for providing accurate and timely information on sustainability performance, risks, opportunities, incidents and targets.

The Group continues to strengthen management capabilities, data systems and internal processes to support the integration of sustainability-related information into strategic planning, risk management, financial planning and performance monitoring.

3. Strategy

Richard Pieris & Company PLC ("RPC" or "the Company") recognises that sustainability-related risks and opportunities can influence the Group's ability to create and sustain value over the short, medium and long term. The Group's diversified business model, comprising Retail, Plantation, Rubber, Tyre, Plastics, Furniture and Electronics, Financial Services and other businesses, creates exposure to a broad range of sustainability-related matters. These include climate change, resource availability, energy and emissions, water, biodiversity, responsible sourcing, workforce-related matters, product responsibility, customer expectations, regulatory developments and changes in market conditions.

The Group considers these matters in developing its strategy and making business and investment decisions. The Group's approach is to manage material sustainability-related risks while pursuing opportunities that support operational resilience, resource efficiency, responsible growth and long-term value creation. The Strategy disclosures below describe the Group's current and anticipated response to material sustainability-related risks and opportunities.

3.1 Climate Related Risks and Opportunities (CRROs)

Climate change is an important consideration in the Group's long-term business resilience, given the geographic spread and diversified nature of its operations. The Group's business model includes plantation, manufacturing, retail, logistics and other activities, with several operations dependent on natural resources, weather conditions, reliable infrastructure and uninterrupted supply chains. The Group's materiality assessment identified climate change and its impact on manufacturing operations, together with resource efficiency in water and energy usage, as priority areas. Sustainability-related risks have also been integrated into the Group's risk management framework, with climate-related risks considered within both operational and strategic risk categories.

Against this background, the Group has identified the following two climate-related risks as significant to its business model and value chain.

CRRO 1 : Extreme Weather Conditions
CRRO 2 : Water Stress and Changing Rainfall Patterns

These risks are primarily physical climate risks and may affect the Group's operations, assets, supply chain, production capacity, revenues, operating costs and capital requirements over different time horizons.

CRRO 1: Extreme Weather Conditions	
Description	Extreme weather conditions, including heavy rainfall, flooding, drought, storms, high winds and extreme temperature conditions, may affect the Group's operations and value chain. The risk is particularly relevant to plantation activities, where production and crop yields are dependent on climatic conditions. Manufacturing facilities, retail outlets, warehouses, logistics infrastructure and suppliers may also be affected by extreme weather events.
Risk Type	Physical Climate Risk – Acute
Affected Sectors	Plantation; Rubber; Tyre; Plastics, Furniture & Electronics; Retail; Financial Services & Other Services
Current Effect on Business Model & Value Chain	Extreme weather conditions may affect plantation productivity, crop quality, access to estates and transportation of agricultural products. Manufacturing facilities, warehouses and retail locations may also experience operational disruption. Damage to roads, logistics infrastructure or supplier facilities may affect the movement and availability of raw materials and finished products. The interconnected nature of the Group's value chain means that weather-related disruption in one part of the value chain may affect other business activities.
Anticipated Effect on Business Model & Value Chain	An increase in the frequency or severity of extreme weather events may result in lower plantation yields, damage to physical assets, production interruptions, transportation and distribution disruptions, supply shortages and increased recovery requirements. Repeated events may require additional investment in climate-resilient infrastructure, drainage systems, plantation practices, business continuity arrangements and supply-chain resilience.

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Time Horizon	Short Term: Medium Term: Long Term:
Potential Financial Statement Impact	Potential impacts may include reduced revenue due to lower production or business interruption; increased repair and maintenance costs; increased insurance and recovery costs; higher operating expenses; impairment or accelerated depreciation of damaged assets; additional capital expenditure for asset replacement or resilience measures; changes in inventory and working capital; and potential effects on plantation-related assets and future cash flows. The actual financial effect will depend on the severity, location and duration of individual events.
Strategic Response	The Group's response includes strengthening climate-resilient plantation practices; improving drainage and flood-management systems; strengthening soil and water conservation; monitoring weather conditions; incorporating climate resilience into infrastructure and asset planning; strengthening business continuity plans; assessing critical suppliers and logistics routes; diversifying sources of critical inputs where appropriate; and progressively incorporating climate scenario analysis into strategic and risk management processes.
Key Assumptions	The assessment assumes that climate variability and the frequency or severity of certain extreme weather events may increase over time. It also assumes that the Group's existing resilience and adaptation measures will reduce, but may not fully eliminate, the effects of such events.
Key Judgements	Management judgement is required when determining the exposure of individual plantations, factories, warehouses, retail locations, infrastructure and suppliers to specific climate hazards. Judgement is also required in assessing the effectiveness of existing controls and adaptation measures.
Key Uncertainties	Uncertainty remains regarding the timing, frequency, severity and geographical distribution of future extreme weather events. The availability of reliable location-specific climate projections and quantified value-chain exposure information may also limit the precision of financial impact estimates.
CRRO 2: Water Stress and Changing Rainfall Patterns	
Description	Changes in rainfall patterns, prolonged dry periods, reduced water availability and variations in the timing and intensity of rainfall may affect the Group's access to water and the productivity of water-dependent operations. The risk is particularly relevant to plantation activities and selected manufacturing operations.
Risk Type	Physical Climate Risk – Chronic
Affected Sectors	Mainly Plantation; Rubber; Tyre; Plastics, Furniture & Electronics; Retail; Rubber
Current Effect on Business Model & Value Chain	Water is an important natural resource within the Group's value creation model. Plantation activities depend significantly on adequate and timely rainfall, while selected manufacturing operations require reliable water availability. Changes in rainfall and water availability may therefore influence plantation productivity, production processes, operating costs and business continuity. The Group has undertaken water conservation and related resource-management initiatives as part of its environmental management activities.
Anticipated Effect on Business Model & Value Chain	Increasing water stress and changing rainfall patterns may reduce plantation productivity, affect crop quality, increase irrigation and water-management costs and create operational constraints. Manufacturing operations may also face increased water procurement, treatment or infrastructure costs. Over the longer term, persistent water stress may require changes to plantation practices, irrigation systems, water-storage capacity, production processes and site-level water management. Improved water efficiency, rainwater harvesting and water reuse may provide opportunities to reduce costs and strengthen operational resilience.
Time Horizon	Short Term: Medium Term: Long Term:
Potential Financial Statement Impact	Potential impacts may include increased water procurement and treatment costs; higher operating expenses; capital expenditure on water-storage, irrigation, harvesting and efficiency infrastructure; potential reductions in production and revenue during periods of water scarcity; potential impairment or reduced utilisation of affected assets where water availability becomes a significant constraint; and potential cost savings arising from water-efficiency initiatives.
Strategic Response	The Group's response includes improving water-use efficiency; strengthening monitoring of water consumption; expanding rainwater harvesting where appropriate; improving water retention and groundwater recharge; strengthening irrigation and water-management practices; assessing opportunities for water reuse and recycling; incorporating water availability into operational planning and capital investment decisions; and progressively assessing water-related climate exposure at key operating locations.

Key Assumptions	The assessment assumes that changes in rainfall patterns and water availability may become more pronounced over the medium and long term. It also assumes that water-efficiency and conservation initiatives can partially mitigate the operational effects of water stress.
Key Judgements	Management judgement is required in determining the degree of water dependency of individual operations, the exposure of specific locations to water stress and the effectiveness of existing water-management practices. Judgement is also required when estimating the potential effect of water availability on future production and operating costs.
Key Uncertainties	Significant uncertainty remains regarding the timing, severity and geographical distribution of future water stress and rainfall changes. The availability and quality of site-level water consumption, water availability and climate data may also affect the reliability of quantitative financial impact assessments.

The Group recognises that Extreme Weather Conditions and Water Stress and Changing Rainfall Patterns may have interconnected effects across its operations and value chain. Extreme weather events may result in immediate disruption to production, infrastructure and logistics, while changes in water availability and rainfall patterns may create longer-term constraints on plantation productivity and water-dependent operations. The Group therefore seeks to strengthen resilience through climate-conscious operational planning, water and resource efficiency, infrastructure resilience, business continuity measures and improved climate-related risk assessment. The Group will continue to refine its assessment of these risks and their potential financial effects as more reliable climate, operational and value-chain data become available.

4. Risk Assessment

The Group recognises that climate-related physical risks may affect its ability to create value through their potential impacts on operations, assets, natural resources, supply chains and financial performance. In assessing climate-related risks, the Group considers the nature and location of its activities, the dependency of its businesses on natural resources, the potential exposure of assets and value-chain partners, and the potential magnitude and timing of financial effects.

For the current reporting period, the Group has identified Extreme Weather Conditions and Water Stress and Changing Rainfall Patterns as its principal climate-related physical risks. These risks are assessed through the Group's broader risk management processes and will be progressively enhanced through improved climate data, scenario analysis and financial impact assessment.

	CRRO 1: Extreme Weather Conditions	CRRO 2: Water Stress and Changing Rainfall Patterns
Type	Physical – Acute	Physical – Chronic
Likelihood	Medium –High	Medium–High
Impact	High	High
Inherent Risk	High	High
Key Mitigation	Climate-resilient operations, infrastructure protection, business continuity, weather monitoring and supply-chain resilience	Water conservation, rainwater harvesting, water efficiency, irrigation and water-risk monitoring
Residual Risk	Medium	Medium

The Group's risk assessment indicates that Extreme Weather Conditions and Water Stress and Changing Rainfall Patterns represent significant physical climate risks that may affect the Group's operations, value chain and financial performance. The Group's current response focuses on strengthening operational resilience, water and resource efficiency, infrastructure protection, business continuity and climate-related risk monitoring. The Group will continue to enhance its assessment through improved climate data, location-specific exposure analysis, scenario analysis and quantification of potential financial effects.

5. Metrics & Targets

The Group recognises that robust metrics and targets are essential for monitoring climate-related risks and opportunities, assessing the effectiveness of strategic responses and supporting informed decision-making. The Group is therefore progressively strengthening its sustainability data management and measurement processes across its consolidated entities.

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

During the reporting period, the Group engaged an independent third-party consultant to undertake the measurement and calculation of Scope 1 and Scope 2 greenhouse gas (GHG) emissions across all consolidated entities using control approach. The engagement is intended to establish a consistent and reliable Group-wide emissions baseline and strengthen the quality, comparability and credibility of the Group's climate-related disclosures.

5.1. Greenhouse Gas (GHG) Emissions

Scope 1 – Direct GHG Emissions

Scope 1 emissions represent direct GHG emissions from sources owned or controlled by the Group, including stationary combustion (boilers, generators), mobile combustion (company owned vehicles and plantation machinery) and process emissions.

Sector	Unit	FY 2025/26	% of Scope 1
Retail	tCO_2e	3,692.28	15%
Plantation	tCO_2e	14,914.35	62%
Rubber	tCO_2e	2,226.37	9%
Tyre	tCO_2e	662.43	3%
Plastics, Furniture & Electronics	tCO_2e	1,985.88	8%
Financial Services & Other	tCO_2e	428.73	2%
Group	tCO_2e	23,910.04	100%

Scope 2 – Indirect GHG Emissions (Energy Consumption)

Scope 2 emissions represent indirect GHG emissions from the generation of purchased electricity consumed by the Group. The Group reports Scope 2 emissions using both the location-based and market-based methods as required by SLFRS S2.

Sector	Unit	FY 2025/26	% of Scope 2
Retail	tCO_2e	9,815.57	45%
Plantation	tCO_2e	4,150.95	19%
Rubber	tCO_2e	2,429.75	14%
Tyre	tCO_2e	2,002.48	9%
Plastics, Furniture & Electronics	tCO_2e	3,018.68	14%
Financial Services & Other	tCO_2e	352.94	2%
Group	tCO_2e	21,770.37	100%

Total GHG Emission

Sector	Unit	FY 2025/26	% of Scope 1 & 2
Retail	tCO_2e	13,507.84	30%
Plantation	tCO_2e	19,065.30	42%
Rubber	tCO_2e	4,656.13	10%
Tyre	tCO_2e	2,664.90	6%
Plastics, Furniture & Electronics	tCO_2e	5,004.55	11%
Financial Services & Other	tCO_2e	781.67	2%
Group	tCO_2e	45,680.41	100%

5.2 SASB Industry Specific Metrics

The Group has identified the following SASB Standard categories as applicable to its diversified business segments. Metrics are reported in accordance with the respective SASB industry standards.

SASB Industry Standard	SASB Code	Relevant Disclosure Topic / Metric	Relevance to Richard Pieris & Company PLC	Current Reporting Position
Agricultural Products	FB-AG-110a.1	Gross global Scope 1 GHG emissions	Relevant to the Group's Plantation operations and other activities classified within the Agricultural Products industry.	Scope 1 GHG emissions across all consolidated entities are being calculated by an independent third-party consultant. The quantitative figures have been disclosed above.
Agricultural Products	FB-AG-130a.1	Operational energy consumed; percentage grid electricity; percentage renewable energy	Relevant to the Group's plantation and related operational activities and its focus on energy efficiency and renewable energy.	Energy data collection and consolidation are being strengthened. The Group will disclose quantitative information when reliable and sufficiently validated
Agricultural Products	FB-AG-140a.1	Total water withdrawn; total water consumed; percentage withdrawn and consumed from regions with high or extremely high baseline water stress	Directly relevant to Water Stress and Changing Rainfall Patterns, particularly within plantation operations.	Water-related data collection and location-level assessment are being progressively strengthened.
Agricultural Products	FB-AG-140a.2	Description of water-management risks and strategies and practices to mitigate those risks	Directly supports the Group's assessment of water stress, changing rainfall patterns and water resilience	The Group will disclose its approach to water conservation, water efficiency, rainwater harvesting and other water-management measures.
Tyre Manufacturing	RT-CH-110a.1	Gross global Scope 1 GHG emissions and percentage covered under emissions-limiting regulations	Relevant to the Group's Tyre Manufacturing operations and its overall climate-related emissions assessment.	Independent third-party consultant engaged to calculate Scope 1 emissions across consolidated entities. The quantitative figures have been disclosed above.
Tyre Manufacturing	RT-CH-130a.1	Total energy consumed; percentage grid electricity; percentage renewable energy	Relevant to energy-intensive tyre manufacturing operations and the Group's energy-efficiency and renewable-energy initiatives	Energy data collection is being strengthened. Quantitative disclosure will be made when reliable Group and sector-level data are available
Building Products & Furnishings	CG-BF-130a.1	Total energy consumed; percentage grid electricity; percentage renewable energy	Relevant to the Group's manufacturing activities and energy-management initiatives.	Energy information is being progressively consolidated. The Group will avoid reporting unsupported quantitative figures
Multiline and Specialty Retailers & Distributors	CG-MR-130a.1	Total energy consumed; percentage grid electricity; percentage renewable energy	Relevant to the Group's Retail operations and associated distribution activities.	Energy consumption data for relevant retail and distribution operations are being progressively incorporated into the Group's sustainability data-management framework.

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

5.3 Sustainability Targets

The Group has established the following sustainability targets, which will be progressively refined and extended as the sustainability management framework matures.

Target ID	Target Description	Base year	Target Year	Status
T-1	Reduce Group Scope 1+2 GHG emissions intensity (per LKR Mn revenue) by 20% from FY 2025/26 baseline	FY 2025/26	FY 2030/31	On Track
T-2	Increase renewable energy share of total group energy consumption by 20%	FY 2025/26	FY 2030/31	Planning
T-3	Reduce lost time injury rate (LTIR) by 20% across all operations	FY 2025/26	FY 2028/29	In Progress
T-4	Achieve zero incidents of significant environmental non-compliance across all operations	FY 2025/26	Ongoing	Monitoring
T-5	Disclose scope 3 emissions in full by 2027/28 Annual report	FY 2025/26	FY 2027/28	On Track

Appendixes

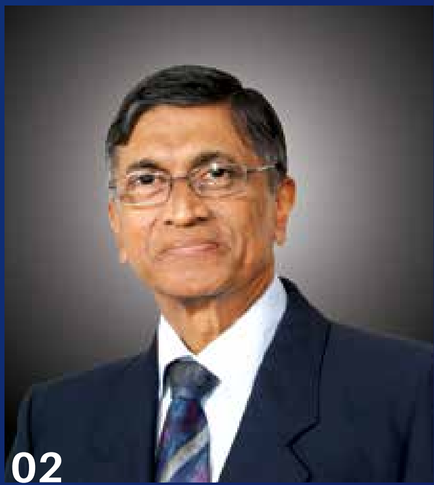
Appendix A1 - Glossary of Terms

Term	Definition
SLFRS S1	Sri Lanka Financial reporting standard on general requirements for disclosure of sustainability related financial information
SLFRS S2	Sri Lanka Financial reporting standard on Climate-related disclosures
tCO_2e	Tonnes of carbon dioxide equivalent- a standard unit for GHG emissions accounting
Scope 1 emissions	Direct GHG emissions from owned or controlled sources
Scope 2 emissions	Indirect GHG emissions from purchased electricity, heat or steam
Scope 3 emissions	All other indirect GHG emissions in the value chain (upstream or downstream)
Physical Risk	Climate risk arising from physical effects of climate change
Transition Risk	Climate risk arising from the transition to a low carbon economy
CRRO	Climate related risks and opportunities
SRRO	Sustainability related risks and opportunities
SASB	Sustainability accounting standards board
TCFD	Task force on Climate related financial disclosures
ISSB	International sustainability standards board
GHG Protocol	Corporate standard for GHG emissions accounting, published by world resources institute and WBCSD

GOVERNANCE & RISK MANAGEMENT

BOARD OF DIRECTORS


01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01
Dr. Sena Yaddehige
Chairman/Managing Director/Chief Executive Officer

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.

02
Mr. Viville Perera
Director

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 34 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.

03
Mr. Shaminda Yaddehige
Director

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.

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.

04
Dr. Jayatissa de Costa P.C.
Director

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 54 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.

05
Mr. J Felix Fernandopulle
Director

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.

BOARD OF DIRECTORS

He is the Managing Director of Mahaweli Coconut Plantations PLC and an Independent Director of National Credit Guarantee Institute Ltd, 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.

06

Mr. Shiron Gooneratne

Director

Mr. Shiron Gooneratne is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a Master of Business Administration (MBA) from the University of Leicester, United Kingdom.

Mr. Gooneratne brings a wealth of experience gained from leadership roles in both Sri Lanka and overseas. Having trained at Ernst & Young, he has held several prominent positions, including Finance Director of GlaxoSmithKline Consumer Healthcare, Chief Financial Officer of Sri Lanka Telecom PLC, Chief Financial Officer of Dilmah Ceylon Tea Company PLC, and Group Chief Financial Officer and Executive Director of Richard Pieris & Company PLC.

In April 2023, Mr. Gooneratne transitioned from Executive Director to Non-Executive Director at Richard Pieris & Company PLC, a position he continues to hold.

07

Mr. Udeni K Samararatne

Director

Udeni K Samararatne is an experienced Senior Finance Professional with a career spanning over forty 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.

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, Lanka Ashok Leyland plc and a former board director of Peoples Leasing plc, Alliance Finance Plc Bangladesh , Peoples Bank and the Former Chairman of Peoples Travels (pvt) Ltd.

08

Mr. Pamuditha Hennayake

Director

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.

09

Mr. Everette Michael Andree

Director

Mr. Michael Andree is actively engaged in the corporate sector over 30 years in the senior management including more than 20 years in the capacity of Managing Director and Chief Executive Officer in reputed Entities, including Managing Director of GlaxoSmithKline Pharmaceuticals, Chief Executive Officer of Richard Pieris Distributors Limited, Chief Executive Officer of Lanka Aluminium Industries Limited and Managing Director of Orit Trading and Orit Apparel Pvt. Limited. He is currently serving as Group Advisor to Sumathi Holdings (Pvt) Limited.

Mr. Michael Andree has gained experience in many industries such as pharmaceuticals, retail, construction, packaging, and apparel, playing several prominent leadership roles that he was entrusted and also making significant contributions to organizational growth and strategic development.

Mr. Andree is also actively involved with several professional bodies. He is a member of the Sri Lanka Institute of Marketing and the Sri Lanka Institute of Directors. He has held leadership positions in industry associations being Chairman of the Sri Lanka Pharmaceutical Manufacturers Association (1996–1998), Senior Vice President of the Sri Lankan Chamber of Pharmaceutical Industries (2001–2007), Secretary of the British Business Association (1999–2001), and Vice Chairman of the Council for Business with Britain (2001–2004).

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 2026.

The Directors approved the Financial Statements on 25 August 2026.

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 14 - 20 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 131 to 134 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. 79 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. 6.4 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 140.

The Group reported a Profit after tax amounting to Rs. 3.74 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. 2.4 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 220.

Stated Capital

The stated capital of the Company as at 31 March 2026 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 2026 amount to Rs. 24 bn. (Rs. 22.7 bn as at 31 March 2025). The details of which, is given in the Statement of Equity in page 144.

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 8.2 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 218 and 219 of this report.

Substantial Shareholdings

The twenty major shareholders and the percentage held by each one of them as at 31st March 2026 are given in page 217 under Shareholder Information.

Directors

The names of Directors who served during the year are given on pages 108 to 110 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. Felix Fernandopulle of 28A, Police Park Avaneue, Colombo 05, a shareholder of the Company. "That Dr. Sena Yaddehige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom, who is 80 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"

   The Company has also received a letter dated 11th August 2026 from Dr. Sena Yaddehige declaring his willingness to be elected to the Directorate of the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

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 84 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 06th August 2026 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 78 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 72 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 03rd August 2026 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. Felix Fernandopulle, Mr. Kalinga Perera, Mr. Adrian Oswald, Mr. Nilantha Randeniya, Dr. Sena Yaddehige, 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. Prasanna Fernando, Independent Non-Executive Director resigned from the Directorate of the Company with effect from 31st August 2025.

Mr. Michael Andree, Independent Non Executive Director has been appointed with effect from 01st December 2025.

Group Profits	2025/2026 Rs.'000	2024/2025 Rs.'000
The net profit earned by the Group after providing for all expenses, known liabilities and depreciation on property plant and equipment was	6,403,286	7,005,835
From which the deduction of income tax and transfer to the deferred taxation account was	(2,662,345)	(2,403,759)
Leaving the group with a profit after tax from continuing operations of	3,740,941	4,602,076
From which the loss after tax from discontinued operations deducted was	(2,233)	(2,143)
Leaving the group with a profit for the year of	3,738,708	4,599,934
From which Non - controlling interest deducted was	(777,644)	(812,081)
Leaving a profit attributable to the equity holders of the parent was	2,961,063	3,787,853
To which the retained profits brought forward from the previous year added was	22,695,555	22,531,452
Adjustments and transfers	(22,436)	(728,607)
Subsidiary dividend to minority shareholders	-	-
Adjustments due to changes in SLFRSs	-	-
Adjustment for Surcharge Tax	-	-
Other comprehensive income/(loss)	(190,451)	(249,593)
Leaving a profit available for appreciation of	25,443,732	25,341,106
Appropriations		
The amount available has been appropriated as follows		
Dividends	(1,424,527)	(2,645,550)
Leaving a retained profit to be carried forward amounting to	24,019,205	22,695,556

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 213 and 214. 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 14 to 20.

Directors' Shareholding

Directors' Shareholding in Richard Pieris and Company PLC is stated in page 217.

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 2026 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 30.

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.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

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 115 to 123 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 130 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 25th September 2026. The Notice of the Annual General Meeting is on page 225 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.

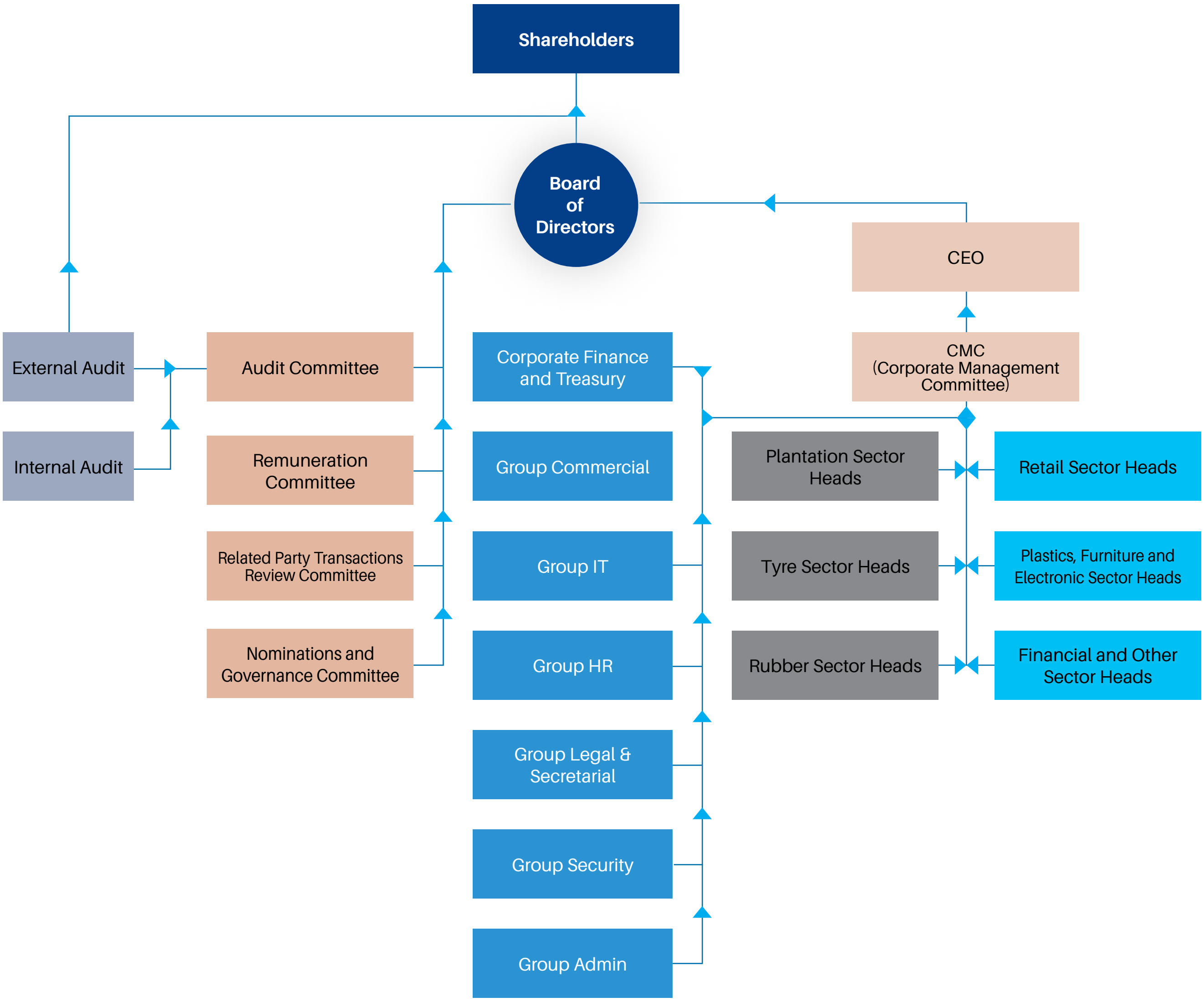
25 August 2026

CORPORATE GOVERNANCE

Corporate Governance provides the framework through which an organisation is directed and managed, supporting ethical conduct, sound decision-making, sustainable growth and long-term value creation. The Board of Directors of Richard Pieris and Company PLC is committed to upholding high standards of corporate governance across all levels of the organisation, ensuring that business activities are conducted responsibly, transparently and in the best interests of 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 company 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.

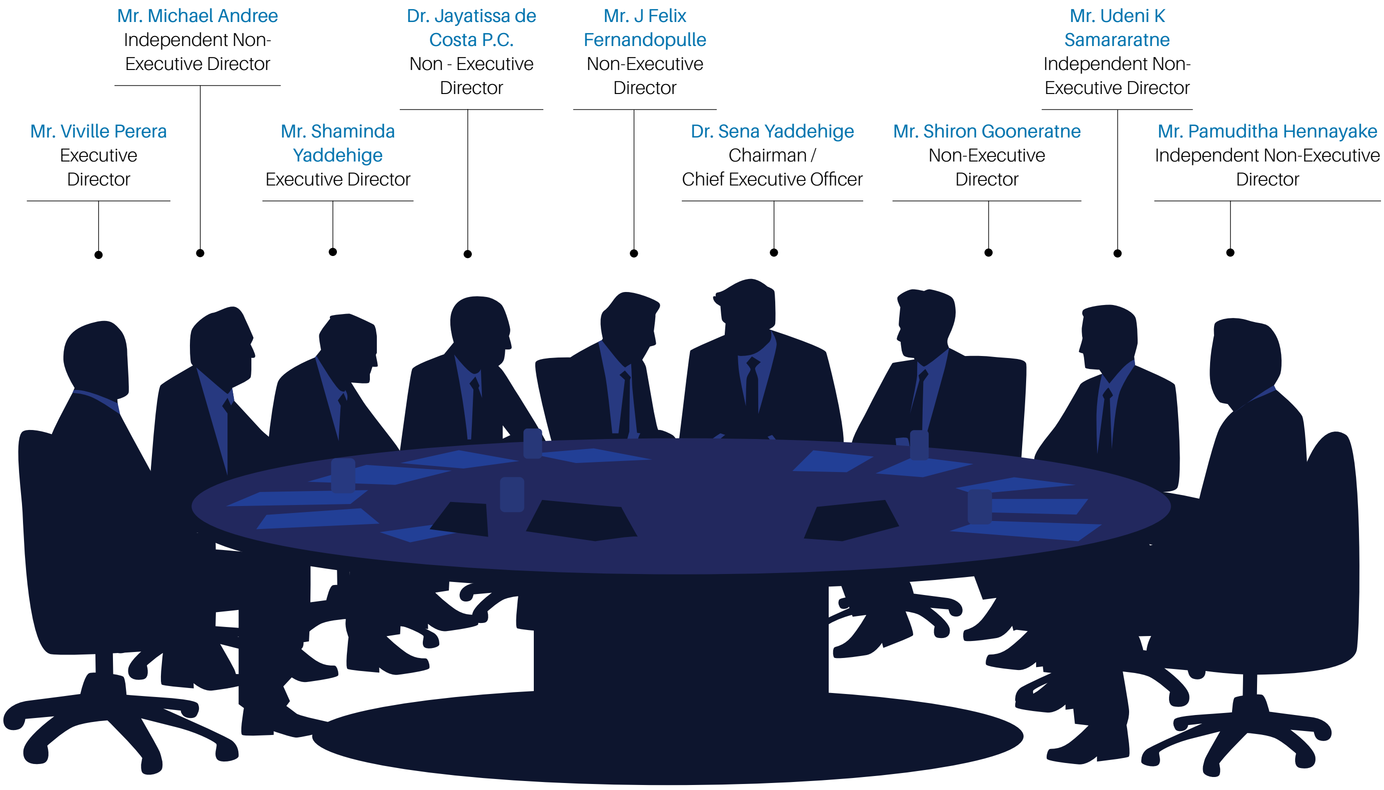
Structure of the Company



CORPORATE GOVERNANCE

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 108 to 110.

During the year the Board met on three occasions. Prior to each meetings, 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	3	2
Mr. W. J. V. P. Perera	ED	3	3
Mr. Shaminda Yaddehige	ED	3	1
Mr. Shiron Gooneratne	NED	3	2
Mr. Prasanna Fernando (*)	INED	0	0
Dr. Jayatissa De Costa P.C.	NED	3	2
Mr. J. F. Fernandopulle	NED	3	3
Mr. Udeni Samararatne	INED	3	3
Mr. Pamuditha Hennayake	INED/ SID	3	3
Mr. Michael Andree (**)	INED	3	1

(*) - Resigned on 31st August 2025
(**) - Appointed on 01st December 2025

ED - Executive Director
NED - Non - Executive Director

INED - Independent Non - Executive Director
SID - Senior Independent Director

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 Mr. Udeni Samararatne, Mr. Prasanna Fernando (Resigned on 31st August 2025), Mr. Michael Andree (Appointed from 01st December 2025) 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 124 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, Mr. Prasanna Fernando (Resigned on 31st August 2025), Mr. Michael Andree (Appointed from 01st December 2025) and Mr. Jayatissa de Costa P.C.

The Report of the Remuneration Committee on page 126 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 Mr. Udeni Samararatne, Mr. Prasanna Fernando (Resigned on 31st August 2025), Mr. Michael Andree (Appointed from 01st December 2025) and Mr. J F Fernandopulle. The Report of the Related Party Transactions Review Committee on page 127 highlights its main activities.

Nominations and Governance committee

The Nominations and Governance Committee is comprised of three Non-Executive Directors out of which two directors are independent - namely Mr. Udeni Samararatne, Mr. Prasanna Fernando (Resigned on 31st August 2025), Mr. Michael Andree (Appointed from 01st December 2025) and Mr. J F Fernandopulle. The Report of Nomination and Governance Committee on page 128 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 131 to 134.

CORPORATE GOVERNANCE

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 30.

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.

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 108 to 110
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 216 to 217
7.6 (v)	Directors' and CEO's(MD's) holding in shares	Complied	Share information pages 216 to 217
7.6.(vi)	Material foreseeable risk factors of the entity	Complied	Risk management pages 131 to 134
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Human Capital pages 82 to 85
7.6 (viii)	Extents, locations, valuations, number of buildings	Complied	Group Real Estate Portfolio pages 220 to 222
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Share information pages 216 to 217
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Complied	Share information pages 216 to 217
7.6 (xi)	Ratios and Market Price Information	Complied	Share information pages 216 to 217
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Complied	Group Real Estate Portfolio pages 220 to 222
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 115 to 123

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 *Scan to access the Polices of the Company*	The following policies which are mandated by the revised CSE listing rules are currently in place; ★ 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 The aforementioned policies are available on the Company's website	Complied

CORPORATE GOVERNANCE

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	Policies are publicly available on the Company's website.	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 9.6.2	Chairperson and CEO Rationale for appointing of a Senior Independent Director (SID)	The Chairperson is the CEO of the Company. The Company has appointed a Senior Independent Director (SID) with effect from 01st November 2023 as per the provisions of Listing rules. The Company made a market announcement on 01st November 2023 highlighting the rationale for appointing of a Senior Independent Director (SID).	Complied
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. 129.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.7	Fitness of Directors and CEOs		
9.7.1 9.7.2 9.7.3	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
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from directors and CEO	Complied
9.7.5	Disclosures in the Annual Report	Page 118 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 2026.	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 2026.	Complied
9.8.3 9.8.4 9.8.5	Criteria for determining independence & Declarations	Company assesses the independence of directors according new revised rules.	Complied
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 108 to 110 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 129 for statement by the Senior Independent Director. Please refer page 116 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

CORPORATE GOVERNANCE

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.11.4	Composition	The Committee comprises of Two Independent Non-Executive Directors.	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 Nominations and Governance Committee Report given on page 128.	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 9.12.4	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 principle of non- discriminatory pay practices ensuring their independence is not impaired.	Complied
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 126.	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 six 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 124.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in page given 124.	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

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Transactions Review Committee Report on page 127.	Complied
9.14.4	General requirements	The Related Party Transaction Review 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 39 on page 212. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 127.	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 111. Material non-compliance with any Law or Regulation has not arisen during the year 2025/26.	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.

Mr. Udeni Samararatne (Chairperson)	INED
Mr. Felix Fernandopulle	NED
Mr. Prasanna Fernando *(Resigned on 31st August 2025)*	INED
Mr. Michael Andree *(Appointed from 01st December 2025)*	INED

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

Meetings and Attendance

The Audit Committee held six meetings during the year under review. The date which meetings held;

28th May 2025	06th November 2025
05th August 2025	11th February 2026
25th August 2025	13th March 2026

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
Mr. Udeni Samararatne	6	6
Mr. Felix Fernandopulle	6	5
Mr. Prasanna Fernando	3	3
Mr. Michael Andree	2	2

The Audit Committee Charter, approved by the Board of Directors defines the scope, 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 frame work for financial regulatory reporting.

- Reviewing the scope and results of Internal Audit reviews, and external audits and non-audit services.

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 and review group risk management process.

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 when required. 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 from the Heads of the SBUs to the internal audit findings were reviewed and where necessary corrective.

The Audit Committee reviewed the adequacy and effectiveness of the risk management framework of Richard Pieris & Company PLC and the Group during the year. Based on reports received from Management and regular reviews of key risk exposures, the Committee is satisfied that appropriate processes were in place to identify, assess, monitor, and manage material risks across the Listed Entity and the Group.

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.

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, 2027 subject to the approval of the shareholders at the next Annual General Meeting.

The Audit Committee assessed the independence and objectivity of the external auditors based on written confirmations, applicable professional and regulatory requirements, and the nature of services provided. The engagement partner was rotated during the year in compliance with applicable regulatory requirements. The Committee also reviewed non-audit services and related fees and was satisfied that these did not impair the auditors' independence or objectivity.

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.

Udeni Samararatne
Chairman of the Audit Committee

25 August 2026

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

Mr. Udeni Samararatne (Chairperson)	INED
Mr. Jayatissa De Costa	NED
Mr. Prasanna Fernando *(Resigned on 31st August 2025)*	INED
Mr. Michael Andree *(Appointed from 01st December 2025)*	INED

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

Meetings and Attendance

The Committee held two meetings during the year under review in accordance with the terms of reference prescribing the scope, duties, authorities and other formalities.

Director Name	Eligibility	Attendance
Mr. Udeni Samararatne	2	2
Mr. Jayatissa De Costa	2	2
Mr. Prasanna Fernando	1	1
Mr. Michael Andree	0	0

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.

Udeni Samararatne
Chairman of Remuneration Committee

25 August 2026

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.

Mr. Udeni Samararatne (Chairperson)	INED
Mr. Felix Fernandopulle	NED
Mr. Prasanna Fernando *(Resigned on 31st August 2025)*	INED
Mr. Michael Andree *(Appointed from 01st December 2025)*	INED

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 Name	Eligibility	Attendance
Mr. Udeni Samararatne	5	5
Mr. Felix Fernandopulle	5	4
Mr. Prasanna Fernando	3	3
Mr. Michael Andree	1	1

The Dates which meetings held as follows;

28th May 2025	06th November 2025
05th August 2025	11th February 2026
18th August 2025	

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 212 and 213.

Udeni Samararatne
Chairman of the Related Party Transactions Review Committee

25 August 2026

REPORT OF THE NOMINATIONS 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 Nominations & Governance Committee.

Mr. Udeni Samararatne (Chairperson)	INED
Mr. Felix Fernandopulle	NED
Mr. Prasanna Fernando *(Resigned on 31st August 2025)*	INED
Mr. Michael Andree *(Appointed from 01st December 2025)*	INED

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

Meetings and Attendance

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

Director Name	Eligibility	Attendance
Mr. Udeni Samararatne	1	1
Mr. Felix Fernandopulle	1	1
Mr. Prasanna Fernando	0	0
Mr. Michael Andree	0	0

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 terms of reference, 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 Nominations & 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 one Director 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 independent 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 effectively.

Conclusion

The Nominations & 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.

Udeni Samararatne
Chairman of the Nominations & Governance Committee

25 August 2026

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

As the Senior Independent Director (SID), I am committed to upholding the highest standards of corporate governance and supporting the Board in discharging its responsibilities effectively. In accordance with the Colombo Stock Exchange Listing Rules on Corporate Governance, I serve as an independent channel of communication between the Board, shareholders, and other stakeholders where appropriate, while providing objective counsel to the Board and the Chairperson on matters relating to governance, Board effectiveness and strategic oversight.

I chaired one meeting of the Independent Directors, held without the presence of the other Directors, to discuss matters and concerns relating to the Company and the operation of the Board. The observations and recommendations arising from this meeting were communicated to the Chairperson and the Board for their consideration. I also chaired a meeting with the Non-Executive Directors, held without the presence of the Chairperson, to appraise the Chairperson's performance and leadership in accordance with established governance practices.

I remain committed to upholding the highest standards of corporate governance, fostering constructive engagement among the Board and its stakeholders, and supporting the long-term sustainable success of Richard Pieris & Company PLC.

Pamuditha Hennayake
Senior Independent Director

25 August 2026

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 136 to 139 of this report.

The financial statements of the Company and its subsidiaries for the year ended 31st March 2026 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 140 to 214 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 2026, 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 136 to 139 of this report.

By Order of the Board,

Richard Pieris Group Services (Pvt) Limited
Secretaries

310, High Level Road, Nawinna,
Maharagama

25 August 2026

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

Identify
Risks are systematically recognized across all business sectors

Evaluate
Each risk is assessed for potential impact and likelihood.

Mitigate
Proactive measures and controls are embedded into daily operations.

Monitor
Ongoing oversight ensures responsiveness in a dynamic environment.

Three Lines of Assurance

Management Oversight
Responsible for day-to-day risk identification and control.

Internal Audit Department
Provides independent evaluation and continuous monitoring of internal controls.

External Auditors
Offer impartial assurance on the integrity and transparency of our financial reporting.

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 review of the Group's 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.	★ 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.

RISK MANAGEMENT

Risk Exposure	Group Objectives	Risk Minimisation Strategies
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.	★ 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.
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	★ 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.	★ 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.	★ 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.	★ 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.	★ 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.

Risk Exposure	Group Objectives	Risk Minimisation Strategies
5. Human Capital and Labour Risk	★ To ensure a smooth flow of operations without any undue disruptions. ★ To position ourselves as an employer of choice, successful in motivating, developing, retaining and attracting the best of human capital.	★ 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.	★ 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.	★ 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.
8. Inventory	★ To reduce stock obsolescence and manage stock holding costs. ★ Reducing the risk associated with theft and shrinkage.	★ 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.	★ 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.	★ 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.	★ Adopting a stringent approval procedure for Capital expenditure based on the level of investment and the expected payback. ★ Carrying out extensive feasibility studies for large scale investments. External expertise is obtained wherever required.

RISK MANAGEMENT

Risk Exposure	Group Objectives	Risk Minimisation Strategies
12. Information Systems Risk	★ To minimise risk associated with Data Security, Hardware and Communication and Software.	★ 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. ★ 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.	★ 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.	★ Assessing the risk exposed by accepting the policy and carrying out proper ratings and loadings before underwriting any policy. ★ Adhering to the guidelines 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.
15. Climate Change & Sustainability Risk	★ To strengthen the Group's resilience and long-term value creation by managing climate-related and sustainability risks across its operations and value chain.	★ Reduce environmental impact through energy efficiency, renewable energy and resource conservation initiatives. ★ Monitor climate-related risks and assess their potential impact on business operations and assets. ★ Strengthen climate resilience through appropriate adaptation and business continuity measures. ★ Improve sustainable resource management by reducing waste, water consumption and greenhouse gas emissions. ★ Enhance sustainability governance through regular monitoring, reporting and accountability across the Group.

FINANCIAL INFORMATION

Financial Calendar

Interim Financial Statements	
1st Quarter	07th August 2025
2nd Quarter	07th November 2025
3rd Quarter	13th February 2026
4th Quarter	29th May 2026

Annual Reports	
2025/26 Annual Report	31st August 2026
2024/25 Annual Report	28th August 2025

Meetings	
Annual General Meeting	25th September 2026
Annual General Meeting	26th September 2025

Dividends
Interim Dividend of Rs. 0.70 per share declared on 20th November 2025

Financial Contents

INDEPENDENT AUDITOR'S REPORT

EY
Shape the future with confidence

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Chartered Accountants
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TO THE SHAREHOLDERS OF RICHARD PIERIS & COMPANY PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Richard Pieris & 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 2026, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
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.	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, judgements and estimates including growth rates and discount rate 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.

Key audit matter	How our audit addressed the key audit matter
Allowances for Loans and Advances Allowances for expected credit losses of Loan, Lease and Hire Purchase receivables amounting to Rs. 1,565 Mn arising from Loans and Advances of Rs. 19,823 Mn (Note 21) is determined by the management on the accounting policies described in Note 2.11.2. to the financial statements. This was a key audit matter due to ★ 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. 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. Further information on the key estimates, assumptions and judgements is disclosed in Note 2.11.2.	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: ★ Assessed the alignment of the Company's allowances for impairment and other credit losses computations and the underlying methodology including responses to economic conditions with its accounting policies, 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 in notes 2.11.2 and 21.
Measurement of bearer of biological assets As of 31 March 2026, the Group's bearer biological assets amounted to Rs. 9.99 Bn and represented 9% of the Group's total assets. Bearer Biological Assets comprised of Rs. 3.45 Bn Immature Plantations and Rs 6.54 Bn of Mature plantations, as disclosed in Notes 2.10.6 and 12 to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following: ★ 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.	Our audit procedures included the following key procedures: ★ 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 indictors of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. ★ We also assessed the adequacy of the related disclosures given in Notes 2.10.6 and 12 in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of the management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.

25 August 2026
Colombo

STATEMENT OF PROFIT OR LOSS

		Group		Company	
For the year ended 31st March	Notes	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Continuing operations					
Revenue from contracts with customers	3.1	74,198,795	72,504,540	1,139,088	1,088,411
Revenue from insurance contracts	3.1	1,691,871	1,848,006	-	-
Interest Income from Finance company	3.1	3,286,286	2,612,736	-	-
Dividend Income	3.1	-	-	1,753,557	1,234,125
Other revenue	3.1	-	-	57,984	244,158
Total Revenue		79,176,952	76,965,282	2,950,629	2,566,694
Cost of sales		(58,783,391)	(56,828,343)	-	-
Gross profit		20,393,561	20,136,939	2,950,629	2,566,694
Other operating income	4.1	1,996,426	2,163,056	40,674	67,129
Selling and distribution expenses		(5,181,649)	(5,215,917)	-	-
Administrative expenses		(10,123,569)	(9,155,458)	(591,203)	(582,727)
Other operating expenses	4.2	(66,603)	(193,419)	(2,638)	(41,649)
Operating profit	4.3	7,018,166	7,735,201	2,397,462	2,009,445
Finance costs	5	(2,327,557)	(2,138,262)	(1,238,985)	(1,109,838)
Finance income	6	1,419,728	1,268,587	94,473	102,094
Share of profit of an associate	7	292,949	140,309	-	-
Profit before tax from continuing operations		6,403,286	7,005,835	1,252,949	1,001,701
Tax expense	8	(2,662,345)	(2,403,758)	(13,812)	(139,456)
Profit for the year from continuing operations		3,740,941	4,602,077	1,239,137	862,245
Discontinued operations					
Loss after tax for the year from discontinued operations	9	(2,233)	(2,143)	-	-
Profit for the year		3,738,708	4,599,934	1,239,137	862,245
Attributable to:					
Equity holders of the parent		2,961,063	3,787,853		
Non-controlling interests		777,645	812,081		
		3,738,708	4,599,934		
Earnings per share					
Basic	10	Rs. 1.46	Rs. 1.86		
Earnings per share for continuing operations					
Basic	10	Rs. 1.46	Rs. 1.86		
Dividend per share	11	Rs. 0.70	Rs. 1.30		

Figures in brackets indicate deductions.

The accounting policies and notes from pages 147 to 214 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

		Group		Company	
For the year ended 31st March	Notes	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Profit for the year		3,738,708	4,599,934	1,239,137	862,245
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		120,715	146,686	-	-
Fair value movement of AFS reserve transferred to life fund		(120,715)	(146,686)	-	-
Exchange differences on translation of foreign operations		57,899	(11,323)	-	-
Net other comprehensive income to be reclassified to profit or loss		57,899	(11,323)	-	-
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		692,078	1,142,114	606,877	1,001,232
Gain / (loss) on actuarial valuation on defined benefit obligation	32	(298,247)	(456,963)	(13,684)	8,445
Income tax effect		52,731	129,346	4,105	(2,533)
Net other comprehensive loss not to be reclassified to profit or loss		446,562	814,497	597,298	1,007,144
Other comprehensive loss for the year, net of tax		504,460	803,174	597,298	1,007,144
Total comprehensive income for the year, net of tax		4,243,168	5,403,108	1,836,435	1,869,389
Attributable to:					
Equity holders of the parent		3,491,851	4,646,602		
Non-controlling interests		751,317	756,506		
		4,243,168	5,403,108		

Figures in brackets indicate deductions.

The accounting policies and notes from pages 147 to 214 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Group		Company	
As at 31st March	Notes	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Assets					
Non-current assets					
Property, plant and equipment	12.1	27,891,043	26,676,969	106,616	85,714
Investment properties	13	549,825	985,716	3,635,042	2,911,979
Right-of-use assets	29	4,062,362	4,403,208	54,859	105,498
Intangible assets	14	1,154,422	1,155,042	-	-
Consumable biological assets	15	2,361,227	2,104,636	-	-
Investments in subsidiaries	16	-	-	5,410,134	5,260,275
Investment in associates	16	641,895	542,552	-	-
Other non-current financial assets	17	7,613,488	6,788,851	3,466,683	2,859,806
Deferred tax assets	18	1,325,854	1,462,947	759	10,466
		45,600,116	44,119,920	12,674,093	11,233,738
Current assets					
Inventories	19	13,312,553	13,741,428	956	1,561
Produce on bearer biological assets	15	78,818	96,543	-	-
Trade and other receivables	20	11,518,841	11,069,351	475,466	443,526
Loans and advances	21	18,257,923	14,605,782	-	-
Tax receivables		630,068	387,192	330,455	204,553
Amounts due from subsidiaries		-	-	6,149,409	5,379,466
Other current financial assets	17	3,167,687	1,295,042	-	-
Cash and short-term deposits	23	17,070,985	14,783,897	782,167	1,159,196
		64,036,875	55,979,234	7,738,454	7,188,302
Total assets		109,636,991	100,099,154	20,412,547	18,422,040
Equity and liabilities					
Equity					
Stated capital	24	1,972,829	1,972,829	1,972,829	1,972,829
Revenue reserves	25	24,019,205	22,695,555	362,350	557,317
Statutory reserve fund	25.1	123,610	101,174	-	-
Other components of equity	26	1,868,878	1,147,640	1,318,483	711,605
Equity attributable to equity holders of the parent		27,984,523	25,917,198	3,653,662	3,241,751
Non-controlling interests		7,437,027	6,865,042	-	-
Total equity		35,421,550	32,782,240	3,653,662	3,241,751
Non-current liabilities					
Interest-bearing loans and borrowings	28	3,167,050	2,099,303	-	-
Lease liabilities on Right-of-use Assets	29	3,213,430	4,076,347	-	130,542
Insurance provision	27	3,063,262	2,762,501	-	-
Provisions	30	291,655	250,597	-	-
Government grants	31	477,008	489,234	-	-
Employee benefit liabilities	32	3,320,315	3,026,701	84,858	66,571
Deferred tax liabilities	18	2,952,173	2,816,798	-	-
		16,484,893	15,521,481	84,858	197,113

As at 31st March	Notes	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Current liabilities					
Trade and other payables	34	12,994,089	12,739,779	241,938	633,257
Customer deposits	35	11,023,243	10,344,495	-	-
Current portion of interest-bearing loans and borrowings	28	4,111,015	2,752,561	-	-
Current portion Lease liabilities on Right-of-use Assets	29	1,737,230	1,269,963	130,542	95,703
Amounts due to subsidiaries		-	-	193,051	129,736
Income tax payable		860,427	917,200	-	-
Short term borrowings	22	27,004,543	23,771,434	16,108,496	14,124,500
		57,730,548	51,795,433	16,674,027	14,983,176
Total liabilities		74,215,441	67,316,914	16,758,885	15,180,289
Total equity and liabilities		109,636,991	100,099,154	20,412,547	18,422,040

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 147 to 214 form an integral part of these financial statements.

25 August 2026

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent							
For the year ended 31st March	Stated capital	Revenue reserves	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Statutory reserve fund	Total	Non controlling interest	Total equity
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
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)	-	4,646,602	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
As at 1st April 2025	1,972,829	22,695,555	761,815	385,825	101,174	25,917,198	6,865,042	32,782,240
Profit for the year	-	2,961,063	-	-	-	2,961,063	777,645	3,738,708
Other comprehensive income	-	(190,451)	681,254	39,984	-	530,787	(26,327)	504,460
Total comprehensive income	-	2,770,613	681,254	39,984	-	3,491,851	751,318	4,243,168
Dividends	-	(1,424,527)	-	-	-	(1,424,527)	-	(1,424,527)
Amount transferred due to changes in holdings	-	-	-	-	-	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	(179,334)	(179,334)
Transfers during the year	-	(22,436)	-	-	22,436	-	-	-
At 31st March 2026	1,972,829	24,019,205	1,443,069	425,809	123,610	27,984,523	7,437,027	35,421,550
Company								
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
As at 1st April 2025	1,972,829	557,317	711,605	-	-	3,241,751	-	3,241,751
Profit for the year	-	1,239,137	-	-	-	1,239,137	-	1,239,137
Other comprehensive income	-	(9,579)	606,877	-	-	597,298	-	597,298
Total comprehensive income	-	1,229,558	606,877	-	-	1,836,435	-	1,836,435
Dividends	-	(1,424,527)	-	-	-	(1,424,527)	-	(1,424,527)
At 31st March 2026	1,972,829	362,350	1,318,483	-	-	3,653,662	-	3,653,662

Figures in brackets indicate deductions.

The accounting policies and notes from pages 147 to 214 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Operating activities					
Profit before tax from continuing operations		6,403,286	7,005,835	1,252,949	1,001,701
Loss from discontinued operations		(2,233)	(2,143)	-	-
Profit before tax		6,401,053	7,003,692	1,252,949	1,001,701
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	1,547,595	1,479,681	13,189	13,827
Amortization of ROUA	29	875,568	863,707	50,639	50,639
Amortization and impairment of intangible assets	14	4,685	4,651	-	-
Gain on disposal of property, plant and equipment		(513)	(13,180)	-	-
(Gain)/loss arising from changes in fair value of biological assets	15.3	17,725	(35,828)	-	-
Net change in the fair value of financial assets at FVTPL		(14,029)	(16,093)	-	-
Fair value adjustment of biological assets	15.1	(234,946)	(284,641)	-	-
Finance income	06	(1,419,728)	(1,268,587)	(94,473)	(102,094)
Finance costs	05	2,327,557	2,138,262	1,238,985	1,109,838
Share of profit of an associate	07	(292,949)	(140,309)	-	-
Provision for bad debts	20	103,064	266,960	-	15,232
Provision/(Reversal of provision) for slow moving stocks	19	65,602	(235,846)	-	-
Provision for defined benefit plan	32	569,118	515,538	14,648	13,462
Provision on warranties	30	41,059	54,146	-	-
Grants amortized	31	(37,739)	(36,807)	-	-
Impairment of loans and advances		(118,377)	(146,006)	-	-
Exchange differences on translation of foreign currency		54,391	(9,435)	(22,518)	(4,073)
		9,889,136	10,139,907	2,453,419	2,098,532
Working capital adjustments:					
(Increase) / decrease in trade and other receivables and prepayments		(552,554)	400,611	(927,785)	321,111
(Increase) / decrease in inventories		363,272	(376,463)	604	664
(Increase) / decrease in trade and other payables		311,441	(368,324)	(327,981)	(488,796)
Changes in operating assets		(3,533,764)	(2,194,332)	-	-
Changes in operating liabilities		678,748	12,284	-	-
Increase in insurance provision		300,761	(144,372)	-	-
Cash generated from operations		7,457,040	7,469,311	1,198,257	1,931,511
Interest paid		(1,794,587)	(1,491,853)	(1,217,589)	(1,109,838)
Gratuity paid	32	(573,751)	(507,016)	(10,045)	(5,748)
Interest received		1,419,728	1,268,587	94,473	102,094
Income tax paid		(2,594,179)	(1,929,048)	-	(2,052)
Net cash flows from / (used in) operating activities		3,914,251	4,809,981	65,078	915,966

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Investing activities					
Proceeds from sale of property, plant and equipment		198,321	783,397	-	-
Purchase of property, plant and equipment	12	(2,439,580)	(2,142,201)	(26,875)	(5,850)
Purchase of investment properties	13	(81,460)	(514,949)	(730,280)	(207)
Intangible assets acquired	14	(4,066)	(22,649)	-	-
Increase in biological assets due to new planting	15	(21,644)	(56,695)		
Purchase of financial instruments		(118,530)	(189,001)	-	-
Purchase of /Proceeds from sale of financial assets		(1,872,645)	406,139	-	-
Dividend Received from associate		150,990	50,330	-	-
Increase in holding in a subsidiary		-	-	(149,859)	(300,000)
Receipt of government grants	31	25,513	33,237	-	-
Net cash flows used in investing activities		(4,163,100)	(1,652,393)	(907,014)	(306,058)
Net cash (outflow) / inflow before financing		(248,849)	3,157,587	(841,916)	609,908
Financing activities					
Proceeds from borrowings	28	4,603,308	3,233,959	-	-
Repayment of borrowings	28	(2,177,108)	(2,027,164)	-	-
Lease Liability - Rentals paid	29	(1,519,511)	(1,344,360)	(117,099)	(106,454)
Dividends paid to equity holders of the parent	11	(1,424,527)	(2,645,550)	(1,424,527)	(2,187,256)
Dividends paid to non-controlling interests		(179,334)	(169,353)	-	-
Net cash flows used in financing activities		(697,172)	(2,952,468)	(1,541,626)	(2,293,710)
Net increase/(decrease) in cash and cash equivalents		(946,021)	205,120	(2,383,542)	(1,683,801)
Net foreign exchange difference		-	-	22,518	4,073
Cash and cash equivalents as at the beginning of the year	23	(8,987,537)	(9,192,657)	(12,965,304)	(11,285,576)
Cash and cash equivalents at the end of the year		(9,933,558)	(8,987,537)	(15,326,329)	(12,965,304)
Analysis of Cash & Cash equivalents at 31st March					
Bank and cash balances	23	17,070,985	14,783,897	782,167	1,159,196
Short term borrowings	23	(27,004,543)	(23,771,434)	(16,108,496)	(14,124,500)
		(9,933,558)	(8,987,537)	(15,326,329)	(12,965,304)

Figures in brackets indicate deductions.

The accounting policies and notes from pages 147 to 214 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 2026 were authorised for issue in accordance with a resolution of the directors on 25th August 2026.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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 th 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 nonmonetary 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.

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:

NOTES TO THE 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.

Uncertainty on income tax assessments IFRIC Interpretation 23 "Uncertainty over Income Tax Treatment" The interpretation is effective for annual reporting period beginning on or after 1 April 2019.

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 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 22.10.1.1.2.

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 2.10.12. 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.

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 Material Accounting Policies Applied

2.10.1 Revenue Recognition

2.10.1.1 Revenue from Contacts 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.

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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.

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.

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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.

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.

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

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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

Immature 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.

2.10.11.1 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 2.10.12 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.

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.

2.10.11.2 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.

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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 no 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 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	1/2
11-20	3/4
21-30	1
Over 30	1 1/4

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 Compressive Income.

The actuarial valuation was carried out by a professionally qualified actuary firm Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2026. Provision made for the year is in compliance with the actuarial valuation report as at 31 March 2026.

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

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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.

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 Material 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.

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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 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 21. 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 Changes in Accounting Standards

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

Amendments to LKAS 21: Lack of Exchangeability

2.13.1 Standards Issued but not yet Effective as at Reporting Date

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

2.13.2 SLFRS 17 Insurance Contracts: Scope

SLFRS 17 applies to all types of insurance contracts—including life, non-life, direct insurance, and reinsurance—regardless of the type of entity that issues them. The Standard also covers certain financial guarantees and financial instruments that contain discretionary participation features.

However, a limited number of scope exceptions apply.

Key requirements

The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike SLFRS 4, which largely relied on grandfathered local accounting policies, SLFRS 17 introduces a comprehensive and consistent model that addresses all key aspects of insurance contract accounting.

NOTES TO THE FINANCIAL STATEMENTS

The core of SLFRS 17 is the general measurement model, supported by:

- The variable fee approach (VFA): an adaptation for contracts with direct participation features.
- The premium allocation approach (PAA): a simplified method primarily intended for short-duration contracts.

The key features of SLFRS 17's insurance contract accounting model include:

- Fulfilment cash flows: Measurement of the present value of future cash flows, including an explicit risk adjustment, remeasured at every reporting date.
- Contractual Service Margin (CSM): A liability representing unearned profit, equal and opposite to any day-one gain in the fulfilment cash flows of a group of contracts. It is recognised in profit or loss as insurance services are provided over the coverage period.
- CSM adjustments: Certain changes in expected future cash flows are offset against the CSM and recognized in profit or loss over the remaining coverage period
- Discount rate effects: Changes in discount rates are recognized either in profit or loss or in other comprehensive income, based on the entity's accounting policy choice
- Revenue and expense presentation: Insurance revenue and service expenses are presented based on the concept of services provided during the reporting period
- Non-distinct investment components: Amounts payable to policyholders regardless of an insured event are excluded from the income statement and recognised directly on the balance sheet.
- Separate presentation of results: Insurance service results (earned revenue minus incurred claims) are shown separately from insurance finance income or expense.

Reinsurance loss-recovery component: A loss-recovery asset is recognised in profit or loss when reinsurance covers losses from onerous underlying contracts and is subsequently remeasured as recoveries occur.

- Balance sheet presentation: Entities must separately present portfolios of insurance contracts issued that are assets and those that are liabilities; the same applies to reinsurance portfolios held.
- Enhanced disclosures: Extensive disclosures are required on recognised amounts and the nature and extent of risks arising from insurance contracts.

Transition

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required.

Estimated impact of the adoption of SLFRS 17

The Company is in the process of assessing and finalizing its accounting policies, transition approach including the impact on comparative information and the implications for current practices, as well as determining the appropriate implementation methodology. Consequently, the financial impact of the initial application of SLFRS 17 has not been disclosed in these financial statements, as it is not yet reasonably estimable.

Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements

In May 2025, the Institute of Chartered Accountants of Sri Lanka issued a Statement of Alternative Treatment (SoAT) relating to the figures in interim financial statements for entities reporting under LKAS 34 Interim Financial Reporting. The SoAT provides temporary conditional reliefs for the first, second, and third quarters of 2026, as detailed in the SoAT. The fourth-quarter interim financial statements and the annual financial statements must be prepared in accordance with SLFRS 17 and SLFRS 9, including comparative information for 2025 in line with the applicable transition requirements.

2.13.3 SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

2.13.4 SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 19 is currently being identified and evaluated.

2.13.5 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The impact of these amendments is currently being identified and evaluated.

2.13.6 Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

03. Group Segmental Reporting

Year ended 31st March 2026 Business Segment	Rubber Rs.'000	Tyre Rs.'000	Plastic and furniture Rs.'000	Retail Rs.'000	Financial Services Rs.'000	Other Services Rs.'000	Plantations Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue										
External customers	6,142,471	5,100,519	13,163,413	34,523,075	4,999,024	86,944	15,161,507	79,176,952	-	79,176,952
Inter- segment	143,772	460,053	1,407,383	32,744	5,834	3,368,903	1,280,898	6,699,585	(6,699,585)	-
Intra - segment	6,138	-	73,993	238,097	-	-	111,630	429,858	(429,858)	-
Total revenue	6,292,381	5,560,572	14,644,789	34,793,916	5,004,858	3,455,847	16,554,035	86,306,395	(7,129,443)	79,176,952
Results										
Segment results	137,506	727,570	1,779,826	1,705,458	(126,087)	423,364	4,124,086	8,771,723	(1,753,557)	7,018,766
Finance costs										(2,327,557)
Finance income										1,419,728
Share of profit of an associate										292,949
Profit before tax from continuing operations										6,403,286
Income tax expense										(2,662,345)
Profit for the year from continuing operations										3,740,941
Loss after tax for the year from discontinued operations										(2,233)
Profit for the year										3,738,708
Non-controlling interests										(777,645)
Attributable to Equity holders of the parent										2,961,063
Operating assets	11,646,548	3,798,019	17,955,083	16,810,711	30,110,445	21,170,356	35,071,929	136,563,091	(27,567,995)	108,995,096
Operating liabilities	6,032,704	1,963,061	15,280,741	10,796,117	23,752,345	16,675,049	14,346,084	88,846,101	(14,630,660)	74,215,441
Other disclosures										
Investment in an associate	227,906	-	-	-	-	-	12,567	240,473	401,421	641,895
Capital expenditure	239,270	21,716	296,622	112,959	113,337	57,674	1,598,000	2,439,580	-	2,439,580
Depreciation and amortisation	162,710	42,266	156,397	464,794	52,956	29,671	638,800	1,547,595	-	1,547,595

Geographic information	Sri Lanka Rs.'000	USA Rs.'000	Europe Rs.'000	Other Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue	79,890,215	2,676,329	1,752,768	1,987,084	86,306,395	(7,129,443)	79,176,952

Segment Information

Year ended 31st March 2025 Business Segment	Rubber Rs.'000	Tyre Rs.'000	Plastic and furniture Rs.'000	Retail Rs.'000	Financial Services Rs.'000	Other Services Rs.'000	Plantations Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated 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	84,776,348	(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)	7,735,201
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 Rs.'000	USA Rs.'000	Europe Rs.'000	Other Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue	76,992,825	3,233,592	3,115,274	1,434,657	84,776,348	(7,811,066)	76,965,282

3.1 Revenue

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Timing of Revenue recognition				
Goods transferred at a point in time	74,090,984	72,232,447	-	-
Services transferred over time	107,811	272,092	1,139,088	1,088,411
Total revenue from contracts with customers	74,198,795	72,504,540	1,139,088	1,088,411
Revenue from insurance contracts	1,691,871	1,848,006	-	-
Interest income from finance company	3,286,286	2,612,736	-	-
Dividend Income	-	-	1,753,557	1,234,125
Other revenue	-	-	57,984	244,158
Total revenue	79,176,952	76,965,282	2,950,629	2,566,694

NOTES TO THE FINANCIAL STATEMENTS

4. Other Income/Expenses and Adjustments

4.1 Other Operating Income

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Government grants	37,739	36,807	-	-
Net gain on disposal of property, plant and equipment	513	13,180	-	-
Space rental income	487,949	545,894	-	-
Gain on change in fair value of biological assets	216,853	320,468	-	-
Income from partnership promotions from retail business	198,809	248,257	-	-
Foreign exchange gain	183,365	103,190	23,605	25,876
Scrap sales/sales commission/mixing income	91,946	97,035	410	347
Sale of timber/rubber trees	54,739	182,965	-	-
Documentation and other service charges from financial services	126,815	97,954	-	-
Sundry income	597,699	517,307	16,659	40,906
Total other operating income	1,996,426	2,163,056	40,674	67,129

4.2 Other Operating Expenses

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Foreign exchange loss	1,296	133,166	1,086	29,949
Irrecoverable VAT on management fees of plantation companies	46,766	32,368	-	-
Amortisation and impairment of intangible assets	4,685	4,650	-	-
Others	13,856	23,235	1,552	11,700
Total other operating expenses	66,603	193,419	2,638	41,649

4.3 Profit from operations is stated after charging following expenses

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Directors' remuneration & fees	547,411	487,835	526,858	478,254
Auditors' remuneration & fees				
Audit Fee	44,780	33,499	2,194	1,995
Non Audit Fee	3,942	5,546	-	152
Depreciation	1,547,595	1,479,681	13,189	13,827
Amortisation of right of use assets	875,568	863,707	50,639	50,639
Amortisation and impairment of intangible assets	4,685	4,650	-	-
Provision made for defined benefit plan cost	569,118	515,538	14,648	13,462
Provision/(Reversal of provision) for slow moving stocks	65,602	(235,846)	-	-
Allowances for impairment of receivables	103,064	266,960	-	-
Net gain on disposal of property, plant and equipment	513	13,180	-	-
Staff costs	10,907,982	9,431,090	155,344	155,735
Defined Contribution Plan Cost (EPF/ETF)	1,136,820	903,277	16,026	16,066
Legal fees	84,552	73,244	1,633	979
Donations	9,413	866	-	-

5. Finance Costs

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest on long term borrowings	122,240	106,609	-	-
Interest on short term borrowings	1,672,347	1,385,244	1,217,589	1,078,613
Finance charge on lease liabilities	532,970	646,409	21,396	31,225
Total finance costs	2,327,557	2,138,262	1,238,985	1,109,838

6. Finance Income

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Finance Income on Loans and Receivables	Rs.'000	Rs.'000	Rs.'000	Rs.'000
- Related companies	-	-	78,359	92,773
- Others	1,419,728	1,268,587	16,114	9,321
Total finance income	1,419,728	1,268,587	94,473	102,094

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 2026 and 2025, and income and expenses of the entity for the years ended 31st March 2026 and 2025, which is accounted under the equity method are as follows.

	2026 Rs. '000	2025 Rs. '000
Revenue	13,677,743	10,591,199
Profit before tax	878,847	420,926
Group's share of profit before tax	292,949	140,309
(-) Tax expense	(42,616)	(20,490)
Group share of profit after tax	250,333	119,819
Associate's Statement of Financial Position		
Current assets	1,271,852	977,216
Non-current assets	1,197,705	1,122,020
Total assets	2,469,557	2,099,236
Current liabilities	(447,647)	(379,977)
Non-current liabilities	(146,554)	(136,444)
Total liabilities	(594,201)	(516,422)
Net assets	1,875,356	1,582,814
Group share of net assets	626,895	527,552
Goodwill	15,000	15,000
	641,895	542,552

Investments in Associates	2026 Rs. '000	2025 Rs. '000
Investments in Associates		
At the beginning of the year	542,552	473,063
Share of profits	292,949	140,309
Taxation	(42,616)	(20,490)
Dividend received	(150,990)	(50,330)
At the end of the year	641,895	542,552

NOTES TO THE FINANCIAL STATEMENTS

8. Income Tax Expense

The Major components of income tax expense for the years ended 31 st March 2026 and 2025 are:

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Current Income Tax				
Current Income Tax Charge	2,012,186	1,895,424	-	-
Adjustment In Respect of Current Income Tax of Previous Years	(54,343)	126,964	-	132,910
Deferred Tax				
Relating to origination and Reversal of Temporary Differences	322,992	62,941	13,812	6,546
Tax on Associate Results	42,616	20,490	-	-
Dividend Tax	338,894	297,941	-	-
Income Tax Expense reported in the Statement of Profit or Loss	2,662,345	2,403,759	13,812	139,456
Other Comprehensive Income				
Deferred Tax:				
Relating to Origination and Reversal of temporary differences	52,731	129,346	4,105	(2,533)
Income Tax Expense reported in the Other Comprehensive Income	52,731	129,346	4,105	(2,533)
A. Taxation on current year profit				
Profit before tax from continuing operations (Note 8.a)	8,392,020	9,068,225	1,252,949	1,001,702
Loss before tax from discontinued operations	(2,233)	(2,143)	-	-
Profit from associate companies	292,949	140,309	-	-
	8,682,735	9,206,391	1,252,949	1,016,934
Disallowed items	6,583,161	5,065,269	521,322	498,192
Allowable Expenses	(5,645,123)	(5,013,986)	(148,118)	(129,471)
Tax Exempt income	(2,320,176)	(2,455,011)	(1,722,784)	(1,498,865)
Resident Dividend	-	-	-	-
	7,300,596	6,802,983	(96,631)	(128,442)
Utilization of Tax Losses	(302,301)	(1,641,386)	(118,077)	(102,094)
Taxable Income	6,998,295	5,161,597	(214,708)	(230,536)
Income Tax 30%	1,931,075	1,833,770	-	-
Income Tax 28%	-	-	-	-
Income Tax 24%	-	-	-	-
Income Tax 20%	58,462	54,104	-	-
Income Tax 18%	-	-	-	-
Income Tax 14%			-	-
Income Tax at other Rates	22,648	7,549	-	-
	2,012,186	1,895,424	-	-
(Over)/ Under provision in the previous year	(54,343)	126,964	-	132,910
	1,957,841	2,022,388	-	132,910
Deferred Tax	322,992	62,940	13,812	6,546
ESC unrecoverable	-	-	-	-
Tax on associate results	42,616	20,490	-	-
Dividend Tax	338,894	297,941	-	-
	2,662,345	2,403,758	13,812	139,456

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
B. Deferred tax expenses / (reversals)				
Accelerated depreciation for tax purpose - PPE	10,393	311,626	1,674	1,483
Tax on right of use asset	(2,160)	(54,867)	13,519	7,377
Accelerated depreciation for tax purpose - Biological assets and others	34,605	-	-	-
Retirement benefit obligation	(25,875)	(14,581)	(1,381)	(2,314)
Benefit arising from tax losses	202,384	(15,912)	-	-
Impairment provision for loans and advances	-	-	-	-
Other Provisions	103,644	(163,325)	-	-
Total Deferred Tax Expense	322,992	62,940	13,812	6,546
Other Comprehensive Income				
Retirement benefits obligation	52,731	129,346	4,105	(2,533)
Deferred Tax Charge Directly to OCI	52,731	129,346	4,105	(2,533)

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	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Tax Losses Carried Forward for the year ended 31st March				
Tax Losses Brought Forward	4,669,084	4,893,943	915,952	787,510
Tax Losses Arising during the year	1,289,319	1,416,527	214,708	230,536
Tax Losses Utilizing during the year	(302,301)	(1,641,386)	(118,077)	(102,094)
At the end of the period	5,656,102	4,669,084	1,012,583	915,952

8.2 Income tax rates and details of tax holidays enjoyed by the Group

In accordance with the Inland Revenue (Amendment) Act, No. 45 of 2022 certified on 19th of December, 2022, corporate income tax arising from business income has been increased to 30% w.e.f. October 01, 2022. As a result of this amendment, income tax has been calculated based on a tax rate of 30% from October 01, 2022.

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.

	2026 Rs. '000	2025 Rs. '000
Revenue/Other Income	2,709	2,580
Expenses	(4,942)	(4,722)
Loss for the year from discontinued operations	(2,233)	(2,143)
Income Tax Reversal	-	-
Loss for the year from discontinued operations	(2,233)	(2,143)
Total Assets and Liabilities		
Total assets	32,763	36,638
Total liabilities	94,769	95,341
Summary of Statement of Cash Flows		
Net cash flows from/(used) Operating Activities	175	(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:

	2026 Rs. '000	2025 Rs. '000
Net profit attributable to ordinary equity holders of the parent from continuing operations	2,963,297	3,789,996
Loss attributable to ordinary equity holders of the parent from discontinued operations	(2,233)	(2,143)
Net profit attributable to ordinary equity holders of the parent for basic and diluted earnings	2,961,063	3,787,853
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.

	2026 Rs. '000	2025 Rs. '000
Basic earnings per share	1.46	1.86
Basic earnings per share from continuing operations	1.46	1.86

11. Dividend per Share

	2026 Per Share	2026 Rs.000	2025 Per Share	2025 Rs. '000
Interim Dividend	0.70	1,424,527	0.60	1,221,023
Final Dividend	-	-	0.70	1,424,527
	0.70	1,424,527	1.30	2,645,549

The interim dividend of Rs. 0.70 per share for the financial period ended 31st March 2026 was declared on 20th November 2025 and paid on 08th December 2025.

12. Property Plant & Equipment

12.1 Group

	As at 01.04.2025 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	Effect of foreign currency translation Rs.'000	As at 31.03.2026 Rs.'000
Cost / valuation					
Land / land improvements	5,506,823	721,149	44,800	-	6,272,772
Buildings	7,126,377	224,807	486,320	10,003	7,847,507
Bearer Biological Assets -Immature / mature plantations	13,830,941	493,955	(15,424)	-	14,309,472
Plant, machinery, tools & electrical installations	9,157,339	81,628	131,210	55,268	9,425,445
Office & other equipment	3,016,248	104,356	-	-	3,120,604
Furniture, fixtures & fittings	1,053,115	28,464	-	1,946	1,083,525
Motor vehicles	1,379,796	329,528	(186)	191	1,709,329
Computers	959,704	62,768	-	-	1,022,472
	42,030,343	2,046,655	646,720	67,408	44,791,126
Capital work in progress	3,501,984	392,925	(389,529)	-	3,505,380
Total gross carrying amount	45,532,327	2,439,580	257,191	67,408	48,296,506

	As at 01.04.2025 Rs.'000	Charge for the year Rs.'000	Disposals Rs.'000	Effect of foreign currency translation Rs.'000	As at 31.03.2026 Rs.'000
Depreciation / amortization					
Land improvements	127,984	-	-	-	127,984
Buildings	3,083,502	270,066	-	3,245	3,356,813
Bearer Biological Assets -Immature / mature plantations	3,876,773	437,738	-	-	4,314,511
Plant, machinery, tools & electrical installations	6,609,402	439,087	(40,265)	40,950	7,049,174
Office & other equipment	2,295,427	196,457	-	-	2,491,884
Furniture, fixtures & fittings	883,563	49,777	-	1,926	935,266
Motor vehicles	1,124,405	99,017	(186)	191	1,223,427
Computers	854,302	52,102	-	-	906,404
	18,855,358	1,544,244	(40,451)	46,312	20,405,463

NOTES TO THE FINANCIAL STATEMENTS

Net Book Values	2026 Rs. '000	2025 Rs. '000
Land / land improvements	6,144,788	5,378,839
Buildings	4,490,694	4,042,875
Bearer Biological Assets -Immature / mature plantations	9,994,961	9,954,168
Plant, machinery, tools & electrical installations	2,376,271	2,547,937
Office & other equipment	628,720	720,821
Furniture, fixtures & fittings	148,259	169,552
Motor vehicles	485,902	255,391
Computers	116,068	105,402
	24,385,663	23,174,985
Capital work in progress	3,505,380	3,501,984
Total carrying amount	27,891,043	26,676,969

Property plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 7,634 Mn (2025 - Rs. 7,204 Mn).

During the financial year, the Group acquired property plant and equipment to the aggregate value of Rs. 2,440 Mn (2025 - Rs. 2,142 Mn) for cash considerations.

Above netbook value of plantations include Rs. 6,542 Mn (2025 - Rs. 6,372 Mn) matured Plantations and Rs. 3,453 Mn (2025 - Rs. 3,582 Mn) immature plantations. Further during the period Rs. 631.7 Mn (2025- Rs. 526.69 Mn) has capitalize from immatured to matured plantations.

12.2 Company

	As at 01.04.2025 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	Adjustments Rs.'000	As at 31.03.2026 Rs.'000
Cost / valuation					
Land	6,481	-	-	-	6,481
Buildings	52,208	-	-	-	52,208
Plant, machinery, tools & electrical installations	101,018	5,177	-	-	106,195
Office & other equipment	37,406	1,035	-	-	38,441
Furniture, fixtures & fittings	25,595	818	-	-	26,413
Motor vehicles	50,662	-	-	-	50,662
Computers	70,545	17,960	-	-	88,505
	343,915	24,990	-	-	368,905
Capital work in progress	51,372	1,885	-	-	53,257
Total gross carrying amount	395,287	26,875	-	-	422,162

	As at 01.04.2025 Rs.'000	Charge for the year Rs.'000	On Disposals Rs.'000	Adjustments Rs.'000	As at 31.03.2026 Rs.'000
Depreciation / amortization					
Buildings	51,965	175	-	-	52,140
Plant, machinery, tools & electrical installations	97,737	653	-	-	98,390
Office & other equipment	35,732	378	-	-	36,110
Furniture, fixtures & fittings	24,532	198	-	-	24,730
Motor vehicles	38,958	1,500	-	-	40,458
Computers	60,649	3,069	-	-	63,718
	309,574	5,972	-	-	315,546

Net Book Values	2026 Rs. '000	2025 Rs. '000
Land	6,481	6,481
Buildings	68	243
Plant, machinery, tools & electrical installations	7,805	3,281
Office & other equipment	2,331	1,674
Furniture, fixtures & fittings	1,683	1,063
Motor vehicles	10,204	11,704
Computers	24,787	9,896
	53,359	34,341
Capital work in progress	53,257	51,372
Total carrying amount	106,616	85,714

Property plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 406 Mn (2025 - Rs. 313 Mn).

During the financial year, the Company acquired property plant and equipment to the aggregate value of Rs. 26.9 Mn (2025 - Rs. 5.8 Mn) for cash considerations.

13. Investment properties

13.1 Group

	As at 01.04.2025 Rs.'000	Adjustments Rs.'000	Additions Rs.'000	Transfers Rs.'000	As at 31.03.2026 Rs.'000
Gross carrying amounts					
Freehold land	444,966	-	-	(44,800)	400,166
Buildings	547,763	-	81,460	(469,200)	160,023
	992,729	-	81,460	(514,000)	560,189

	As at 01.04.2025 Rs.'000	Adjustments Rs.'000	Charge for the Year Rs.'000	Transfers Rs.'000	As at 31.03.2026 Rs.'000
Depreciation					
Buildings	7,013	-	3,351	-	10,364
	7,013	-	3,351	-	10,364

Net Book Values	2026 Rs. '000	2025 Rs. '000
Freehold land	400,166	444,966
Buildings	149,659	540,750
Total carrying amount of investment properties	549,825	985,716

13.2 Company

	As at 01.04.2025 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	As at 31.03.2026 Rs.'000
Gross carrying amounts				
Freehold land	2,571,569	721,149	-	3,292,718
Buildings and building integrals	511,976	9,131	-	521,107
	3,083,545	730,280	-	3,813,825

NOTES TO THE FINANCIAL STATEMENTS

	As at 01.04.2025 Rs.'000	Charge for the Year Rs.'000	Adjustments Rs.'000	As at 31.03.2026 Rs.'000
Depreciation				
Buildings and building integrals	171,565	7,217	-	178,782
	171,565	7,217	-	178,782

Net Book Values	2026 Rs. '000	2025 Rs. '000
Freehold land	3,292,718	2,571,569
Buildings on freehold land	342,324	340,410
Total carrying amount of investment properties	3,635,042	2,911,979

	2026 Rs. Mn	2025 Rs. Mn
Rental income derived from investment properties	309	309
Direct operating expenses incurred	3.5	3.2

The Group measures its Investment properties at cost method and depreciation calculated based on straight-line basis over the usefull life for 50 years of the asset.

As at 31st March 2026, 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. 81 Mn (2025 - Rs. 196 Mn) for cash considerations.

Fair value of investment properties are given in Group Real Estate Portfolio in pages 220 to 222.

14. Intangible Assets

	Goodwill Rs.'000	Licenses Rs.'000	Other Intangibles Rs.'000	Total Rs.'000
As at 1st April 2025	1,219,937	74,010	41,202	1,335,148
Acquisition through business combinations	-	-	-	-
Acquired / incurred during the period			4,066	4,066
As at 31st March 2026	1,219,937	74,010	45,268	1,339,214
Amortisation and Impairment				
As at 1st April 2025	104,903	50,958	24,245	180,107
Amortisation/impairment for the year		2,211	2,474	4,685
As at 31st March 2026	104,903	53,169	26,719	184,792
Net Book Value				
As at 31st March 2025	1,115,034	23,052	16,957	1,155,042
As at 31st March 2026	1,115,034	20,840	18,549	1,154,422

(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 2. Namunukula Plantations PLC 3. Maskeliya Plantations PLC	327,736
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.

			Sensitivity	
Cash-generating unit	Variable	Key Rates	Change	Impact on Value In Use
Plantation Sector	Discount Rate	9% - 14.25% (2025 -10% -14%)	Increase by 1%	-9%
			Decrease by 1%	11%
	Volume growth	1% - 8% (2025 -1% - 9%)		
Arpico Supercenter Kandy	Discount Rate	12% (2025 - 12%)	Increase by 1%	-7.5%
			Decrease by 1%	7.8%
	Volume growth	6% - 8% (2025 - 7% -8%)		
Richard Pieris Finance Limited	Discount Rate	17.73% (2025 - 9.4%)	Increase by 1%	-13%
			Decrease by 1%	16%
	Volume growth	5% (2025 -29%)		
BGN Industrial Tyre (Private) Limited	Discount Rate	13.02% (2025 -13.03%)	Increase by 1%	-7%
			Decrease by 1%	8%
	Volume growth	8% (2025 -13%)		

NOTES TO THE FINANCIAL STATEMENTS

15. Biological Assets

15.1 Consumable Biological Assets

	2026 Rs. Mn	2025 Rs. Mn
At the beginning of the year	2,104,636	1,763,300
Increase due to new planting	22,455	66,865
Decrease due to harvesting	(810)	(10,170)
Gain in fair value	234,946	284,641
At the end of the year	2,361,227	2,104,636

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.

			Range of Unobservable Inputs (Probability weighted average)		
Non Financial Assets	Valuation Techniques	Unobservable Inputs	2025/2026	2024/2025	Relationship of Unobservable inputs to Fair Value
Consumable Biological Assets - Timber	Discounted Cash Flow Method	Discounting Rate	15.0%	16.0%	The lower the discount rate, the higher the fair value
		Optimum rotation (Maturity)	20 - 35 Years	20 - 35 Years	Lower the rotation period, the higher the fair value
		Price per Cubic ft.	Rs. 300 - 900	Rs. 300 - 900	The higher the price per cu. ft., the higher the fair value
		Price per Rubber Tree	Rs. 3,000	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 2026	-10% Rs.'000	Rs.'000	+10% Rs.'000
	2,139,286	2,361,227	2,583,168
	2,139,286	2,361,227	2,583,168

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 2026	13.50% Rs.'000	15.00% Rs.'000	16.50% Rs.'000
	2,440,174	2,361,227	2,269,333
	2,440,174	2,361,227	2,269,333

15.3 Produce on Bearer Biological Assets

	2026 Rs. Mn	2025 Rs. Mn
At the beginning of the year	96,543	60,715
Gain / (Loss) arising from changes in fair value of biological assets	(17,725)	35,828
At the end of the year	78,818	96,543

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 2026 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets measured at fair value				
Consumable biological assets - timber	2,361,227	-	-	2,361,227
Produce on bearer biological assets	78,818	-	78,818	-
	2,440,044	-	78,818	2,361,227

	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

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		
	31.03.2026	31.03.2025	31.03.2026	Movement	31.03.2025	31.03.2026	Movement	31.03.2025
Quoted investments								
Richard Pieris Exports PLC (Rs. 3,386 mn) *	84	84	9,392,563	-	9,392,563	310,885	-	310,885
Kegalle Plantations PLC (Rs. 1.2 mn) * +	-	-	9,500	-	9,500	1,441	-	1,441
Arpico Insurance PLC (Rs. 449 mn) *	29	29	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	75	75	197,938,286	12,488,233	185,450,053	2,546,363	149,859	2,396,504
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 Retails 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
						5,813,216	149,859	5,663,357

	% Holding		No of shares			Value Rs.'000		
	31.03.2026	31.03.2025	31.03.2026	Movement	31.03.2025	31.03.2026	Movement	31.03.2025
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						5,410,134	149,859	5,260,275

B Group investments in subsidiaries

	% Holding		No of shares			Value Rs.'000		
	31.03.2026	31.03.2025	31.03.2026	Movement	31.03.2025	31.03.2026	Movement	31.03.2025
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. 528 mn) *	27	27	17,790,001	-	17,790,001	177,900	-	177,900
Richard Pieris Finance Limited	6	6	14,848,829	936,836	13,911,993	169,482	11,242	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		
	31.03.2026	31.03.2025	31.03.2026	Movement	31.03.2025	31.03.2026	Movement	31.03.2025
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. 3,145 mn) *	83	83	44,998,397	-	44,998,397	778,329	-	778,329
Kegalle Plantations PLC (Rs. 0.5 mn) * +			3,900	-	3,900	591	-	591
Investor								
RPC Plantation Management Services (Pvt) Limited								
Investee								
Namunukula Plantations PLC (Rs. 10,866 mn) *	68	68	16,145,050	-	16,145,050	783,909	-	783,909
Kegalle Plantations PLC (Rs. 2,565 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. 793 mn) *	40	40	26,685,001	-	26,685,001	266,850	-	266,850
Richard Pieris Finance Limited	6	6	15,801,280	996,927	14,804,353	173,050	11,963	161,087
Investor								
Arpitech (Pvt) Limited								
Investee								
RPC Properties (Pvt) Limited	100	100	13,006,248	-	13,006,248	1,721,371	-	1,721,371
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	13	13	35,578,005	2,244,671	33,333,334	426,936	26,936	400,000
Provision for fall in value of investment in;								
Kegalle Plantations PLC						(120)	-	(120)
Arpico Natural Latex Foams (Pvt) Limited						(90,000)	-	(90,000)

C Company / Group investment in associate

	% Holding		No of shares			Value Rs.'000		
	31.03.2026	31.03.2025	31.03.2026	Movement	31.03.2025	31.03.2026	Movement	31.03.2025
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						629,327	99,343	529,984
Group investment in associates (equity basis)						641,895	99,343	542,552

* Amounts stated within brackets correspond to market value as at 31st March 2026. 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 2026	Plantations Rs.'000	Rubber Rs.'000	Financial Services Rs.'000
Summarised Statement of Profit or Loss			
Revenue	15,864,028	1,404,112	1,691,871
Operating cost	(12,510,566)	(1,368,127)	(2,454,761)
Finance cost	(375,518)	(2,363)	(34,337)
Finance income	649,974	64,542	699,058
Share of profit of an associate	247,257	-	-
Profit before tax	3,875,174	98,164	(98,170)
Income tax expense	(1,211,578)	(2,637)	102,726
Profit for the year	2,663,596	95,527	4,555
Other comprehensive income	(149,225)	7,428	(141,201)
Total comprehensive income	2,514,371	102,956	(136,645)
Profit attributable to NCI	738,097	15,380	839
Dividend paid to NCI	(274,479)	-	-
As at 31st March 2026			
Summarised Statement of Financial Position			
Current assets	12,432,919	2,678,878	1,453,163
Non current assets	19,228,598	836,645	3,794,293
Total assets	31,661,517	3,515,523	5,247,455
Current liabilities	4,438,909	242,662	379,448
Non current liabilities	8,229,954	84,780	3,174,453
Total liabilities	12,668,864	327,442	3,553,902
Accumulated balance of material NCI	5,174,712	513,281	311,783

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For the year ended 31st March 2026	Plantations Rs.'000	Rubber Rs.'000	Financial Services Rs.'000
Summarised cash flow information for the year ending 31st March			
Cash flows from operating activities	3,047,575	(10,951)	403,169
Cash flows from / (used in) investing activities	(1,293,182)	(13,087)	(623,211)
Cash flows used in financing activities	(633,426)	-	-
Net increase / (decrease) in cash and cash equivalents	1,120,967	(24,038)	(220,041)

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	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Fair Value Through Profit or Loss				
Unquoted equity shares				
Credit Information Bureau	3,833	2,341	-	-
Finance Houses Consortium	200	200	-	-
	4,033	2,541	-	-
Quoted equity shares				
Piramal Glass Ceylon PLC	-	-	-	-
Sampath Bank PLC	-	-	-	-
Hatton National Bank PLC (Non voting)	-	-	-	-
Unit Trust	148,019	135,481		
Total Fair Value Through Profit or Loss Investments	152,052	138,022	-	-
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	22	683	22	16
John Keells Holdings PLC	23	25	23	25
Asian Hotel Properties PLC	34,400	33,888	34,400	33,888
Dialog Axiata PLC	337	159	337	159
National Development Bank PLC	3,426,224	2,820,046	3,426,224	2,820,046
The Lighthouse Hotel PLC	52	46	52	46
	3,461,058	2,854,848	3,461,058	2,854,181
Total Fair Value Through Other Comprehensive Income	3,466,683	2,860,473	3,466,683	2,859,806

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Amortized Cost				
Treasury bill investments	87,895	842,776	-	-
Treasury bond investments	861,093	1,068,890	-	-
Fixed deposits	-	-	-	-
Other loans and receivables	-	115,320	-	-
Total Financial Assets at Amortized Cost	948,988	2,026,986	-	-
Available for sale investments				
Unquoted equity shares				
Asset Trust Management (Pvt) Limited	-	-	-	-
Asia Auto Parts LLP	-	13,681	-	-
	-	13,681	-	-
Quoted equity shares				
Richard Pieris Export / Arpico Finance Ltd	641			
Commercial Bank of Ceylon PLC	-	-	-	-
John Keells Holdings PLC	-	-	-	-
Asian Hotel Properties PLC	-	-	-	-
Dialog Axiata PLC	-	-	-	-
National Development Bank PLC	525,125	424,634	-	-
The Lighthouse Hotel PLC	-	-	-	-
	525,767	424,634	-	-
Government Securities				
Treasury bill investments	-	110,820	-	-
Treasury bond investments	321,915	409,145	-	-
Total available for sale investments at fair value	847,681	958,281	-	-
Loans and receivables				
Investments in corporate debts	471,273	471,287	-	-
Investment in repurchase agreement	3,115,889	400,108	-	-
Fixed Deposit	1,533,348	1,072,674	-	-
Other loans and receivables	245,260	156,062	-	-
Total loans and receivables	5,365,771	2,100,131	-	-
Total other financial assets	10,781,175	8,083,892	3,466,683	2,859,806
Total current	3,167,687	1,295,042	-	-
Total non-current	7,613,488	6,788,851	3,466,683	2,859,806

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 2026 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair Value Through Other Comprehensive Income				
Equity Shares - Quoted	3,461,058	3,461,058	-	-
- Unquoted	5,625	-	-	5,625
	3,466,683	3,461,058	-	5,625
Fair value through profit or loss				
Equity Shares - Quoted	-	-	-	-
- Unquoted	4,033	-	-	4,033
Unit Trust	148,019	148,019	-	-
	152,052	148,019	-	4,033
Amortized Cost				
Treasury bill investments	87,895	87,895	-	-
Treasury bond investments	861,093	-	861,093	-
Fixed deposits	-	-	-	-
Other loans and receivables	-	-	-	-
	948,988	87,895	861,093	-
Available for sale financial assets				
Equity Shares - Quoted	525,767	525,767	-	-
- Unquoted	-	-	-	-
	525,767	525,767	-	-
Treasury bill investments	-		-	
Treasury bond investments	321,915	-	321,915	-
	321,915	-	321,915	-
Loans and receivables				
Investments in corporate debts	471,273	-	471,273	-
Investment in repurchase agreement	3,115,889	-	3,115,889	-
Other loans and receivables	245,260	-	245,260	-
Fixed deposits	1,533,348		1,533,348	
	5,365,771	-	5,365,771	-
	10,781,175	4,222,739	6,548,779	9,658

	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	-	-
Treasury bond investments	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

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.

	Carrying amount		Fair Value	
Group	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Other Financial Assets				
Fair Value Through Other Comprehensive Income	3,466,683	2,860,473	3,466,683	2,860,473
Fair value through profit or loss	152,052	138,022	152,052	138,022
At Amortized Cost	948,988	2,026,986	948,988	2,026,986
Available for sale investments	847,681	958,280	847,681	958,280
Loans and receivables	5,365,771	2,100,131	5,365,771	2,100,131
Total	10,781,175	8,083,892	10,781,175	8,083,892

NOTES TO THE FINANCIAL STATEMENTS

Group	Carrying amount 2026 Rs. '000	Carrying amount 2025 Rs. '000	Fair Value 2026 Rs. '000	Fair Value 2025 Rs. '000
Financial liabilities				
Interest-bearing loans and borrowings	7,278,065	4,851,864	7,278,065	4,851,864
Total	7,278,065	4,851,864	7,278,065	4,851,864

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 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Deferred tax assets	(1,325,854)	(1,462,947)	(759)	(10,466)
Deferred tax liabilities	2,952,173	2,816,798	-	-
Net deferred tax liability / (asset)	1,626,320	1,353,851	(759)	(10,466)
Net deferred tax liability / (asset)				
At the beginning of the period	1,353,851	1,440,658	(10,466)	(19,546)
Transfer to Statement of Profit and Loss	322,992	62,940	13,812	6,547
Transfer from/(to) the Statement of Other Comprehensive Income	(52,731)	(129,346)	(4,105)	2,533
Effect of changes in exchange rates	2,207	(20,401)	-	-
At the end of the period	1,626,320	1,353,851	(759)	(10,466)
Deferred tax liabilities				
Accelerated depreciation for tax purposes - PPE	4,158,471	4,152,001	47,404	45,730
Other deferred liabilities	1,090,218	1,037,292	-	-
	5,248,689	5,189,293	47,404	45,730
Deferred tax assets				
Retirement benefit obligations	(1,002,008)	(933,888)	(25,457)	(19,971)
Un-utilised tax losses	(810,377)	(1,021,548)	-	-
Tax on right of use asset	(520,407)	(510,177)	(22,705)	(36,224)
Other provisions	(1,289,579)	(1,369,829)	-	-
Deferred Tax Assets	(3,622,371)	(3,835,442)	(48,162)	(56,195)
Net Deferred Tax Liability/(Asset)	1,626,320	1,353,851	(759)	(10,466)

Deferred tax assets amounting to Rs. 64 Mn (2025 - Rs. 823 Mn) for the Group has not recognized since the companies do not expect these assets to reverse in the foreseeable future.

19. Inventories

	Group	
	2026 Rs. '000	2025 Rs. '000
Raw materials	3,296,001	3,004,601
Growing crop-nurseries	67,922	67,834
Work in progress	601,174	766,846
Finished goods	6,710,246	7,021,533
Produce inventories	1,170,151	1,524,576
Land Stock	1,374,008	1,330,144
Goods in transit	120,492	109,303
Other inventories	819,863	698,292
	14,159,857	14,523,129
Provision for slow moving inventories	(771,590)	(692,131)
Provision for unrealized profits	(75,714)	(89,571)
Total carrying amount of inventories	13,312,553	13,741,428

Inventories are net of allowances for slow moving and obsolete inventories.

The amount of write-down of inventories recognised as an expense is Rs. 610 mn (2025 Rs. 382 mn) which is recognised under administrative expenses.

Provision for slow moving inventories as an expense is Rs. 79 mn (2025 - Rs. -248 mn)

Inventories carried at net realisable value as at 31st March 2026 is lower than the cost of the inventory value as of the same day.

Inventories with a carrying amount of Rs. 301 mn (2025 - Rs. 1,941 mn) are pledged as security for loans obtained.

20. Trade and Other Receivables

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Trade receivables	8,255,436	8,119,650	-	-
Other receivables (Note 20.1)	3,148,116	3,088,046	475,466	443,526
Other non financial receivables	1,416,369	1,191,838	-	-
Less - Impairment of trade receivables (Note 20.2)	(1,301,080)	(1,248,686)	-	-
Less - Provision for Other receivable	-	(81,497)	-	-
	11,518,841	11,069,351	475,466	443,526

NOTES TO THE FINANCIAL STATEMENTS

20.1 Other receivables

	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Advances and deposits	1,737,239	1,662,784	-	-
Loans to employees	45,243	32,897	17,040	14,252
Premium Receivable	78,901	551,408	-	-
Reinsurance Receivable	21,585	6,544	-	-
Other receivables	1,216,529	793,955	458,426	429,274
Repossessed Stock	120,988	58,472	-	-
Less - Provision for repossessed stock	(72,369)	(18,014)	-	-
	3,148,116	3,088,046	475,466	443,526

20.2 Movement in Provision for impairment

	Group				
		Individual		Collective	
	Total Rs.'000	Fully Impaired Rs.'000	Partially Impaired Rs.'000	Fully Impaired Rs.'000	Partially Impaired Rs.'000
As at 1st April 2025	1,248,686	417,157	4,617	21,642	805,268
Charge for the year	76,719	30,257	-	351	46,110
Unused amounts reversed	616	616	-	-	-
Provisions written off	(24,941)	(24,941)	-	-	-
As at 31st March 2026	1,301,080	423,089	4,617	21,994	851,378

20.3 The aging analysis of Trade Receivables is as follows;

			Past due but not impaired			
	Total Rs.'000	Neither due nor impaired Rs.'000	30-60 Days Rs.'000	61-90 Days Rs.'000	91-120 Days Rs.'000	> 120 Days Rs.'000
2026	8,255,436	3,563,655	1,445,312	173,092	71,930	3,001,446
2025	8,119,650	3,914,431	1,077,073	276,504	156,138	2,695,503

21. Loans and Advances

	2026 Rs.'000	2025 Rs.'000
Finance lease/ Ijarah rental receivables	8,104,086	6,766,030
Hire purchase/ Muraba rental receivables	2,620	2,602
Term Loans/ Mortgage loans/ Wakala rental receivables	3,182,807	2,584,064
Short term loans/ Trading Muraba rental receivables	117,883	129,393
Other loans and advances	8,415,457	6,711,468
	19,822,853	16,193,557
Less: Impairment losses - Collective	(1,469,398)	(1,587,775)
- Individual	(95,532)	-
Net loans and advances receivables (Note 21.1)	18,257,923	14,605,782

21.1 Analysis of rental receivables on loans and advances

	2026				2025			
	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	5,362,649	5,809,863	-	11,172,512	4,880,293	4,651,714	-	9,532,007
(-) Unearned income	(1,711,796)	(1,356,630)	-	(3,068,426)	(1,511,409)	(1,254,567)	-	(2,765,976)
Net rental receivables	3,650,853	4,453,233	-	8,104,086	3,368,884	3,397,147	-	6,766,031
(-) Allowance for impairment loss - Collective	(690,997)	-	-	(690,997)	(871,189)	-	-	(871,189)
Total net rental receivables	2,959,856	4,453,233	-	7,413,089	2,497,695	3,397,147	-	5,894,842
Hire purchase/ Muraba rental receivables								
Gross rental receivables	2,620	-		2,620	2,602	-		2,602
(-) Unearned income	-	-		-	-	-		-
Net rental receivables	2,620	-		2,620	2,602	-		2,602
(-) Allowance for impairment loss - Collective	(2,620)	-		(2,620)	(2,602)	-		(2,602)
Total net rental receivables	-	-		-	-	-		-
Loans and Advances								
Term loans/ Mortgage loans/ Wakala								
Gross rental receivables	2,089,557	1,950,772		4,040,329	1,991,371	1,055,728	3,110	3,050,209
(-) Unearned income	(350,079)	(507,443)		(857,522)	(206,276)	(259,605)	(264)	(466,146)
Net rental receivables	1,739,478	1,443,329	-	3,182,807	1,785,095	796,122	2,845	2,584,063
(-) Allowance for impairment loss - Individual	(84,423)			(84,423)				
(-) Allowance for impairment loss - Collective	(359,300)	-	-	(359,300)	(713,984)	-	-	(713,984)
Total net rental receivables	1,295,756	1,443,329	-	2,739,085	1,071,111	796,122	2,845	1,870,079
Short term loans/ Trading Muraba								
Gross rental receivables	117,972	-		117,972	129,420	-		129,420
(-) Unearned income	(89)	-		(89)	(27)	-		(27)
Net rental receivables	117,883	-		117,883	129,393	-		129,393
(-) Allowance for impairment loss - Collective	(47,097)	-		(47,097)	-	-		-
Total net rental receivables	70,786	-		70,786	129,393	-		129,393
Other loans and advances								
Gross rental receivables	6,713,649	1,866,476		8,580,124	4,990,944	1,345,927	496,118	6,832,989
(-) Unearned income	(67,747)	(96,920)		(164,667)	(54,721)	(66,596)	(204)	(121,521)
Net rental receivables	6,645,902	1,769,555	-	8,415,457	4,936,222	1,279,331	495,914	6,711,468
(-) Allowance for impairment loss - Individual	(11,109)			(11,109)				
(-) Allowance for impairment loss - Collective	(369,384)	-		(369,384)	-	-		-
Total net rental receivables	6,265,408	1,769,555	-	8,034,963	4,936,222	1,279,331	495,914	6,711,468
Total net loans and advances	10,591,806	7,666,117	-	18,257,923	8,634,422	5,472,600	498,760	14,605,782

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.

21.3 Analysis of Maximum Exposure to Credit Risk and Movement in Allowance for ECL

As at 31 March 2026	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	4,643,442	1,959,707	1,500,937	8,104,086
Allowance for expected credit losses (ECL)	(59,137)	(100,181)	(531,678)	(690,997)
	4,584,304	1,859,525	969,259	7,413,089
Movement in allowance for expected credit losses				
Balance as at 31st March 2025	108,279	127,272	635,638	871,189
Charge/ (Reversal) to income statement	(49,142)	(27,090)	(103,960)	(180,192)
Balance as at 31st March 2026	59,137	100,181	531,678	690,997
Hire purchase/ Muraba rental receivables				
Maximum exposure to credit risk				
Gross hire purchase receivables- subject to collective impairment	-	-	2,620	2,620
Allowance for expected credit losses (ECL)	-	-	(2,620)	(2,620)
	-	-	-	-
Movement in allowance for expected credit losses				
Balance as at 31st March 2025	-	-	2,602	2,602
Charge/ (Reversal) to income statement			18	18
Balance as at 31st March 2026	-	-	2,620	2,620

As at 31 March 2026	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	7,008,345	1,512,371	3,195,431	11,716,147
Allowance for expected credit losses (ECL)	(83,236)	(79,693)	(708,383)	(871,312)
	6,925,109	1,432,678	2,487,048	10,844,835
Movement in allowance for expected credit losses				
Balance as at 31st March 2025	94,554	77,845	541,584	713,983
Charge/ (Reversal) to income statement	(11,317)	1,848	166,798	157,329
Balance as at 31st March 2026	83,236	79,693	708,383	871,312

22. Short Term Borrowings

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Import loans (a)	-	30,061	-	-
Bank overdrafts (b)	16,836,575	13,822,784	6,528,996	5,794,500
Other short term borrowings (c)	10,167,968	9,918,589	9,579,500	8,330,000
	27,004,543	23,771,434	16,108,496	14,124,500

(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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash at banks and in hand	17,070,985	14,783,897	782,167	1,159,196
Short term borrowings (Note 22)	(27,004,543)	(23,771,434)	(16,108,496)	(14,124,500)
Cash and cash equivalents for the purpose of the statement of cash flows,	(9,933,558)	(8,987,537)	(15,326,328)	(12,965,304)

24. Stated Capital

	No. of Shares in '000	Value of Shares Rs.'000
As at 1st April 2025	2,035,038	1,972,829
As at 31st March 2026	2,035,038	1,972,829

NOTES TO THE FINANCIAL STATEMENTS

25. Revenue Reserves

	2026 Rs.'000	2025 Rs.'000
Retained earnings	22,899,654	21,758,082
Regulatory loss allowance reserve (a)	1,119,551	937,473
	24,019,205	22,695,555

(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

	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	101,174	88,438
Transfers during the year	22,436	12,736
At the end of the year	123,610	101,174

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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Fair value reserve on Financial Assets at FVOCI	1,443,069	761,815	1,318,483	711,605
Foreign currency translation reserve	425,809	385,825	-	-
	1,868,878	1,147,640	1,318,483	711,605

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

	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	2,762,501	2,906,873
Net increase in life insurance fund	274,130	(288,917)
Movement in fair value reserve on financial assets at FVOCI transferred to life fund	26,631	144,545
At the end of the year	3,063,262	2,762,501

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 on gross premium valuation (GPV) with cash flows discounted using the best estimate investment return.

The actuarial reserves have been established based upon the following;

- Mortality has been based on the SLA07/09 standard insured mortality table for the Sri Lankan market, adjusted to reflect the Company's experience.
- Discount rate is the Risk Free Rate issued by the Insurance Regulatory Commitsion of Sri Lanka as at 31st December 2025
- Inflation has been based on the International Monetary Fund (IMF) projections for future inflation in Sri Lanka.
- Morbidity has been based on the Company's experience.

In accordance with the Direction No. 16 issued by the IRCSL on 20 March 2018, which permitted insurers to transfer such one-off surplus (LKR 320.084 million) to the shareholder fund as a restricted reserve, the Company elected to continue retaining the one off surplus within the life fund to further strengthen the policyholder fund. Further as informed by the IRCSL, the one off surplus should be maintained within the life insurance fund as a restricted reserve and it should be shown in the balance sheet under the Insurance Contract Liabilities.

As per the actuarial valuation, the Life Insurance Fund reflected a deficit in the required actuarial reserves as at 31 December 2025. Accordingly, a transfer of Rs. 477.35 million was made from the Shareholders' Fund to the Life Insurance Fund in accordance with the recommendation of the Appointed Actuary.

Liability Adequacy Test (LAT)

A Liability Adequacy Test ("LAT") for Life Insurance contract Liability was carried out by Actuarial Partners, as at 31 December 2025 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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Non current portion of Interest Bearing Loans and Borrowings				
Interest Bearing Loans	3,167,050	2,099,303	-	-
Total Non current portion of Interest Bearing Loans and Borrowings	3,167,050	2,099,303	-	-
Current portion of Interest Bearing Loans and Borrowings				
Interest Bearing Loans	4,111,015	2,752,561		
Total current portion of Interest Bearing Loans and Borrowings	4,111,015	2,752,561		

28.1 Interest Bearing Loans and Borrowings

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	4,851,864	3,645,069	-	
Cash Movement				
New loans obtained	4,603,308	3,233,959	-	-
Repayment	(2,177,108)	(2,027,164)	-	-
Non cash Movement				
Effect of foreign currency translation	-	-	-	-
	7,278,065	4,851,864	-	-
Repayable within one year	4,111,015	2,752,561		
Repayable after one year	3,167,050	2,099,303		
	7,278,065	4,851,864	-	-

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	2025/26 31.03.2026 Rs.'000	2024/25 31.03.2025 Rs.'000	Repayment	Security
Richard Pieris Finance Limited					
	HNB - Subordinated loan 01 -(HNB - Trust 07)	1,019,575	1,019,753	Bullet payment	Unsecured
	Hatton National Bank - Trust 08	508,779	354,333	Monthly payments in varied installments	Assignment over Lease receivables.
	Bank of Ceylon	292,781	459,995	Rs. 13.88 mn per month	Assignment over Lease receivables.
	Peoples Bank - Trust 03	-	135,695	Monthly payments in varied installments	Assignment over Lease receivables.
	National Development Bank - Trust 02	-	702,407	Monthly payments in varied installments	Assignment over Lease & gold loan receivables.
	Seylan Bank PLC	250,089	300,383	Bullet payment	Assignment over Lease receivables.
	National Development Bank - Trust 03	112,774	526,684	Monthly payments in varied installments	Assignment over Lease receivables.
	National Development Bank - Trust 04	102,888	520,187	Monthly payments in varied installments	Assignment over Lease receivables.
	National Development Bank - Trust 05	321,233	505,366	Monthly payments in varied installments	Assignment over Lease receivables.
	SDB Bank - STL	100,065	-	Bullet payment	Assignment over Lease receivables.
	BOC - TL 05	625,653		Rs.13.9 mn Capital + Interest per month	Assignment over Lease receivables.
	SDB Bank - TL	472,121		Rs.10.4 mn Capital + Interest per month	Assignment over Lease receivables.
	Nations Trust Bank - TL	502,907		Monthly payments in varied installments	Assignment over Lease receivables.
	Securitization - NDB Trust 6	555,974		Monthly payments in varied installments	Assignment over Lease receivables.
	Securitization - NDB Trust 7	798,438		Assignment over Gold loan receivables.	Assignment over Gold loan receivables.
	Securitization - NDB Trust 8	266,805		Monthly payments in varied installments	Assignment over Gold loan receivables.
	Securitization - NDB Trust 9	520,289		Monthly payments in varied installments	Assignment over Lease receivables.
	HNB - Subordinated loan 02	761,055		Bullet payment	Unsecured
Kegalle Plantations PLC	Commercial Bank of Ceylon PLC	-	87,500	Rs. 1.04 mn monthly from 25.10.2021	Primary mortgage over leasehold rights of three estates Doteloya, Etana and Kirklees and Negative mortgage over leasehold rights of three estates
	Seylan Bank	66,636	166,644	Month Installment @ Rs. 8.33 mn commencing from 19.12.2021	
Maskeliya Plantations PLC	Commercial Bank PLC	-	72,917	Rs. 14.58 mn per month from Sep 2021	Clean Basis.
	Total Term Loans	7,278,065	4,851,864		
	Transferred to Current Liabilities	(4,111,015)	(2,752,561)		
		3,167,050	2,099,303		

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 2026.

29.1.1 Right of use assets

	Group				Company	
	Lease hold properties	Immovable Biological Assets	Total		Leasehold Properties	
			2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	4,390,935	12,273	4,403,208	3,636,175	105,498	156,136
Additions	412,872	-	412,872	1,254,045	-	-
Reassessment Adjustment	121,851		121,851	376,695		
Amortisation expense	(864,645)	(10,923)	(875,568)	(863,707)	(50,639)	(50,638)
At the end of the year	4,061,012	1,350	4,062,362	4,403,208	54,859	105,498

29.1.2 Lease liability

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	5,346,310	4,397,648	226,245	301,476
Additions	453,982	1,301,477		
Reassessment Adjustment	119,322	348,364		
Interest expense	532,970	646,409	21,396	31,225
Payments	(1,519,511)	(1,344,360)	(117,099)	(106,454)
Exchange difference	17,588	(3,227)		
At the end of the year	4,950,660	5,346,310	130,541	226,245
Repayable within One Year	1,737,230	1,269,963	130,542	95,703
Repayable after One Year	3,213,430	4,076,347	-	130,542

29.1.3 Maturity Analysis

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Within one year	1,737,230	1,269,963	130,542	95,703
After one year but not more than three years	887,375	1,061,734	-	130,542
After three years but not more than five years	365,952	537,681	-	-
More than five years	1,960,103	2,476,933	-	-
	4,950,660	5,346,310	130,542	226,245
Following are the amounts recognized in profit or loss for the year ended 31 March 2026				
Amortisation of right-of-use asset	875,568	863,707	50,639	50,638
Interest expense on lease liability	532,970	646,409	21,396	31,225
Total amount recognised in profit or loss	1,408,538	1,510,116	72,035	81,863

NOTES TO THE FINANCIAL STATEMENTS

30. Provisions

	Maintenance Warranties	
	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	250,597	196,451
Arising during the year	42,741	57,988
(-) Reversal during the year	(1,683)	(3,842)
At the end of the year	291,655	250,597

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

	2026 Rs.'000	2025 Rs.'000
At the beginning of the period	489,234	492,804
Received during the year	25,513	33,237
Released in the statement of profit or loss	(37,739)	(36,807)
At the end of the period	477,008	489,234

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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	3,026,701	2,561,214	66,571	67,302
Current service cost	219,732	188,906	7,658	5,386
Interest cost on benefit obligation	349,386	326,632	6,990	8,076
Payments	(573,751)	(507,016)	(10,045)	(5,748)
(Gain)/losses arising from changes in assumptions	298,247	456,963	13,684	(8,445)
At the end of the year	3,320,315	3,026,701	84,858	66,571

Actuarial valuation of the defined benefit plan / gratuity was carried out on 31st March 2026 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	2025/26	2024/25
Demographic assumptions		
In respect of non plantation companies,		
Retiring age:		
Executives	60 years	60 years
Non Executives	60 years	60 years
Average future working life time:		
Executives	6.2	5.8
Non Executives	3.2	3.9
Staff turnover rates:		
Executives	0.05-0.19	0.05-0.19
Non Executives	0.17-0.42	0.15-0.41
In respect of plantation companies,		
Retiring age:		
Workers (male and female)	60 years	60 years
Other categories of staff (male and femele)	60 years	60 years
Staff turnover rates	0.02-0.07	0.02-0.07
Average future working life time:		
Workers	7.7 years	7.6 years
Staff	8 years	7 years
In respect of the Insurance company,		
Retiring age:	60 years	60 years
Financial assumptions		
In respect of non plantation companies,		
Rate of discount	10.00%	10.50%
Rate of salary increment (average)	8.00%	9.00%
In respect of plantation companies,		
Rate of discount	11.00%	12.00%
Rate of salary increment:		
Workers	8% per annum	8% per annum
Staff employees	8% per year	8% per year
In respect of the Insurance company,		
Rate of discount	9%	10%
Rate of salary increment:	8%	8%

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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Discount Rate				
1% increase	(28,270)	(187,666)	(3,348)	(3,202)
1% decrease	30,845	207,489	3,689	3,539
Salary Increment Rate				
1% increase	34,224	212,841	4,050	3,800
1% decrease	(31,863)	(195,263)	(3,736)	(3,491)

32.2 Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2026 is as follows.

	Defined Benefit Obligation	
	Group Rs.'000	Company Rs.'000
Future Working Life Time		
Within the next 12 months	521,392	30,981
Between 2-5 years	1,142,737	31,197
Beyond 5 years	1,656,186	22,680
Total	3,320,315	84,858

33. Contingent Liabilities

There are no corporate guaranties issued by the Company on loans obtained by subsidiary companies as at 31st March 2026. Guarantees given by subsidiaries on loans obtained amounted to USD 450,000.

Namunukula Plantation PLC

Supreme Court Case No: SC/APL/40/2025

There were 30 cases outstanding filed at Magitrates 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. Arguments concluded, Judgment reserved.

Richard Pieris Exports PLC

The Company has 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 revisionary jurisdiction of the High Court of Colombo and subsequently, from the Court of Appeal which delivered refusing our said application. We filed Leave to appeal papers in the Supreme court against the said decision and to be supported. Based on legal advice, the Company continues to strongly defend its position and management considers it premature to estimate any potential financial liability at this stage.

A customer has instituted legal proceedings against Richard Pieris Exports PLC, claiming damages of Rs. 221 million over alleged product quality defects. The case is currently at the trial stage, and the Company is vigorously defending its position.

Richard Pieris & Company PLC
The contingent liability of Richard Pieris & Company PLC as at 31st March 2026, 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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Trade payables	7,926,024	7,732,915	-	-
Accrued expenses	2,459,922	2,450,356	-	-
Other financial liabilities	1,255,942	1,373,324	241,938	633,257
Reinsurance Payables	10,200	62,345	-	-
Contract Liabilities	530,132	509,209	-	-
	12,182,220	12,128,149	241,938	633,257
Other non financial liabilities	811,870	611,630	-	-
Total trade and other payables	12,994,089	12,739,779	241,938	633,257

35. Customer Deposits

	2026 Rs.'000	2025 Rs.'000
Fixed deposits	10,805,023	10,246,142
Savings deposits	218,220	98,353
	11,023,243	10,344,495

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	
	2026 Rs.'000	2025 Rs.'000
Contracted but not provided for	84,000	106,000
Approved but not contracted for	1,054,915	1,467,777
	1,138,915	1,573,777

36.2 Lease Commitments

Future minimum rentals payable under non cancellable operating leases as at 1st April, are as follows:

	Group	
	2026 Rs.'000	2025 Rs.'000
Undiscounted future minimum lease rentals payable as at 31st March	899,437	956,011
Discounted future minimum lease rentals payable as at 31st March	805,677	783,756

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 represents the potential impact on the Group's financial performance arising from fluctuations in market interest rates, particularly on floating-rate borrowing. In Sri Lanka, market interest rates are influenced by several macroeconomic and monetary factors, including the Central Bank's monetary policy stance, policy interest rates, liquidity conditions in the banking sector, government borrowing requirements, inflation expectations, movements in the domestic yield curve, and overall economic conditions. Changes in these factors may result in volatility in lending rates, affecting the Group's finance costs, cash flows, and profitability. The Group continuously monitors interest rate movements and evaluates appropriate financing strategies to mitigate the potential adverse impact of interest rate fluctuations on its financial performance.

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
2024/25	+100 bps	(298.20)
	-100 bps	298.20
2025/26	+100 bps	(350.65)
	-100 bps	350.65

Company	Increase/decrease in interest rate by basis points	Effect on profit before tax Rs. Millions
2024/25	+100 bps	(141.25)
	-100 bps	141.25
2025/26	+100 bps	(160.64)
	-100 bps	160.64

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 exposed to commodity price risk arising from fluctuations in the market prices of agricultural commodities, primarily tea and rubber, which are influenced by global supply and demand dynamics, weather conditions, and prevailing economic factors. Changes in auction prices may affect the revenue and profitability of the Group's plantation operations. The Group continuously monitors commodity price movements and market trends to assess their potential impact on financial performance and to support timely operational and pricing decisions.

Credit risk
Extending credit is the major business line of the Company and as a result, credit risk is the most significant type of risk that is being managed. Therefore, the RPFL has placed a considerable weightage on credit risk management process

- Credit Quality Management through credit evaluation process & credit risk assessment process for high exposure gratings
- Periodic portfolio analysis and NPL monitoring
- Periodic review on impairment & provisioning according to the CBSL guidelines and SLFRS standards
- Implementation of Sectorial Limits and managing concentration risk
- During the year under review the Company strengthened its recovery strategy to reduce the NPL and improved profitability via high yield products.

Liquidity Risk
The ALCO holds responsibility of liquidity management and consistently monitors the RPFL's liquidity position to ensure compliance with regulatory requirements and internal targets. ALCO meetings are held on monthly basis and determine interest rates for both lending and deposits based on the market conditions. Market conditions reviewed through daily Market Risk Review of economic indicators by Risk Department.

Policies such as Liquidity Risk Management Policy and Asset Liability Management Policy and stress testing policy provide guidance on the mechanisms, tools and stress testing methodologies that are to be adopted in managing liquidity risk exposures. A contingency fund is also available to ensure smooth continuity of operations in the event of liquidity stress.

NOTES TO THE FINANCIAL STATEMENTS

Capital Management

During the year under review Company gradually overcame the capital management challenges in its capital adequacy. In such a climate, the RPFL proactively responded by adopting new funding strategies, and will continue to maintain the same for the next financial year.

- Ensuring maximum profitability through optimum capital usage.
- Being supportive of business expansion through a branch network.
- Maintaining a credit rating that is well above industry peers.
- To comply with the capital adequacy ratio.
- Support expansion and growth initiatives.
- Improve financial stability and market credibility.

Operational Risk

The Richard Pieris Finance Ltd today has 18 branches covering vast area of the country with more than 390 staff members. Company has established a comprehensive operational risk management policy in year under review and approved by the Board of directors. The Company manages operational risk through policies, daily security risk assessment and CCTV/DVR operations monitoring. Risk mitigation including insurance coverage, procedures relating to outsourcing of business activities, managing technology risk, a comprehensive Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) creating a culture of risk awareness across the Company and monitoring and reporting.

Technology and Cyber Security Risks

Managing IT risk poses challenges and therefore, the Company has accorded top priority to addressing IT risk, giving more focus on implementation of IT Risk Management Framework recommended by CBSL and continuously investing on improving the cyber security capabilities and IT infrastructure.

The IT steering committee is the major governing structure of the Information and the information systems of RPFL periodically discuss all IT related issues and make recommendation and solutions to the Board of Director.

Group

Year ended 31st March 2026	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	-	811,681	3,049,334	3,417,050	-	7,278,065
Net Liability to the lessor	29	-	-	1,737,230	1,253,326	1,960,104	4,950,660
Trade and other payables	34	215,457	11,275,290	290,410	389,497	11,566	12,182,220
Public Deposits	35	218,220	3,879,598	4,922,488	2,002,938	-	11,023,243
Bank Overdrafts	22	16,836,575	-	-	-	-	16,836,575
Short term borrowings	22	356,360	956,759	8,854,850	-	-	10,167,968
		17,626,612	16,923,327	18,854,312	7,062,810	1,971,670	62,438,732

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
Public 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
Short term borrowings	22	-	1,588,589	8,330,000	-	-	9,918,589
		15,935,219	16,356,063	16,217,291	5,447,074	2,486,606	56,442,253

Company

Year ended 31st March 2026	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	-	-	130,542	-	-	130,542
Trade and other payables	34	241,938	-	-	-	-	241,938
Bank Overdrafts	22	6,528,996	-	-	-	-	6,528,996
Short term borrowings	22	-	-	9,579,500	-	-	9,579,500
Total		6,770,934	-	9,710,042	-	-	16,480,976

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	633,257	-	-	-	-	633,257
Bank Overdrafts	22	5,794,500	-	-	-	-	5,794,500
Short term borrowings	22	-	-	8,330,000	-	-	8,330,000
Total		6,427,757	-	8,425,703	130,542	-	14,984,002

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.

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.

Step 1	Step 2	Step 3	Step 4	Step 5
Clearly establish parameters to enable the identification of risks that could impact the Company's strategic objective, with due consideration given to the strengths, weaknesses, opportunities, and threats	Identification of internal threats through team meetings, incident reporting, branch level self-risk assessments, internal audit report findings and determining external risk factors using tools such as PESTLE analysis	Analysing the likelihood of occurrence and quantifying the severity of impact in relation to risks using tools such as scenario analysis and stress testing to determine the impact on the Company's Step earnings and capital position	Develop suitable mitigation strategies, either risk avoidance, risk reduction, risk acceptance and risk sharing/transferring	Ongoing risk monitoring, with regular reviews and updates in order to determine deviations from established risk tolerance limits for each major risk category

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 categorized 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

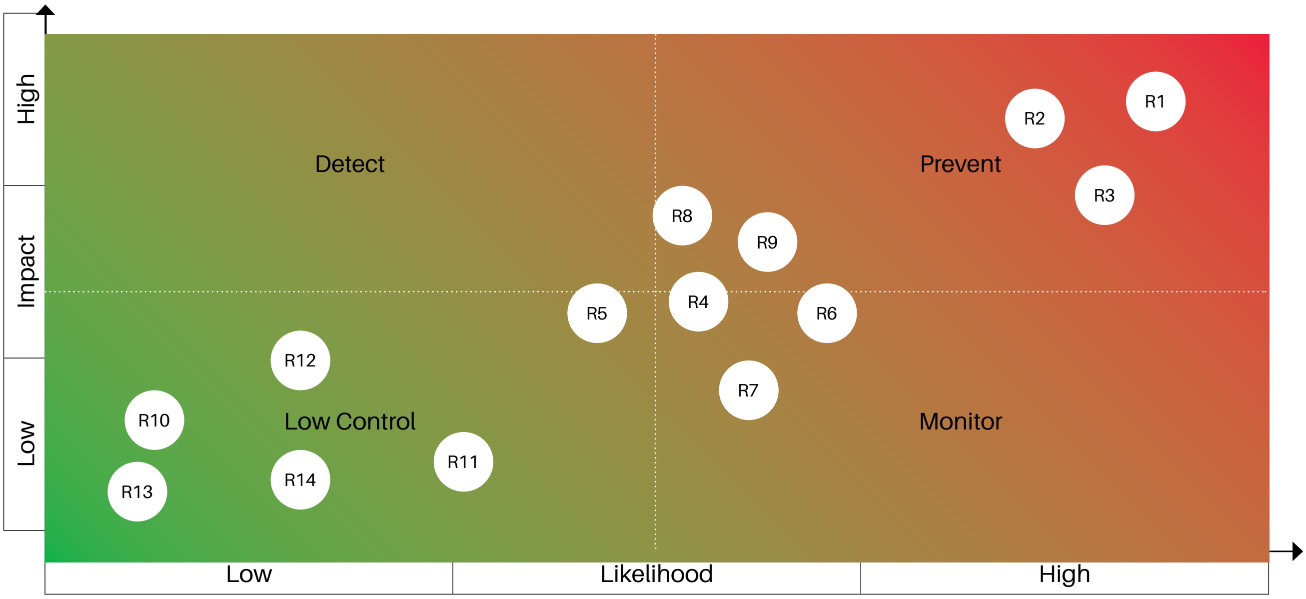
- Changing regulatory landscape and IFRS17 accounting standard implementation.
- Complexities in compliance requirements

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
R1.	Underwriting Risks	Risk due to inaccurate assessment of risks when accepting policies	HIGH	★ Adequate segregation of duties between sales and underwriting functions ★ A manual detailing clear underwriting guidelines ★ Continuous and ongoing discussions with Actuarial consultants and reinsurers to refine underwriting assumptions ★ Perform trend analysis based on regular reviews of mortality, morbidity, and longevity trends using credible medical reports to adjust premium rates dynamically to reflect emerging risk factors such as aging populations and climate-related health issues ★ Define the residual risk and ensure this is within the risk appetite as defined in the RAS
R2	Reinsurance Risk	Risk due to inaccurate assessment of risks when accepting policies	HIGH	★ Build a diverse network of globally reputed ★ Reinsurance partners, rated A or above ★ Continuous and ongoing engagement with existing ★ reinsurance partners ★ Continuous monitoring and follow up of insurance ★ receivables
R3	Claims Risk	Insufficient provisioning of reserves to support reported claims	HIGH	★ 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	★ Frequent discussions with global reinsurance partners to monitor global trends ★ Invest in digital technology to deliver innovative products and seamless convenience to the policyholder

NOTES TO THE FINANCIAL STATEMENTS

		Description	Overall Risk Score	Mitigating Actions
Financial Risks				
R5	Liquidity Risk	Lack of adequate liquidity to support continuity of day-to-day operations and meet contractual obligations	MODERATE	★ 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
R6	Credit Risk	Financial stress owing to counterparties failing to meet their obligations towards the Company	HIGH	★ 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	★ 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	★ 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	★ 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	★ 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	★ 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	★ 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	★ 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	★ 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 2026

In 2026, our primary focus will be strengthening Anti-Money Laundering (AML) and countering Financing of Terrorism (CFT) attempts, in line with requirements of the Insurance Regulatory Commission of Sri Lanka and the Financial Intelligence Unit of Sri Lanka.

Key priorities include:

- Enhancing customer due diligence (CDD) and on-going transaction monitoring.
- Strengthening sanctions screening and politically exposed persons (PEP) monitoring.
- Increasing AML-focused staff training and awareness.
- Upgrading systems to support risk based monitoring and regulatory reporting.
- Risk Appetite Statement (RAS) – The RAS will define the types and levels of risk the Company is willing to accept in pursuit of its strategic goals. It will establish clear risk tolerance limits, guiding decision making and resource allocation. The Board, in consultation with the Risk Committee will periodically review and update the RAS to reflect regulatory changes, industry best practices, and evolving market conditions

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Exposure to credit risk of finance company of the Group

As at 31 March 2026	Maximum exposure to credit risk Rs.'000	Net Exposure Rs.'000
Cash and bank balances	1,344,531	1,344,531
Investments in fixed deposits/Repo	2,256,415	2,256,415
Lease Receivable at Amortized Cost	8,104,086	-
HP Receivable at Amortized Cost	2,620	-
Loans and Receivables at Amortized Cost	11,716,147	780,518
Financial investments - at Fair Value through OCI	4,033	4,033
Total financial assets	23,427,831	4,385,496

Credit quality by class of financial assets of finance company of the Group

As at 31 March 2026	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	1,344,531	-		1,344,531
Investments in fixed deposits/ unit trust/ commercial papers/ repo	2,256,415	-		2,256,415
Lease receivable at amortised cost	3,257,609	4,846,477		8,104,086
Hire purchase receivable at amortised cost	-	2,620		2,620
Loans and advances at amortised cost	5,668,978	6,047,168		11,716,147
Impairment provision	(118,745)	(1,446,184)		(1,564,929)
Total financial assets	**12,408,788**	**9,450,082**	-	**21,858,870**

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				
	Less than 31 days Rs.'000	31 to 60 days Rs.'000	61 to 90 days Rs.'000	More than 90 days Rs.'000	Total Rs.'000
Lease Receivable at Amortized Cost	1,623,296	1,132,887	725,292	1,365,002	4,846,477
HP Receivable at Amortized Cost	-	-	-	2,620	2,620
Loans and Receivables at Amortized Cost	1,733,663	903,647	547,522	2,862,336	6,047,168
	3,356,959	2,036,534	1,272,814	4,229,959	10,896,266

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.

NOTES TO THE FINANCIAL STATEMENTS

Net Interest Income (NII) sensitivity by interest rate change

	2026		2025	
Parallel increase/ (decrease) of basis points (bps)*	+/ - 100 bps	+/ - 200 bps	+/ - 100 bps	+/ - 200 bps
Impact on NII (Rs. '000) Increase	11,780,793	23,561,585	8,020,522	16,041,045
Decrease	(11,780,793)	(23,561,585)	(8,020,522)	(16,041,045)

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 As at 31st March 2026	Up to 03 Months Rs. '000	03-12 Months Rs. '000	01-03 Years Rs. '000	03-05 Years Rs. '000	Over 05 Years Rs. '000	Non Interest Bearing Rs. '000	Total as at 31/03/2026 Rs. '000
Assets							
Cash and bank balances						1,344,531	1,344,531
Investments in fixed deposits/ unit trust/ commercial papers/ repo	2,256,415						2,256,415
Lease Receivable at Amortized Cost	2,328,316	1,810,813	3,285,808	679,148			8,104,086
Hire purchase receivable at amortised cost	2,620	-	-	-			2,620
Loans and advances at amortised cost	6,321,236	2,148,174	1,769,858	1,005,191	471,688		11,716,147
Financial investments - at Fair Value through OCI						4,033	4,033
Other Financial Assets						60,151	60,151
Total Financial Assets	10,908,588	3,958,987	5,055,666	1,684,339	471,688	1,408,715	23,487,983
Financial Liabilities							
Bank Overdraft	445,277	-	-	-	-	-	445,277
Due to Customers	4,097,818	4,922,488	2,545,072	114,177	-	-	11,679,554
Debt Issued and Other Borrowed Funds	786,679	3,007,700	2,424,483	992,567	-	-	7,211,428
Other Payables	-	-	-	-	-	504,827	504,827
Total Financial Liabilities	5,329,773	7,930,188	4,969,555	1,106,743	-	504,827	19,841,087
Interest Sensitivity Gap	5,578,815	(3,971,201)	86,111	577,595	471,688	903,888	3,646,896

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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Amounts receivable as at 31 March	-	-	6,149,409	5,379,466
Amounts payable as at 31 March	-	-	193,051	129,736

39.2 Transaction with related parties - Subsidiaries

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Allocation of common personnel and administration expenses	-	-	852,053	704,274
Rendering of services	-	-	125,730	120,365
Rent income	-	-	310,075	309,211
Royalty income	-	-	703,283	657,965
Corporate expenses	-	-	-	-
Interest income	-	-	78,359	60,954
Post employment benefit plan				
Contribution to the provident fund	265,967	235,993	192,741	170,763

39.3 Associates

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Amounts receivable as at 31 March	67,289	141,543	-	-
Sale of goods/services	3,540,676	2,691,961	-	-

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 prevailing in line with the standards 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 2026 audited financial statements, which required additional disclosures in the 2025/26 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 2026 audited financial statements, which required additional disclosures in 2025/26 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.

NOTES 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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Short-term employee benefits	828,329	796,729	812,385	721,941

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) Fees amounting to Rs. 131 mn were paid by the Group to a related party of a key management personnel.
b) Fees and Services amounting to Rs. 27 mn were paid by the Group to a related party of a key management personnel.
c) Rentals amounting to Rs. 7 mn were paid by the Group to an entity in which key management personnel is a director.
d) Fees amounting to Rs. 60 mn were paid by the Group to entities in which key management personnel is a director.

SUPPLEMENTARY INFORMATION

SHARE INFORMATION

The Ordinary Shares of the Company are listed in the Colombo Stock Exchange.

As at the financial year ended 31st March 2026

Distribution of Shareholders

Range of shareholding		No. of share holders as at 31.03.2026	No. of shares	% of Shareholding	No. of share holders as at 31.03.2025	No. of shares	% of Shareholding
1	1,000	5,343	1,544,148	0.08%	4,740	1,434,509	0.07%
1,001	10,000	2,312	8,722,936	0.43%	2,203	8,418,070	0.41%
10,001	100,000	677	20,551,513	1.01%	680	21,220,005	1.04%
100,001	1,000,000	178	57,424,010	2.82%	178	58,571,389	2.87%
1,000,001	& above	43	1,946,795,668	95.66%	46	1,945,394,302	95.60%
		8,553	2,035,038,275	100.00%	7,847	2,035,038,275	100.00%

Composition of Shareholders

Category	No. of share holders as at 31.03.2026	No. of shares	% of Shareholding	No. of share holders as at 31.03.2025	No. of shares	% of Shareholding
Institutional Investors	296	1,777,602,995	87.35%	274	1,772,706,625	87.11%
Individual Investors	8,257	257,435,280	12.65%	7,573	262,331,650	12.89%
Total	8,553	2,035,038,275	100.00%	7,847	2,035,038,275	100.00%
Resident shareholders	8,475	420,793,033	20.68%	7,768	439,780,699	21.61%
Non-resident shareholders	78	1,614,245,242	79.32%	79	1,595,257,576	78.39%
Total	8,553	2,035,038,275	100.00%	7,847	2,035,038,275	100.00%

The percentage of shares held by the public as at 31st March 2026 was 28.91% represented by 8,546 public shareholders. (Public shareholding as at 31st March 2025 was 29.72% represented by 7,839 public shareholders).

	31.03.2026	31.03.2025
Float - Adjusted Market Capitalization (Rs. 000)	18,121,656	15,303,016

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

	31.03.2026	Date	31.03.2025	Date
Highest Price (Rs.)	50.1	12-Nov-25	28.6	30-Jan-25
Lowest Price (Rs.)	23.0	7-Apr-25	18.6	8-Aug-24
Year End Price (Rs.)	30.8	31-Mar-26	25.3	31-Mar-25
No of Transactions	25,401		12,018	
No of shares traded	75,983,700		71,595,658	
Share turnover (Rs.)	2,590,051,181		1,598,778,495	

Major Shareholders

	Name of the Shareholder	As at 31.03.2026	%	Name of the Shareholder	As at 31.03.2025	%
1	Skyworld Overseas Holdings Limited	516,388,590	25.37%	Skyworld Overseas Holdings Limited	516,388,590	25.37%
2	Camille Consulting Corp.	376,511,812	18.50%	Camille Consulting Corp.	366,930,569	18.03%
3	Deutsche Bank AG Singapore A/C 2 (DCS CLT ACC)	223,999,298	11.01%	Deutsche Bank AG Singapore A/C 2 (DCS CLT ACC)	224,124,298	11.01%
4	Sezeka Limited	223,094,842	10.96%	Sezeka Limited	216,054,245	10.62%
5	Employees Provident Fund	169,899,520	8.35%	Employees Provident Fund	169,899,520	8.35%
6	Rockport Limited	127,360,863	6.26%	Rockport Limited	122,906,560	6.04%
7	Dr. Sena Yaddehige	106,567,150	5.24%	Dr. Sena Yaddehige	106,567,150	5.24%
8	Investment Resources Company (Private) Limited	41,300,155	2.03%	Investment Resources Company (Private) Limited	41,300,155	2.03%
9	Dhanasiri Recreation (Pvt) Ltd.	34,009,920	1.67%	Dhanasiri Recreation (Pvt) Ltd.	34,009,920	1.67%
10	The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.12%	The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.12%
11	Kalday (Pvt) Ltd.	12,126,030	0.60%	Kalday (Pvt) Ltd.	12,126,030	0.60%
12	Mr.P.M. Rutnam	8,268,834	0.41%	Employees Trust Fund Board	8,966,141	0.44%
13	Employees Trust Fund Board	7,823,814	0.38%	Mr. P.M. Rutnam	8,268,834	0.41%
14	Mr. D.W.R. Rutnam	6,993,980	0.34%	Mr. D.W.R. Rutnam	7,000,000	0.34%
15	Ms. J.F. Rutnam	6,714,418	0.33%	Ms. J.F. Rutnam	7,000,000	0.34%
16	Dr C.M. Fernando	6,660,570	0.33%	Dr C.M. Fernando	6,660,570	0.33%
17	Citibank Hong Kong S/A Hostplus Pooled	5,399,172	0.27%	Sri Lanka Insurance Corpotation Ltd - Life Fund	6,275,000	0.31%
18	SSBT- Sunsuper Pty. Ltd. As Trustee For Sunsuper	4,352,869	0.21%	Citibank Hong Kong S/A Hostplus Pooled	6,083,033	0.30%
19	Ms. P. Nadarasa	3,644,160	0.18%	SSBT- Sunsuper Pty. Ltd. As Trustee For Sunsuper	4,917,616	0.24%
20	Renuka Hotel PLC	3,000,000	0.15%	Ms. H.A Wijerama	4,257,917	0.21%
		1,906,898,042	93.71%		1,892,518,193	93.00%

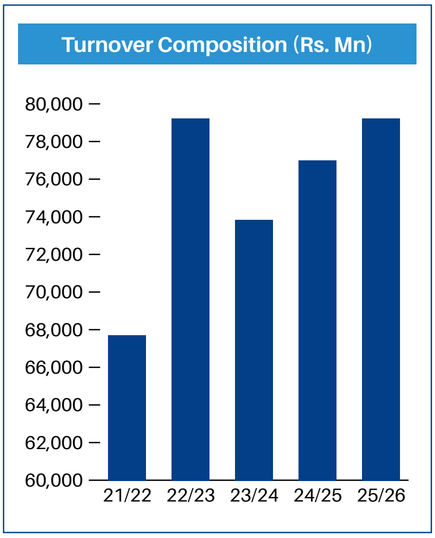
Directors Shareholding

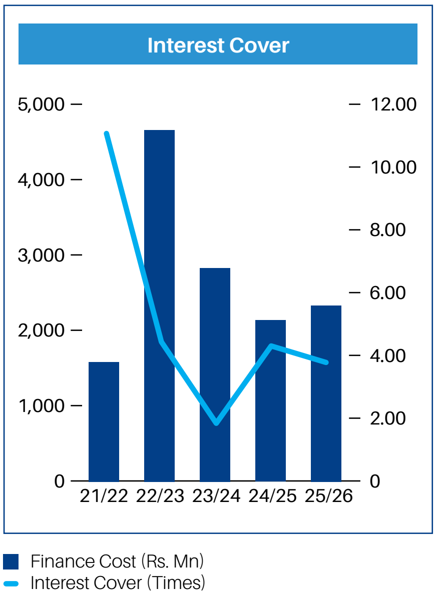
	Name of the Director	No. of shares as at 31st March 2026	No. of shares as at 31st March 2025
1	Dr. Sena Yaddehige	106,567,150	106,567,150
2	Mr. W J V P Perera	-	3,499
3	Mr. Shaminda Yaddehige	-	-
4	Dr. Jayatissa De Costa P.C.	-	-
5	Mr. Prasanna Fernando (Resigned w.e.f. 31st August 2025)	-	-
6	Mr. Joseph Felix Fernandopulle	107,623	107,623
7	Mr. Shiron Gooneratne	-	-
8	Mr. H M L P B Hennayake	10	10
9	Mr. Udeni Kusumsiri Samararatne	-	-
10	Mr. Everette Michael Andree (Appointed w.e.f. 01st December 2025)	-	-

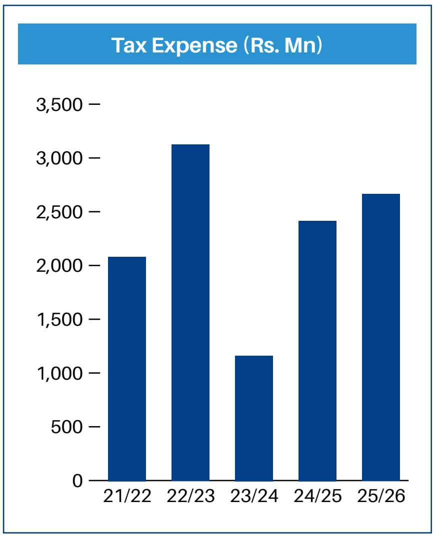
Ratios

	31.03.2026	31.03.2025
Debt/Equity Ratio	0.98	0.87
Quick Asset Ratio	0.88	0.81
Interest Cover	3.75	4.27

TEN YEAR SUMMARY



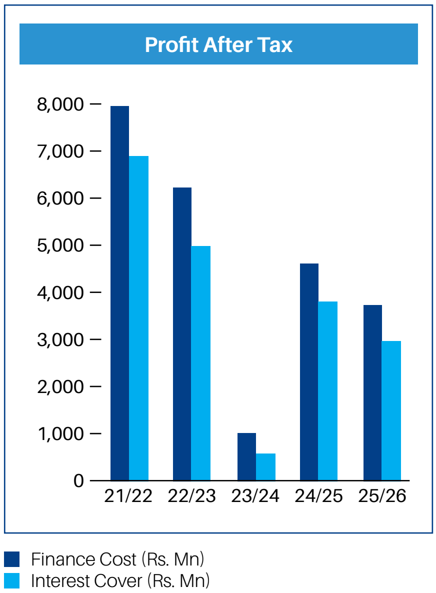


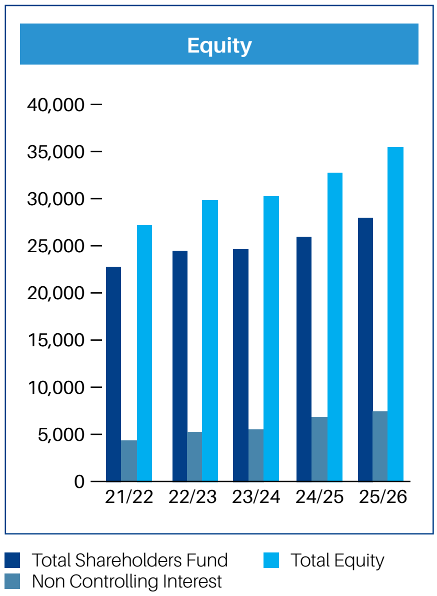


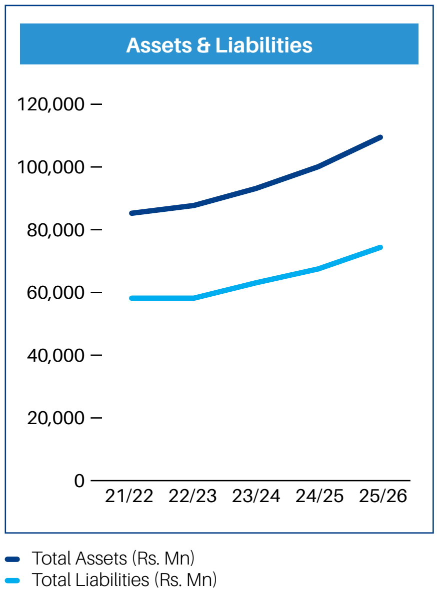
	2025/26 Rs. '000	2024/25 Rs. '000	2023/24 Rs. '000
TRADING RESULTS			
Revenue	79,176,952	76,965,282	73,859,225
Profit from operations	7,018,166	7,735,201	3,817,296
Finance cost	(2,327,557)	(2,138,262)	(2,830,115)
Finance income	1,419,728	1,268,587	1,091,510
Profit from operations after finance cost and finance income	6,110,337	6,865,526	2,078,692
Income from associates before tax	292,949	140,309	112,802
Profit before tax from continuing operations	6,403,286	7,005,835	2,191,494
Income tax expense	(2,662,345)	(2,403,758)	(1,164,932)
Profit for the year from continuing operations	3,740,941	4,602,077	1,026,563
Loss after tax from discontinued operations	(2,233)	(2,143)	(2,830)
Profit for the year	3,738,708	4,599,934	1,023,732
Non controlling interest	777,644	812,081	450,860
Profit attributable to equity holders of parent	2,961,063	3,787,853	572,872
Gross dividend	1,424,527	2,645,550	1,017,519
BALANCE SHEET			
Assets			
Property, plant and equipment/Leasehold properties	27,891,043	26,676,969	26,784,504
Investment properties	549,825	985,716	481,168
Intangible assets	1,154,422	1,155,042	1,137,044
Right-of-use assets	4,062,362	4,403,208	3,636,175
Biological assets	2,361,227	2,104,636	1,763,300
Investments in associates and other investments	641,895	542,552	473,063
Other non current financial assets	7,613,488	6,788,851	5,441,642
Deferred tax assets	1,325,854	1,462,947	1,179,214
Current assets	64,036,875	55,979,234	52,021,587
	109,636,991	100,099,152	92,917,697
Equity and liabilities			
Stated Capital	1,972,829	1,972,829	1,972,829
Capital and revenue reserves	24,019,205	22,695,555	22,531,452
Statutory reserve fund/Inestment fund reserve	123,610	101,174	88,438
Foreign currency translation	-	-	-
Other components of equity	1,868,878	1,147,640	39,299
Non controlling interest	7,437,027	6,865,042	5,562,018
Term loans payable after one year	3,167,050	2,099,303	1,854,804
Lease liabilities on right-of-use assets	3,213,430	4,076,348	3,453,184
Insurance provision	3,063,262	2,762,501	2,906,873
Deferred income and deferred tax	3,429,181	3,306,032	3,112,676
Provisions and other liabilities	3,611,970	3,277,298	2,757,665
Net liability to the lessor payable after one year	-	-	-
Current liabilities	57,730,548	51,795,433	48,638,458
	109,636,991	100,099,156	92,917,697
RATIOS & OTHER INFORMATION			
Earnings per share (Rs.)	1.46	1.86	0.28
Market value per share (Rs.)	30.80	25.30	20.50
Price earnings ratio (No. of Times)	21.17	13.59	73.21
Net assets per share (Rs.)	13.75	12.74	12.10
Return on equity (%)	10.99	14.99	2.33
Dividend per share (Rs.)	0.70	1.30	0.50
Dividend cover (No. of Times)	2.08	1.43	0.56
Interest cover (No. of Times)	3.75	4.28	1.77
Current ratio (No. of Times)	1.11	1.08	1.07
Gearing ratio (%)	32.70	29.68	29.83

* All figures are based on Sri Lanka Accounting Standards.

2022/23 Rs. '000	2021/22 Rs. '000	2020/21 Rs. '000	2019/20 Rs. '000	2018/19 Rs. '000	2017/18 Rs. '000	2016/17 Rs. '000
79,193,785	67,668,112	56,725,189	54,239,710	55,045,358	52,972,873	49,149,395
11,718,875	10,751,231	7,205,591	4,306,099	4,879,021	5,396,771	5,290,459
(4,669,624)	(1,589,284)	(1,432,021)	(2,329,271)	(2,109,249)	(1,291,017)	(955,768)
2,029,256	625,232	609,794	501,850	556,240	515,641	383,695
9,078,506	9,787,178	6,383,364	2,478,678	3,326,012	4,621,395	4,718,386
265,983	248,844	116,893	89,409	27,580	10,157	83,028
9,344,489	10,036,022	6,500,257	2,568,087	3,353,592	4,631,552	4,801,414
(3,116,789)	(2,071,861)	(1,430,780)	(1,270,135)	(1,006,764)	(1,549,776)	(1,237,426)
6,227,701	7,964,162	5,069,477	1,297,952	2,346,828	3,081,776	3,563,988
(2,113)	(1,963)	(3,515)	(7,366)	(4,561)	(4,380)	(5,018)
6,225,588	7,962,199	5,065,962	1,290,586	2,342,267	3,077,396	3,558,970
1,246,744	1,075,512	575,701	147,385	332,699	390,416	388,875
4,978,844	6,886,687	4,490,261	1,143,201	2,009,568	2,686,980	3,170,095
1,424,527	1,221,023	2,035,038	-	1,729,783	2,238,542	1,221,023
25,908,480	24,080,131	20,631,673	20,207,370	20,209,899	20,673,193	17,635,423
374,948	322,010	295,121	295,246	236,253	216,623	166,709
1,140,983	1,143,970	1,142,658	1,142,431	1,155,155	1,166,434	1,140,835
3,226,699	3,744,356	4,974,188	5,559,343	1,293,525	-	-
1,603,306	1,449,731	1,301,177	1,138,269	1,026,885	951,252	865,762
438,299	351,442	227,534	189,407	149,087	125,562	117,278
4,525,993	4,176,443	2,470,448	1,983,494	2,316,579	1,741,475	1,683,037
801,981	458,154	458,976	500,010	433,396	91,901	75,918
49,478,046	49,211,728	40,755,607	36,402,312	37,999,390	31,020,053	28,244,173
87,498,735	84,937,975	72,257,382	67,417,882	64,820,169	55,986,493	49,929,135
1,972,829	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829
23,163,918	21,144,163	15,418,372	12,642,969	11,245,314	11,136,984	10,807,381
88,438	89,282	76,761	76,761	76,606	60,204	46,024
-	-	-	-	-	-	-
(688,350)	(426,584)	(76,996)	(213,606)	(10,142)	109,388	104,969
5,274,162	4,358,124	3,315,356	2,878,055	2,837,869	2,612,630	2,614,195
1,881,666	4,291,740	4,061,498	4,244,760	5,876,070	5,070,978	6,924,988
2,870,965	3,483,170	3,851,542.00	4,335,773.63	562,035.00	-	-
2,253,798	1,960,776	2,097,233	1,622,089	1,391,506	1,154,177	814,633
2,288,281	1,495,312	1,328,005	1,457,854	1,501,810	1,393,635	1,027,096
3,115,191	2,656,557	2,840,874	3,048,365	2,966,656	2,816,141	2,543,376
-	-	-	-	-	571,393	583,654
45,277,835	43,855,454	37,371,904	35,352,032	36,399,616	29,088,134	22,489,990
87,498,735	84,880,822	72,257,382	67,417,882	64,820,169	55,986,493	49,929,135
2.45	3.38	2.21	0.56	0.99	1.32	1.56
20.70	13.30	16.80	7.80	9.20	12.80	8.30
8.45	3.93	7.60	13.92	9.29	9.69	5.32
12.05	11.22	28.18	7.11	6.53	6.53	6.35
21.02	34.24	8.55	8.24	15.13	20.50	26.64
0.70	0.60	1.00	-	0.85	1.10	0.60
3.50	5.64	2.21	-	1.16	1.20	2.60
4.40	11.15	8.76	2.36	3.14	6.96	9.25
1.09	1.12	1.09	1.03	1.04	1.07	1.26
32.50	31.20	38.15	49.55	55.15	49.05	45.03







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	20,105	22,000,000	8,500
	Union Place	233			59,351	25,500,000	
	Maharagama	1,773	289,509	10	5,511	2,700,000	2,500
	Mulleriyawa	192			90	470,000	
	Kundasale/Pallekele	109			49	450,000	
	Pelwatte	100			255	2,550,000	
	Arachchikattuwa	1,600			44	27,500	
	Dampe	12,782			3,323	260,000	
	Ratnapura	20	2448.85	1	33	1,250,000	3,000
	Kollupitiya	6			125	20,000,000	
	Thalangama	24			92	3,850,000	
	Ja Ela	124			68	550,000	
	Biyagama	215			140	650,000	
	Colombo	6			84	15,000,000	
	Navinna	25	1,604	1	65	2,200,000	6,500
	Kandy	181			800	5,970,000	
	Yakkaduwa	116			15	130,000	
	Wellaboda	20		1	28	620,000	
	Kirillawala	101			262	2,600,000	
RPC Real Estate Development Company (Pvt) Limited	Kandy	162	52,500	1	1,324	7,200,000	3,000
Arpico Industrial Development Company (Pvt) Limited	Mattegoda	1,112	149,700	1	911	550,000	2,000
	Siyambalagoda	467	57,130	1	348	500,000	2,000
Richard Pieris Distributors Limited	Maharagama	237	28,726	1	463	6,700,000	5,500
	Moratuwa	85	-	-	106	1,250,000	
	Matara	362	38,000	1	665	1,050,000	7,500
	Panadura	-	18,800	1	122	6,500	
RPC Retail Development (Pvt) Limited	Negambo	226	47,542	1	656	1,750,000	5,500
	Kadawatha	99	21,850	1	527	4,000,000	6,000
	Wattala	101			222	2,200,000	
	Kelaniya	102			97	950,000	
Arpimalls Development (Pvt) Limited	Dehiwala	166	44,616	1	865	4,000,000	4,500
	Battaramulla	124	67,134	1	1,036	8,200,000	4,500
Plastishells Limited	Mattegoda	340	45,825	2	183	200,000	2,500
	Dambulla	284	12,494	1	53	120,000	1,500
Arpitech (Pvt) Limited	Horethuduwa	488			220	450,000	
	Kudamaduwa	104			42	400,000	
	Mattegoda	514			360	700,000	
Richard Pieris Exports PLC	Ja-Ela	640	73,190	5	481	500,000	2,200
Micro Minerals (Pvt) Limited	Bandaragama	320	16,800	1	91	170,000	2,200
Richard Pieris Tyre Company Limited	Kurunegala	413	22,566	1	128	200,000	2,000
Arpidag International (Pvt) Limited	Maharagama	80	10,040	1	152	1,550,000	2,800
RPC Plantation Management Services (Pvt) Limited	Panadura	270			620	2,300,000	
Richard Pieris Finance Ltd	Chillaw 1	7			35	4,800,000	
	Chilaw 2	76	17,487	2	329	2,600,000	14,000
	Chilaw 3	30	-	-	36	1,200,000	-
	Chilaw - Bazzar Street	10	2,600	1	100	4,800,000	19,500
RPC Properties (Pvt) Limited	Mattegoda	1,047			838	800,000	
	Maskeliya	7,629			137	18,000	
	Kiribathgoda	113			60	530,000	
	Boraluwewa	1,623	46,360		138	22,000	2,200
	Kiribathgoda 2	28			35	1,250,000	
	Orient Premises	529	83,930		1,039	775,000	7,500
	Ahungalla	145			102	700,000	
	Matara	109			202	1,850,000	

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	356	30,483
	Weligama	384	21,200
	Polonnaruwa	320	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	15,628
	Thalawathugoda	100	25,364

GROUP REAL ESTATE PORTFOLIO

Owning Company	Location	Land Value Rs. '000	Building value Rs. '000	Total value Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Richard Pieris & Company PLC	Hyde Park Corner	19,382,000	722,500	20,104,500	-	-	20,104,500
	Union Place	5,935,125		5,935,125			5,935,125
	Maharagama	4,787,100	723,773	5,510,873	-	-	5,510,873
	Mulleriyawa	90,104	-	90,104	-	-	90,104
	Kundasale	48,983	-	48,983	-	-	48,983
	Pelwatte	255,000	-	255,000	-	-	255,000
	Arachchikattuwa	44,000	-	44,000	-	-	44,000
	Dampe	3,323,252	-	3,323,252	-	-	3,323,252
	Ratnapura	25,450	7,347	32,797	-	-	32,797
	Kollupitiya	125,400	-	125,400	-	-	125,400
	Thalangama	92,400	-	92,400	-	-	92,400
	Ja Ela	68,035	-	68,035	-	-	68,035
	Biyagama	139,529	-	139,529	-	-	139,529
	Colombo	84,000	-	84,000	-	-	84,000
	Navinna	54,516	10,424	64,940	-	-	64,940
	Kandy	799,645	-	799,645	-	-	799,645
	Yakkaduwa	15,054	-	15,054	-	-	15,054
	Kirillawala	261,820	-	261,820	-	-	261,820
	Wellaboda	12,400	16,000	28,400	-	-	28,400
RPC Real Estate Development Company (Pvt) Limited	Kandy	1,166,400	157,500	1,323,900	-	-	1,323,900
Arpico Industrial Development Company (Pvt) Limited	Mattegoda	611,600	299,400	911,000	-	-	911,000
	Siyambalagoda	233,535	114,260	347,795	-	-	347,795
Richard Pieris Distributors Limited	Maharagama	305,180	157,993	463,173	-	-	463,173
	Moratuwa	102,000	-	106,250	-	-	106,250
	Matara	380,100	285,000	665,100	-	-	665,100
	Panadura	-	122,200	122,200	-		122,200
RPC Retail Development (Pvt) Limited	Negambo	394,625	261,481	656,106	-	-	656,106
	Kadawatha	396,000	131,100	527,100	-	-	527,100
	Wattala	222,200	-	222,200	-	-	222,200
	Kelaniya	96,900	-	96,900	-	-	96,900
Arpimalls Development (Pvt) Limited	Dehiwala	664,000	200,772	864,772	-	-	864,772
	Battaramulla	733,440	302,103	1,035,543	-	-	1,035,543
Plastishells Limited	Mattegoda	68,000	114,563	182,563	-	-	182,563
	Dambulla	34,080	18,741	52,821	-	-	52,821
Arpitech (Pvt) Limited	Horethuduwa	219,600	-	219,600	-	-	219,600
	Kudamaduwa	41,600	-	41,600	-	-	41,600
	Mattegoda	359,800	-	359,800	-	-	359,800
Richard Pieris Exports PLC	Ja-Ela	320,000	161,018	481,018	-	-	481,018
Micro Minerals (Pvt) Limited	Bandaragama	54,400	36,960	91,360	-	-	91,360
Richard Pieris Tyre Company Limited	Kurunegala	82,600	45,132	127,732	-	-	127,732
Arpidag International (Pvt) Limited	Maharagama	124,000	28,112	152,112	-	-	152,112
RPC Plantation Management Services (Pvt) Limited	Panadura	620,356	-	620,356	-	-	620,356
Richard Pieris Finance Ltd	Chillaw 1	197,600	131,153	328,753	-	-	328,753
	Chilaw 2	36,000	26,110	62,110	-	-	62,110
	Chilaw 3	34,512		34,512	-	-	34,512
	Chilaw - Bazzar Street	49,200		49,200	-	-	49,200
RPC Properties (Pvt) Limited	Mattegoda	837,600	-	837,600	-	-	837,600
	Maskeliya	137,322	-	137,322	-	-	137,322
	Kiribathgoda	60,076	-	60,076	-	-	60,076
	Boraluwewa	35,706	-	35,706	-	-	35,706
	Kiribathgoda 2	35,000	-	35,000	-	-	35,000
	Orient Premises	409,975	629,475	1,039,450	-	-	1,039,450
	Ahungalla	101,500	-	101,500	-	-	101,500
	Matara	201,835	-	201,835	-	-	201,835

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;
a) Use in the production, supply of goods or services or for administrative purposes.
b) 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.

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.

GLOSSARY OF FINANCIAL TERMS

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 – Seventh 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, 25th September, 2026 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 2026 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. Felix Fernandopulle of 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 80 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 84 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 78 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 72 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. Shiron Gooneratne, who retires by rotation in terms of Article 85 at the Annual General Meeting, a Director

7. To elect Mr. Michael Andree, who retires in terms of Article 91 at the Annual General Meeting, a Director

8. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.

9. To authorize the Directors to determine contributions to charities

10. 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

25th August 2026

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

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.

NOTES

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. SENA YADDEHIGE whom failing VIVILLE PRAXIDUS PERERA whom failing SHAMINDA YADDEHIGE whom failing DR. JAYATISSA DE COSTA whom failing FELIX FERNANDOPULLE whom failing SHIRON GOONERATNE whom failing UDENI SAMARARATNE whom failing PAMUDITHA HENNAYAKE whom failing MICHAEL ANDREE * as my/our proxy to represent me/us and to vote on my/our behalf at the 87TH ANNUAL GENERAL MEETING of the Company to be held on 25th September 2026 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 2026 with the Report of the Auditors thereon.		
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		
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		
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		
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		
6.	To re-elect Mr. Shiron Gooneratne who retires by rotation in terms of Article 85 at the Annual General Meeting, a Director		
7.	To elect Mr. Michael Andree who retires in terms of Article 91 at the Annual General Meeting, a Director		
8.	To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.		
9	To authorize the Directors to determine contributions to charities		
10.	To consider any other business of which due notice has been given		

Dated this .... day of 2026

....
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, 23rd September 2026

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. Sena Yaddehige - Chairman/CEO
Mr. Shaminda Yaddehige - Director
Mr. W J V P Perera - Director
Mr.Shiron Gooneratne - Director
Mr. H. Jayatissa De Costa - Director
Mr. E. Prasanna Fernando - Director
(Resigned W.E.F 31.08.2025)
Mr. J F Fernandopulle - Director
Mr. Udeni Samararatne - Director
Mr. Pamuditha Hennayake - Director
Mr. E Michael Andree - Director
(Appointed W.E.F 01.12.2025)

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
Nations Trust 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

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