Balangoda
PLANTATIONS PLC
A MEMBER OF MELSTACORP



MF 0667 Elevation 1182Ft
Glen Alpin Estate
1894

ANNUAL REPORT 2025

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OUR VISION

To be a trailblazer in the plantation industry by establishing ourselves as a dynamic and results-driven Tea and Rubber plantations company, renowned for innovation, sustainability and excellence.

OUR MISSION

- To manage our plantations as economically sustainable and environmentally responsible enterprises, continually enhancing their intrinsic and market value.
- To uplift the socio-economic standards of our workforce through fair employment practices, capacity building, and community development.
- To maximize value creation for our shareholders through operational excellence, strategic growth, and prudent financial stewardship.
- To evolve into a world-class Tea and Rubber plantations company, recognized globally for superior quality, ethical practices, and industry leadership.

HISTORICAL BACKGROUND

The Company was originally incorporated as Balangoda Plantations Ltd on 11th June 1992 by Certificate of Incorporation issued in terms of Section 15 (1) of the Company's Act No. 17 of 1982 read with Section 2 (2) of the Conversion of Public Corporation or Government Owned Business Undertakings into Public Companies Act, No. 23 of 1987 and the order published in the Gazette Extra Ordinary of the Democratic Socialist Republic of Sri Lanka dated 11th June 1992. The Company was thereafter re-registered under the Company's Act No. 07 of 2007 as Company No PQ 165 and a fresh Certificate of Incorporation was issued under the provision of Section 485 (6) of the Company's Act No. 7 of 2007 with the corporate name changed by operation of law to Balangoda Plantations PLC.

The first tranche of 51% of the issued share capital of the Company was sold by the Secretary to the Treasury through the Colombo Stock Exchange on an "all or nothing" basis and was purchased by Distilleries Company of Sri Lanka PLC (DCSL). The convertible Debentures held by Milford Exports (Ceylon) Limited were converted into 3,636,363 shares.

As per the decision of the Government, 10% of the Shares of the Company belonging to the Secretary to the Treasury on behalf of the Government were distributed among the employees of the Company.

20% of the Shares of the Company belonging to the Secretary to the Treasury on behalf of the Government were sold to the public through the Colombo Stock Exchange and the balance 19% of the shares belonging to the Secretary to the Treasury were also sold on an "all or nothing" basis through the Colombo Stock Exchange.

All the shares belonging to DCSL and Milford Exports (Ceylon) Limited were subsequently purchased by related party Melstacorp PLC.

Corporate Information

Company
Balangoda Plantations PLC

Legal Form
Public Listed Company

Date of Incorporation
11th June 1992

Company Registration No.
P Q 165

Registered Office
#110, Norris Canal Road, Colombo 10, Sri Lanka

Board of Directors

Mr. D H S Jayawardena	Executive Chairman
Mr. C R Jansz	Non-Independent Non-Executive Director
Mr. K Dayaparan	Non-Independent Non-Executive Director
Mr. M R Mihular	Senior Independent Director
Dr. R A Fernando	Independent Non-Executive Director
Mr. P A Jayatunga	Executive Director and Company Secretary

Secretary
Mr. P A Jayatunga
833, Sirimavo Bandaranaike Mawatha
Colombo 14.
Telephone : 011 252 4734 / 011 252 2871

Registrars
Central Depository Systems (Pvt) Ltd
Registrars Unit
Ground Floor,
M & M Center, 341/5, Kotte Road
Rajagiriya
Telephone :+011 235 6446

Auditors
Messrs. KPMG (Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha
Colombo 03.

Bankers
Hatton National Bank PLC
City Office
16, Janadhipathi Mawatha
Colombo 01.

Parent Company
Melstacorp PLC
110, Norris Canal Road
Colombo 10.

Financial Highlights

		2025	2024	Change %
Financial Performance				
Revenue	Rs. Million	4,280	4,842	(11.6)
Gross profit	Rs. Million	412	868	(52.5)
Operating profit	Rs. Million	945	1113	(15.1)
Net finance cost	Rs. Million	(86)	(156)	(44.9)
Profit before tax	Rs. Million	858	957	(10.3)
Income tax expense	Rs. Million	(262)	(216)	21.3
Profit for the year	Rs. Million	597	741	(19.4)
Gross margin	%	10	18	(44.4)
Operating margin	%	22	23	(4.3)
Net profit margin	%	14	15	(6.7)
Return on total assets	%	11	14	(21.4)
Position / Key Ratios				
Total assets	Rs. Million	8,954	8,059	11.1
Total equity	Rs. Million	4,498	3,717	21.0
Debt/Total assets	Times	0.02	0.12	(83.3)
Current ratio	Times	1.05	0.84	25.0
Shareholder Information				
Earning per share	Rs.	12.62	15.68	(19.5)
Net asset value per share	Rs.	95.15	78.63	21.0
Market price per share	Rs.	71.90	72.00	(0.1)
Market capitalization	Rs. Million	945	864	9.4
Value Addition				
To lenders of capital as interest	Rs. Million	89	158	(43.7)
To employees as remuneration	Rs. Million	2,258	2,350	(3.9)
Provision for depreciation	Rs. Million	225	225	-
Profit retained	Rs. Million	597	741	(19.4)

Financial Calendar

1st Quarter Interim Financial Report (Unaudited)	15th May 2025
2nd Quarter Interim Financial Report (Unaudited)	15th August 2025
3rd Quarter Interim Financial Report (Unaudited)	14th November 2025
4th Quarter Interim Financial Report (Unaudited)	27th February 2026
Annual Report for the Year 2025 (Audited)	27th May 2026
33rd Annual General Meeting	24th June 2026

Board of Directors

MR. D H S JAYAWARDENA

EXECUTIVE CHAIRMAN

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

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

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

Mr. Jayawardena has over 13 years of experience in various diversified fields. He is the Group Chairman & Managing Director of Stassen Group of Companies, the Chairman of Melstacorp Group and DCSL Group. He is also a Director of Lanka Milk Foods Group, Zahra Exports (Pvt) Ltd., McSen Range (Pvt) Ltd. and several other companies.

MR. C R JANSZ

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

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

He has been the Chairman of DFCC Bank PLC and Sri Lanka Shippers Council.

Mr. Jansz is the Chairman of Lanka Milk Foods Group, Melsta Hospitals Ragama (Pvt) Ltd, and the Deputy Chairman of Melstacorp Group. He is also a Director of Stassen Group, DCSL Group, Aitken Spence PLC and several other companies.

MR. K DAYAPARAN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. K Dayaparan holds a Diploma in Marketing from The Chartered Institute of Marketing (UK).

Mr Dayaparan is a Per-Pro of Stassen Exports (Pvt) Ltd., and he is a Director of Lanka Milk Foods (CWE) PLC, Stassen Natural Foods (Pvt) Ltd, Madulsima Plantations PLC, Bogo Power (Pvt) Ltd and CBD Exports (Pvt) Ltd.

Mr Dayaparan has been a Past Chairman of The Coconut Products Manufacturers' & Exporters' Association and a past Committee Member of the Exporters' Association of Sri Lanka. He has more than 40 years of experience in the export sector.

MR. M R MIHULAR

SENIOR INDEPENDENT DIRECTOR

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

Board of Directors (Continued)

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

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

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

DR. R A FERNANDO
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr R A Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable Business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo. He holds a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010.

In April 2010, he created the 21st Century Board Leadership Model-Masterclass for the Institute of Directors of Luxembourg which is running in Luxembourg and Sri Lanka. Dr Fernando published '21st Century Leadership to fight the code red for Business' in 2023 (Archway Publishing).

Dr Fernando is the Chairman/CEO of Global Strategic Corporate Sustainability (Pvt) Ltd, which operates in Luxembourg and Sri Lanka. His career multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, SmithKline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011 – 2016. He was the first UN Global Compact focal point 2007 and set up the UNGC Sri Lanka Network. He serves on the Boards of Melstacorp PLC, Aitken Spence PLC, Distilleries Company of Sri Lanka PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, Madulsima Plantations PLC, UNGC Sri Lanka Network, Ceylon Graphene Technologies and Dilmah Ceylon Tea Company.

In 2007 "Global Strategy Leadership award" was presented to Dr Fernando by Professor Renee Aubergine of INSEAD at the World Strategy summit.

MR. P A JAYATUNGA
EXECUTIVE DIRECTOR

Mr. Jayatunga has been serving as the Company Secretary of Balangoda Plantation PLC and heading the Legal and Company Secretarial Department of Stassen Group for over 27 years.

He is an Attorney at Law with over 36 years of experience. He is also a Non- Independent Non-Executive Director of DFCC Bank PLC, and an Executive Director of Madulsima Plantations PLC .

Management Team

HEAD OFFICE - RATNAPURA

Chief Executive Officer	Mr. D Wekunagoda
Senior Accountant	Mr. P Hewawitharana

COLOMBO OFFICE

Director Operations	Maj. Gen. (Retd.) D Fernando
Group General Manager Finance (Plantations)	Mr. D S Heenatigalage
General Manager – Plantations Audit	Mr. T Ratnam

REGIONAL OFFICE - BADULLA

Group Chief Financial Officer (Plantations)	Mr. A Samuel
Chief Operating Officer - Tea	Mr. M Samarakoon

COMPANY SECRETARIAL & LEGAL DIVISION

Company Secretary/Legal Officer	Mr. P A Jayatunga

ESTATE MANAGERS

Balangoda Region

Name of the Estate	Name of the Superindenndent
Balangoda Estate	Mr. A I Vadysinghe (Cluster Manager)
Cecilton Estate	Mr. D A V R Priyadarshana
Meddakande Estate	Mr. C P de Arthur (Overlooking Superintendent)
Non Pareil Estate	Mr. S M Wickramasinghe
Pettiagalla Estate	Mr. G K M A Gannoruwa
Rasagalla Estate	Mr. C P de Arthur
Rye/Wikiliya Estate	Mr. T M M M Bandara
Walaboda Estate	Mr. M Nilumshan

Badulla Region

Cullen Estate	Mr. W H I U De Alwis
Glen Alpin Estate	Mr. A P S Wishwanath
Gowerakelle Estate	Mr. M Markandan
Spring Valley Estate	Mr. R D K K Pallemulla
Telbedde Estate	Mr. T L S Perera (Cluster Manager)
Ury Estate	Mr. M Pilapitiya (Cluster Manager)
Wewesse Estate	Mr. P S Godage (Senior Superintendent)

Ratnapura Region

Galatura Estate	Mr. R A I Ramanayake
Mahawale Estate	Mr. K R M M K Bandara
Millawitiya Estate	Mr. L H S S B Karunarathna
Mutuwagalla Estate	Mr. H D T Liyanage
Palmgarden Estate	Mr. P K A H Thilakarathne (Senior Superintendent)
Rambukkande Estate	Mr. A M A R Abesinghe

Chairman's Review

On behalf of the Board of Directors I am pleased to present the Annual Report and Audited Financial Statements of Balangoda Plantations PLC for the year ended 31st December 2025.

Following a successful 2024, Balangoda Plantations PLC built upon that foundation to sustain profits, whilst advancing key initiatives in regenerative agriculture, digital transformation, and long-term value creation, amidst several challenges.

Operational Context: Sri Lanka's Tea and Rubber Industries in 2025

Tea

	2025	2024	2023	2022	2021
Production (Mn kgs)	264	263	256	252	299
Variance (Mn kgs)	1	7	4	(48)	20
Variance (%)	1%	2%	2%	-16%	7%

(Source - Sri Lanka Tea Board)

Total tea production in Sri Lanka remained on par with levels recorded in 2024, with a total of 264 Mn/kgs against 263 Mn/kgs.

The National Average price of teas sold for the period January to December 2025 was Rs. 1,167.72 (USD 3.88) per kg, compared to Rs. 1,225.17 (USD 4.06) per kg for the same period in 2024, reflecting a decrease of Rs. 57.45 in Rupee terms and USD 0.18 in Dollar terms. By elevation, Low Grown tea averaged Rs. 1,235.26 (USD 4.10), Mid Grown tea recorded Rs. 1,025.82 (USD 3.41), and High Grown tea stood at Rs. 1,100.86 (USD 3.66), reflecting a decline in all three elevations when compared to 2024.

Macro-economic factors continued to challenge the industry with fluctuations in exchange rates and changing political climates in importing countries. The geo-political tensions in the Middle East and Russia, led to increased cost of input particularly the cost of fertilizer, chemicals, and fuel. Cost of production was further exacerbated by the mandated wage increase that was introduced in the year under review.

Rubber

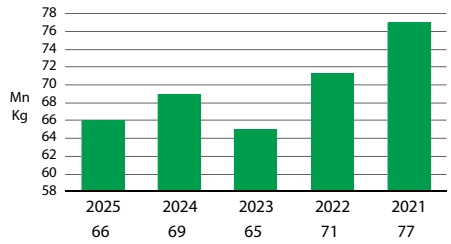
Sri Lanka's rubber industry experienced a decline in 2025, reflecting a drop in total production. Despite this downturn in the rubber segment, the country's overall merchandise exports demonstrated resilience.

Sri Lanka maintained a strong global presence in the solid tyre market, supplying nearly 25% of total global demand. However, the industry faced several structural challenges, including high production costs, skilled labour shortages, and rising labour wages.

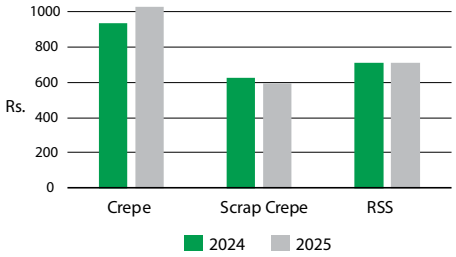
The year ended with an industry average Crepe price of Rs.1,031, Scrap Crepe price of Rs. 596 and the Ribbed Smoke Sheet (RSS) price of Rs. 712.

Chairman's Review (Continued)

Srilankan Rubber Production (Mn Kg)



National Average Rubber (Rs per Kg)



Company Performance

Despite facing several challenges across both the tea and rubber industries, we achieved a revenue of Rs. 4,280 million. Profit from operations stood at Rs. 945 million as compared to Rs. 1,113 million in 2024, despite a 35% wage hike which had a financial impact of Rs 266 million.

In addition to the above, our balance sheet was significantly strengthened during the year, enhancing shareholder value and positioning the Company for future growth through a revaluation gain of Rs.387 million (Rs.271 million, net of tax). The Company maintains a strong asset base, providing stability and capacity for strategic investments.

Our ability to maintain revenue with only a modest decline whilst guaranteeing a profit, despite several macro-economic and external challenges, evidences the strength of our organizational capabilities, operational discipline, and the underlying health of our core business with a strong corporate management team.

Tea Sector Performance

Although external challenges impacted overall tea production volumes, it did not impact the quality of the tea produced. As a testament to this, Balangoda Plantations PLC's Telbedde Tea Factory received an award for Outstanding Tea Producer from the Uva region at a competition organized by the Tea Exporters Association for the year under review. The same estate was also honored as the Overall Winner and Gold Medalist at the Ceylon Specialty Estate Tea of the Year 2025 at Expo Osaka, Japan. Moreover, several estates achieved top prices for the year 2025, evidencing our commitment to maintaining quality and competitiveness in the market.

Rubber Sector Performance

On a positive note, we achieved a 12% increase in the Net Sale Average of Rs. 878 recorded in 2025 compared to the previous year. This increase was mainly driven by strong market demand for high-quality crepe rubber. However, the Company's rubber production declined by 15% during the year 2025 compared to the previous year, mainly due to unfavorable weather conditions and irregular leaf fall caused by Circular Leaf Spot Disease (CLSD), which was prevalent across the island. The cost of production (COP) also increased by 22% compared to the previous year, mainly due to the wage hike for estate workers. Despite these challenges, our estates were able to secure top prices in rubber for the year under review.

Dividend

I am pleased to inform you that your Directors recommended a dividend of 50 cents per share for the year under review.

Chairman's Review (Continued)

Innovations and Strategic Priorities

We are committed to introducing innovative and sustainable practices across all our estates, reflective of our commitment to the long term wellbeing of the Company and responsiveness to evolving stakeholder expectations. Towards this, we have taken steps to convert Rye/Wikiliya estate into a fully organic tea garden, responding to changing trends in consumer demand.

We are also taking steps to evolve from a traditional plantation model to, a company that embraces digitalization. In this regard, technology now plays an increasingly vital role in value creation, particularly as a strategy to mitigate the increasing labour shortages. In this context, we implemented drone-based spraying of foliar nutrients. We also conducted a mapping of revenue-generating tea areas using drone technology. This shift towards digitalization is aligned with our commitment to sustainability as it reduces waste whilst increasing productivity.

In meeting our commitment to sustainability, we also undertook several crop diversification projects. These included diversification into Pineapple, in several estates which generated Rs. 3.7 million profit for the year under review. Other diversification efforts include the cultivation of cinnamon in several estates as well.

Prospects for 2026

Looking to the upcoming year, we are optimistic in our ability to deliver with continued operational excellence and sustainability. Our priorities for the following year are:

- **Digitalization:** We intend to extend digitalization initiatives to all our estates following its successful implementation across five estates.

- **Crop Diversification:** Building on successful crop diversification efforts, we intend to further diversify our crop into cinnamon across several estates in the Ratnapura region. We have also earmarked several estates in the Ratnapura - Kiriella area to be converted to Oil Palm when the government releases the ban on Oil Palm planting. These estates have been selected due to the heavy rainfall prevalent in the area, which hampers Rubber harvesting.

- **Operational Flexibility and Market responsiveness:** Leveraging its Crepe and Ribbed Smoked Sheet (RSS) manufacturing facilities, the company possesses the operational flexibility and production agility to shift between product categories and adjust its product mix in response to changing market demand and prevailing market conditions

Acknowledgements

I present this review with a continued sense of honor in carrying forward the legacy of my beloved father, Late Deshamanya D. H. S. Jayawardena, former Chairman of Balangoda Plantations PLC. His vision, integrity, and unwavering commitment to excellence remain the guiding principles of this company. It is in his spirit that we continue to build a resilient, forward-looking company. Even as we reflect on the past, I would also like to look to the future and take this opportunity to welcome our new Group Chief Executive Officer, Mr. Jude Fernando and wish him all the best as he takes on this new role.

Our performance in 2025 is a testament to the dedication of our employees, corporate management team and staff, and I extend my heartfelt gratitude to each of them.

Chairman's Review (Continued)

I also extend my deepest gratitude to our brokers, buyers, and suppliers for their valued partnership and support and our shareholders and stakeholders for their continued trust and confidence in our journey.

Conclusion

The resilience demonstrated by Balangoda Plantations PLC in 2025 reflects the strength of the Company, the commitment of its people, and the enduring value of its operations. We will continue to focus on operational excellence, sustainability, innovation, and long-term value creation in the upcoming year. As we move forward, we remain confident in our ability to build a stronger, more sustainable future for the Company and contribute positively to Sri Lanka's plantation sector and the communities connected to our operations.

Sgd.
D. H. S. Jayawardena
Executive Chairman
27th May 2026

Management Discussion & Analysis

Managing Our Resources

Balangoda Plantations PLC recognises that long-term, sustainable value creation depends on the disciplined stewardship of multiple forms of capital. These resources are not merely operational inputs they are the foundation upon which we build stakeholder value and societal impact. Guided by integrated thinking, the Company manages and transforms six key capitals, each playing a distinct yet interconnected role in our strategy, operations, and future outcomes.

Capital	Description
1. Financial Capital	Funds generated through operations, investments, and financing activities that sustain operations, fuel growth, and deliver shareholder returns.
2. Manufactured Capital	Physical assets including tea and rubber factories, estates, machinery, utilities, and transport infrastructure that underpin operational performance.
3. Human Capital	The knowledge, skills, experience, wellbeing, and commitment of our people — the driving force behind operational excellence and long-term success.
4. Intellectual Capital	Organisational knowledge, innovation systems, technical expertise, and management practices that enhance our competitiveness and decision quality.
5. Social & Relationship Capital	Relationships with employees, shareholders, customers, suppliers, regulators, and communities that foster trust, collaboration, and shared value.
6. Natural Capital	Environmental resources — land, water, biodiversity, and ecosystems — that sustain our agricultural activities and demand responsible stewardship.

By actively managing and developing these capitals, we strive to create sustainable value not only in financial terms but also for people, society, and the planet

1. Financial Capital

Balangoda Plantations PLC delivered a resilient performance in the financial year 2025, navigating a challenging operating environment shaped by subdued commodity prices, escalating input costs, and a landmark increase in plantation wages. The most significant financial impact of the year was the implementation of a revised plantations wage structure, which resulted in an incremental labour cost of Rs. 266 million compared to the prior year a commitment that, while materially impacting short-term profitability, underscores the Company's long-standing dedication to the livelihoods of its workforce and the broader social contract underpinning sustainable plantation management. Notwithstanding this headwind, the Company sustained operations, preserved balance sheet integrity, and reported positive earnings a testament to the underlying strength of its operational framework and management discipline.

Management Discussion & Analysis (Continued)

Earnings

Rs. 4,280 Mn **Revenue** ***2024: Rs. 4,842 Mn***	Rs. 945 Mn **EBIT** ***2024: Rs. 1,113 Mn***
Rs. 858 Mn **Profit Before Tax** ***2024: Rs. 957 Mn***	Rs. 597 Mn **Profit After Tax** ***2024: Rs. 741 Mn***

Profitability

10% **Gross Profit Margin** ***2024: 18%***	22% **Operating Margin** ***2024: 23%***
14% **Net Profit Margin** ***2024: 15%***	0.5x **Assets Turnover** ***2024: 0.6x***

Liquidity

0.02 **Debt to Assets Ratio** ***2024: 0.12***	10.69x **Interest Cover** ***2024: 7.04x***
1.05x **Current Ratio** ***2024: 0.84x***	0.39x **Quick Asset Ratio** ***2024: 0.21x***

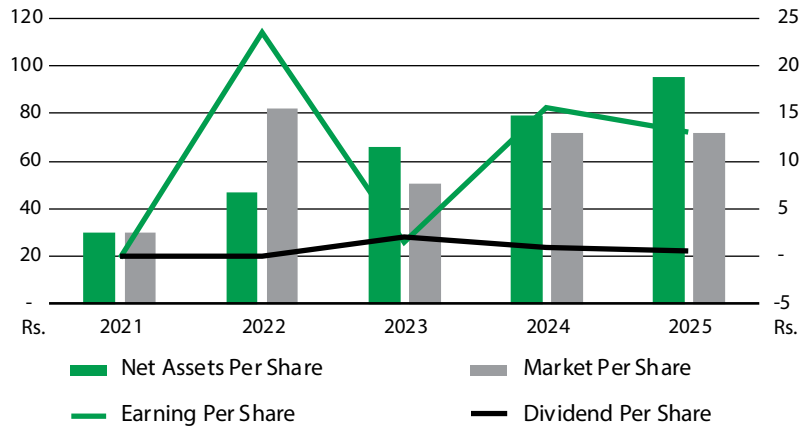
Value to Shareholders

Rs. 12.62 **Earnings Per Share** ***2024: Rs. 15.68***	Rs. 95.15 **Net Assets Per Share** ***2024: Rs. 78.63***
Rs. 71.90 **Market Price Per Share** ***2024: Rs. 72.00***	5.7x **P/E Ratio** ***2024: Rs. 4.59x***

Value to Shareholders

In the year 2025, Balangoda Plantations continued to deliver value to its shareholders despite a challenging operating environment. Earnings Per Share (EPS) stood at Rs. 12.62, compared to Rs. 15.68 recorded in the previous year. Net Assets per Share increased to Rs. 95.15 from Rs. 78.63 in 2024, reflecting the Company's strengthened financial position. The Market Price per Share moderated to Rs. 71.90 from Rs. 72.00 in the prior year. Additionally, a dividend of 50 cents per share was declared, reaffirming the Company's commitment to rewarding its shareholders.

Key Indicators



Management Discussion & Analysis (Continued)

Revenue

Balangoda Plantations PLC recorded a total revenue of Rs. 4,280 million for the year, a decrease of 12% from Rs. 4,842 million in the previous year. This decline was driven by subdued market conditions, reduced crop volumes, and operational challenges. However, the Company remains focused on cost optimization and productivity improvements to restore growth in the coming year.

Operating Expenses

Total operational expenses for 2025 decreased by 3% to Rs. 3,868 million from Rs. 3,974 million in the previous year. Although labour costs increased by Rs. 266 million due to 35% wage increase granted to plantation workers effective from September 2024, the lower production volumes compared to the previous year resulted in an overall reduction in expenses, further supported by stringent cost control measures implemented across other operational categories.

Profit and Loss

Profit from operations amounted to Rs. 945 million compared to Rs. 1,113 million in the previous year a reduction of 15%. The Rs. 266 million incremental wage cost is the primary driver of this contraction. Profit before taxation declined to Rs. 858 million from Rs. 957 million, while profit after tax stood at Rs.597 million against Rs. 741 million in 2024. Administrative expenses also increased to Rs. 240 million from Rs. 193 million, further weighing on operating performance. Had the wage adjustment not occurred, the Company's PBT and PAT would have been materially higher a reflection of the underlying operational resilience of the business.

Financial Position

Total assets grew to Rs. 8,954 million as at 31 December 2025, up from Rs. 8,059 million in the prior year. Total equity improved significantly, from Rs 3,717 million in 2024 to Rs. 4,498 million in 2025 underpinned by asset revaluation reserves and sustained operational profitability.

Cash Flow

Net cash flows from operating activities for 2025 amounted to Rs. 482 million, a decrease of Rs. 628 million compared to Rs. 1,110 million in the previous year driven by lower revenue and higher labor costs following the wage increase, and reduced crop yields across the estates.

Future Outlook

Company's future outlook is cautiously optimistic despite the challenges faced by the plantations industry. Strategic focus on the product quality to harness the full potential of the good agricultural practices implemented in the Estates in the recent past.

2. Manufactured Capital

We invest strategically to expand capacity, diversify our business, and enhance operations creating long-term value for stakeholders while ensuring the Company's stability. We remain focused on upholding operational standards, supported by industry certifications, which help minimize downtime and maintain consistent performance.

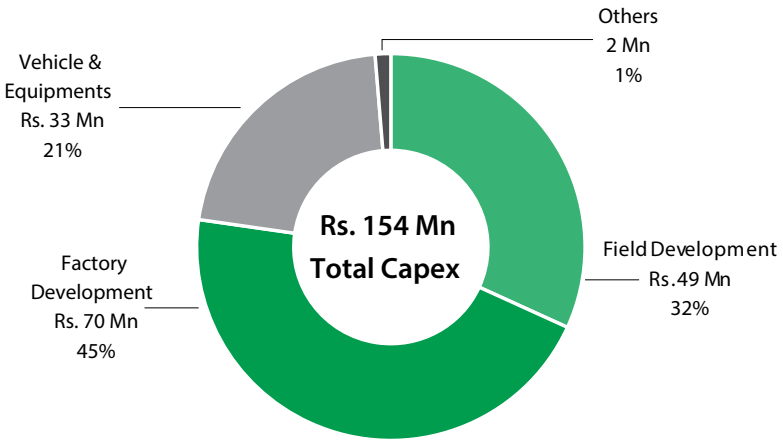
Manufactured Capital of the Company encompasses tea and rubber factories and tea, rubber, timber and other crop fields covering 9,076 hectares with estates in Sabaragamuwa and Uva provinces.

Management Discussion & Analysis (Continued)

Capital Expenditure

Total capital expenditure for the year amounted to Rs 154 million (2024: Rs. 114 million).

Capital Expenditure Breakdown - 2025



Investment Category	Amount (Rs. Mn)
Field development	49
Factory development	70
Vehicles and Equipments	33
Others	2
Total	**154**

As we progress, our focus on operational excellence, sustainability, and resilience will drive our investments, ensuring continued growth and stability for the Company.

3. Human Capital

At Balangoda Plantations we encourage a happy work culture and foster relationships with our employees to bring about improvements in the organization towards the achievement of the common goals described in our vision and mission statements.

Believing that our employees are our most valuable asset we always make an effort to develop the ability and productivity of our employees at all levels. Easy payment schemes for facilities such as obtaining goods and equipment, distress loans, the death benefit, welfare scheme, medical insurance, sport and recreational activities, and religious programmes, are some of the welfare measures the Company undertakes.

We invest in our employees' development, creating a culture of continuous learning that empowers individuals and drives our success. Our training programmes include on-the-job, off-the-job, external, hands-on, and internal initiatives, designed to enhance knowledge, update skills, and foster an empowered workforce that contributes to the Company's aspirations. The Company uses both internal and external training resources. The Company identifies training needs through a comprehensive approach that includes annual performance evaluations and periodic reviews throughout the year. These reviews include probation evaluations, objective setting and evaluation during role changes and promotions, and other relevant assessments, ensuring a holistic understanding of employee development needs.

Management Discussion & Analysis (Continued)

Employee Skill Development on Estates

During the period under review, the Company conducted a series of training sessions for employees on quality manufacturing and agricultural practices, teamwork, career growth and development etc.,

Key Training Initiatives

Tea

- Frequent Calibration Training Session for ISO 22000 for Factory Staff and Planting Executives of Balangoda Region Estates conducted by the Tea Research Institute Low Country Station Ratnapura.
- A Session with Tea Brokering firms, Asia Siyaka Commodities PLC, John Keells PLC, Ceylon Tea Brokers, Mercantile Produce Brokers (Pvt) Ltd and Forbes & Walker Tea Brokers (Pvt) Ltd held at Kethumathee Hotel, Ratnapura for Cluster Managers and all Superintendents
- Field demonstration of using drone technology in the tea plantations conducted by Kenilworth International.
- Cullen Estate conducted a Worker Output Development Programme and Price Giving Programme for the Best Pluckers.
- Plucking Demonstration Programme was held in Cullen Estate to improve leaf standards and obtain higher NSA.

Rubber

- Training programme on improving tapping skills and related work conducted by Rubber Development Department.
- Mr M Wijedasa – In charge of Rubber Abandoned Area Crop conducted following programmes on Training Tappers/ Staff of Ratnapura Region Estates.
- Training Programmes for the Assistant Superintendents & Estates Staff;
    - Tapping Training Programmes for Tappers
    - "Shakasara" was made for under girth trees
    - Monitoring of Girth Census
    - Panel Marking Training Programme
    - Rainguarding
    - Abandoned Tapping
    - Weed Management

With a view to encouraging youth to remain on Estate and also discourage premature retirement and residents working outside the Estates, outsourcing has been introduced and presently working well in Telbedde, Glen Alpin & Spring Valley Estates in Badulla Region and Balangoda, Cecilton, Meddakande, Pettiagalla, Non Pariel, Rasagalla, Rye/Wikiliya and Walaboda Estates in Balangoda Region.

Furthermore, it is the policy of the Company to give priority to the children of the existing employees whenever an employment opportunity arises.

Future Outlook – Human Capital

Our commitment to invest in our employees will remain a top priority, ensuring we attract and retain top talent while supporting the Company's aspirations. We will continue to hone skills, build competencies, and pave the way for career progression, equipping our staff to perform effectively and contribute to our success.

Management Discussion & Analysis (Continued)

4. Intellectual Capital

As a proud producer of Ceylon Tea, Balangoda Plantations PLC's Intellectual Capital embodied in its prestigious Tea Garden Marks, accumulated domain expertise, and well-established systems and processes continues to be a defining driver of competitive advantage in a dynamic global marketplace. The unique geographical characteristics of our estates further reinforce the enduring heritage and global appeal of the Ceylon Tea brand.

To maintain and enhance this advantage, the Company remains committed to: strategic investment in research, innovation, and skills development; nurturing a culture of entrepreneurship and continuous improvement; and advancing digital transformation across all operational functions.

The following Artisanal Teas are crafted by the Estates of Balangoda Plantations at present:

- Golden Tips
- Silver Tips
- White Tea
- Ooling Tea

Awards & Accolades

Our estates continued to excel, earning recognition for outstanding quality and innovation.

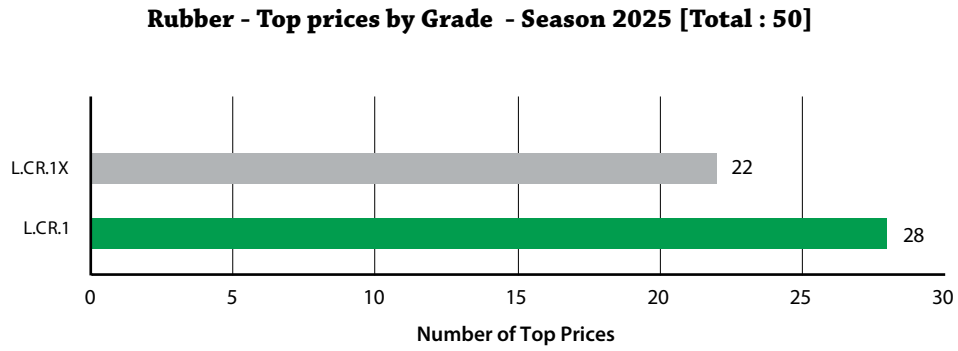
As a testament to this, Balangoda Plantations PLC's Telbedde Tea Factory received an award for Outstanding Tea Producer from the Uva region at a competition organized by the Tea Exporters Association for the year under review. The same estate was also honored as the Overall Winner and Gold Medalist at the Ceylon Specialty Estate Tea of the Year 2025 & was selected to represent Sri Lanka at Expo Osaka, Japan.

Balangoda Plantations achieved 100 Top Prices in Tea and 50 in Rubber during Season 2025. The chart below illustrates the distribution of top prices by grade:

Tea - Top prices by Grade - Season 2025 [Total : 100]



Management Discussion & Analysis (Continued)



Processes and Certifications

Balangoda Plantations have invested in key management systems and processes, facilitating efficient processing of agricultural products, documentation, and management information. Many of these processes are covered by internal audit and assurance provided on key systems. Additionally, we have benchmarked key systems to global best practice and obtained certifications affirming compliance.

The key certifications are listed below.

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

Investing in Digital

Our Estates operations seek to transition processes to digital platforms to drive process efficiencies and connect with stakeholders more effectively. Significant investments are being made in digitalising field and factory operations integrating technology into the workplace of the future and supporting the Company's broader digital aspirations.

5. Social and Relationship Capital

At Balangoda Plantations PLC, our Social and Relationship Capital embodies the depth and quality of the relationships we cultivate with our diverse stakeholder base including employees, estate communities, customers, suppliers, government entities, and industry partners. These relationships form the bedrock of our business resilience and are pivotal to the long-term sustainability of our operations.

Customer and Business Partner Relationships

Our customer relationships are anchored in quality assurance, ethical sourcing, reliability, and mutual growth. The Company upholds rigorous standards across its operations and maintains compliance with local and international certifications, including ISO standards, reinforcing confidence among our global clientele and value chain partners.

Supplier Relationships

Sustainable and ethical supply chain relationships are core to our business philosophy. Our Supplier Policy ensures equal opportunities and a level playing field for all partners, regardless of scale. We actively encourage responsible practices, maintain open communication channels, and support supplier development creating value for both parties while enhancing supply network resilience and traceability.

Management Discussion & Analysis (Continued)

Community Engagement and Development

Our commitment to social responsibility is reflected in the comprehensive development programmes implemented within our estate communities, in collaboration with the Plantation Human Development Trust (PHDT) and other stakeholders:

- Housing and Infrastructure Development: Continued investment in modern housing and estate infrastructure improvements.
- Health and Nutrition: Operation of childcare centres and preschools, nutritional feeding programmes, immunisation drives, cancer awareness campaigns, dental clinics, and maternal nutrition education.
- Education and Youth Empowerment: Partnerships to support school attendance and skill development programmes that empower youth.
- Disaster Preparedness: Landslide preparedness training and simulations in high-risk areas.
- Disaster Relief: Staff donations of the essentials to the plantation communities affected by Cyclone Ditwah and disaster relief initiative for school children in collaboration with 'Ethical Tea Partnership'
- Environmental Stewardship: Community-based conservation programmes covering sustainability awareness, reforestation, and biodiversity protection.

Our Commitment Moving Forward

As Balangoda Plantations PLC continues to grow, we remain deeply committed to nurturing strong, meaningful relationships with all stakeholders. Guided by integrity, empathy, and a long-term vision, the Company will continue to invest in partnerships that create inclusive value, strengthen community resilience, and ensure the sustained success of our business and those who depend on it.

6. Natural Capital

We adopt sustainable practices, recognising the interconnectedness of our operations and the environment. Our efforts focus on maximising positive environmental impacts while proactively mitigating any adverse consequences. We are continuously working to advance sustainable management practices, implementing strategic interventions to optimise resource utilisation and minimise our environmental footprint.

We are committed to environmental responsibility and adheres to the standards set by the Central Environmental Authority. Regular audits ensure full transparency, allowing us to monitor and mitigate our environmental impact. We have consistently worked to improve our processes and systems, reducing our environmental footprint, and contributing to climate change mitigation efforts. Our efforts include improving waste and energy management in our manufacturing processes, reducing our carbon footprint through green initiatives, and decreasing our reliance on fossil fuels. We are also enhancing forest cover and food security by planting hardwood and fruit trees.

Biodiversity Conservation

Operating across diverse industries and geographical regions, often in areas of significant biodiversity, we are committed to the preservation of these ecosystems.

Management Discussion & Analysis (Continued)

Balangoda Plantations is committed to protecting the natural environment, adhering to the guidelines of the Central Environmental Authority, and aligning with the ethical standards of the Rainforest Alliance. The Company embarked on a reforestation drive, which, while increasing its forest cover, also significantly impact the challenges the country will face in the future of food security.

Water Management

Recognising the importance of water conservation, we place a strong emphasis on responsible water management, minimising our impact on water bodies.

Sustainable Land Utilisation

We strive to optimise the utilisation of land. Accordingly, Balangoda Plantations has embarked on crop diversification by introducing other crops such as cinnamon, pepper, coffee, cardamom and fruits. This has enabled efficient land utilisation and contributed to the sustainable development of the regions where we operate.

Waste Management

We are committed to responsible waste disposal, minimising environmental impact, and protecting our land.

Future Outlook – Natural Capital

Balangoda Plantations remains unwavering in its commitment to environmental sustainability, climate resilience, and the responsible management of natural resources. Looking ahead, the Company will expand its renewable energy capacity, scale biodiversity and reforestation projects in partnership with global and national institutions, and strengthen climate-smart agricultural practices through training, innovation, and sustainable technology.

As steward of some of Sri Lanka's most ecologically sensitive plantation lands, Balangoda Plantations PLC is committed to setting a benchmark for excellence in natural capital management protecting, restoring, and regenerating our environment while creating enduring value for our stakeholders and communities.

Corporate Governance Statement

Corporate Governance is the system by which companies are managed and controlled.

Corporate governance is constantly evolving, driven by significant environmental and societal shifts impacting business operations. These changes range from legal, political, and technological to subtle but profound influences on value chains, supply networks, and the crucial social license to operate. To build corporate resilience, it is vital for Companies to actively monitor this dynamic environment, understand stakeholder concerns, and identify potential vulnerabilities. Recognising this, the Company's Board is enhancing its governance, reporting, and risk management frameworks. This expanded scope facilitates robust oversight of key areas critical to the Company's performance, growth, and resilience. A sound corporate governance framework is fundamental, enabling the Board to effectively steer the Company towards its strategic objectives and oversee the operations. Underpinning this is a comprehensive policy framework that clearly articulates the Entity's values, reinforces regulatory compliance and best practices, and embeds the corporate ethos.

Balangoda Plantations PLC is committed to comply with the code of Best Practices of Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) & the Securities Exchange Commission of Sri Lanka (SEC) and the Listing Rules of the Colombo Stock Exchange. A comprehensive view of the Governance System in the Company is given below.

The Board of Directors and its Functions

The Company is governed by its Board of Directors who direct, lead, and supervise the business and affairs of the Company on behalf of its shareholders. The Board consists of six Directors, including the Executive Chairman, Senior Independent Director, an Executive Director, two Non independent Non-Executive Directors and an Independent Non-Executive Director. The composition of the Company's Board has been structured in accordance with the principles of good governance and long-term strategy. The Chairman is an Executive Director. Directors' independence has been determined in accordance with Listing Rule Section 9 of the Colombo Stock Exchange. Names of the members of the Board of Directors and their brief resumes are given on pages 5 - 6 and their roles are set out below.

Directors	**Directorship Status**	**Attendance**				
		Board Meetings	Audit Committee	Related Party Transactions Review Committee	Nominations and Governance Committee	Remuneration Committee
Mr. D H S Jayawardena	Executive Chairman	2/2				
Mr. C R Jansz	Non-Independent Non-Executive Director	2/2				
Mr. K Dayaparan	Non-Independent Non-Executive Director	2/2	4/4	4/4	2/2	2/2
Mr. M R Mihular	Senior Independent Director	1/2	4/4	4/4	2/2	2/2
Dr. R A Fernando	Independent Non-Executive Director	2/2	4/4	4/4	2/2	2/2
Mr. P A Jayatunga - appointed w.e.f. 17.02.2025	Executive Director/Company Secretary	2/2				

Corporate Governance Statement (Continued)

The Board meets when required to make all major decisions. Prior to each meeting the Directors are provided with all relevant management information and Board papers are submitted in advance on new investments, capital projects, company performance, and other issues which require specific Board approval.

The main functions of the Board:

- Conducting the business and facilitating executive responsibility for the management of the Company's affairs,
- Formulate short and long term strategies and monitor implementation,
- Identify the principal risks of the business and ensure adequate risk management policies in place.
- Institute effective internal control systems to safeguard the assets of the Company.
- Ensure compliance with rules and regulations.
- Approve the financial statements of the Company.

Executive Chairman

Mr. D Hasitha S Jayawardena was appointed as Executive Chairman upon the demise of the late Chairman Deshamanya D H S Jayawardena. As the Executive Chairman of Balangoda Plantations PLC, he plays a pivotal role in leading the Board by facilitating effective governance and ensuring the Board's decisions align with the Company's strategic vision. Combining executive leadership with his Board responsibilities, the Chairman provides clear guidance and direction to both the Board and Senior Management, fostering a culture of accountability and transparency. He is instrumental in setting the agenda for Board meetings, promoting constructive dialogue among Directors, and acting as the primary link between the Board and Executive Management to drive sustainable growth and value creation.

Mr D. Hasitha S. Jayawardena has vast experience in the Tea Trade including agriculture, production, trading and export. It is imperative that he holds an executive position in the Board of Balangoda Plantations PLC, so that he can leverage this experience to the benefit of the Company.

Chief Executive Officer

Mr. D. Wekunagoda continues to function as the Chief Executive Officer of the Company oversees the day-to-day management affairs of the Company and is accountable to the Board for the exercise of authorities delegated by the Board and for the performance of the Company. CEO has oversight into the overall strategy formulation of the Company, setting and executing the organization's strategy by driving the KPI's for delivery of sustainable returns.

Senior Independent Director

Given that the Chairman functions in an Executive capacity, the Company has appointed a Senior Independent Director (SID) as stipulated by the CSE Listing rules. The Senior Independent Director (SID) serves as an impartial point of contact for shareholders and Board members, providing a vital channel for open communication independent of the Executive Chairman and Management. This role supports effective governance by facilitating constructive dialogue, addressing any concerns that may arise, and helping to resolve potential conflicts within the Board. The Senior Independent Director also leads the evaluation of the Chairman's performance and acts as a trusted advisor to ensure that the Board functions with transparency, accountability, and balanced oversight.

Corporate Governance Statement (Continued)

Board Sub-Committees

To support the effective discharge of its responsibilities, the Board of Directors has established four Board Sub-Committees, each with clearly defined mandates aligned to regulatory requirements and best governance practices. These Board Sub-Committees provide focused oversight and expert guidance on key areas such as Audit, Risk, Remuneration, Related Party Transactions Review, Nominations and Governance. Operating under approved Terms of References, the Sub-Committees enhance Board effectiveness by facilitating in-depth analysis and recommendations on specialised matters.

Audit Committee

The Audit Committee assists the Board by overseeing the entity's compliance with financial reporting requirements, the Company's internal controls and risk management, and performance of the external auditors and internal auditors and regulatory compliance and ethics. The Group Internal Audit Division and the Plantations Internal Audit Division submit its reports regularly to the Audit Committee. The guidelines for the Internal Audit ensure that the assets of the Company are protected against any unauthorized use or misappropriation, proper records are maintained and reliable information is received. The Audit Committee Report on page 45 to 47 describes the activities carried out during the financial year.

Related Party Transactions Review Committee

All Related Party Transactions except for transactions set out in Rule 9.14.10 of the CSE Listing Rules are reviewed by the Related Party Transactions Review Committee. The Related Party Transactions Review Committee Report appears on page 52 to 53.

Nominations and Governance Committee

Board Appointments and Re-appointments, Board Structure and Composition, Board and CEO Evaluation, Corporate Governance Framework, Director Independence and Conflicts of Interest are the areas of oversight of the Nominations and Governance Committee. The Nominations and Governance Committee Report appears on page 48 to 50.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on the Company's framework of remunerating the key management personnel of the Company. The Remuneration Committee Report appears on page 51.

Management Committee

Plantations Executive Committee

Plantations Executive Committee, which consists of the Group Chief Executive Officer, Director Operations, Plantations Chief Executive Officers, and Group Chief Financial Officer (Plantations), is delegated with the responsibility of monitoring the progress and implementing the policies of the Company.

Corporate Governance Statement (Continued)

Compliances

Disclosure in terms of rule 9.10.4(e) of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange: Companies in which the directors of Balangoda Plantations PLC serve as Directors;

Mr. D H S Jayawardena

Chairman

- Melstacorp PLC
- Distilleries Company of Sri Lanka PLC
- Madulsima Plantations PLC
- Stassen Exports (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- C B D Exports (Pvt) Ltd.

Director

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

Mr. C R Jansz

Chairman

- Lanka Milk Foods (CWE) PLC
- Ambewela Livestock Company Limited
- Ambewela Products (Pvt) Ltd
- Lanka Dairies (Pvt) Ltd.
- Pattipola Livestock Company Limited
- United Dairies Lanka (Pvt) Ltd.
- Melsta Hospitals Ragama (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.

Deputy Chairman

- Melstacorp PLC

Executive Director

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

Director

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

Corporate Governance Statement (Continued)

Mr. M R Mihular

Chairman

- Watawala Plantation PLC
- Bairaha Farms PLC

Independent Non-Executive Director (Listed Companies)

- Sunshine Holdings PLC,
- Melstacorp PLC
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Madulsima Plantations PLC

Independent Non-Executive Director

- Agility Innovation (Pvt) Ltd,
- Marino Leisure Holdings Ltd
- LTL Holdings Ltd.
- Sunshine Teas (Pvt) Ltd
- Lonach Dairy Ltd

Mr. P A Jayatunga

Non-Executive Director

- DFCC Bank PLC

Executive Director

- Madulsima Plantations PLC

Director

- Bogo Power (Pvt) Ltd
- Mels Autombile (Pvt) Ltd

Dr. R A Fernando

Independent Non-Executive Director

- Dilmah Ceylon Tea Company
- Aitken Spence Hotel Holdings PLC
- Aitken Spence PLC
- Elpitiya Plantations PLC
- Distilleries Company of Sri Lanka PLC
- Melstacorp PLC
- Ceylon Graphene Technologies Ltd
- Madulsima Plantations PLC
- Ceylon Asset Management Ltd
- Browns Beach Hotel PLC

Honorary Independent Director

- UN Global Compact Sri Lanka Network
- Global Strategic Corporate Sustainability (Pvt) Ltd

Mr. K Dayaparan

Executive Director

- Lanka Milk Food PLC

Non-Executive Director

- Madulsima Plantations PLC

Director

- Bogo Power (Pvt) Ltd
- Stassen Exports (Pvt) Ltd
- Stassen Natural Foods (Pvt) Ltd
- CBD Exports (Pvt) Ltd

Corporate Governance Statement (Continued)

Levels of Compliance with the Rules are as follows:

Compliance with the Companies Act No. 7 Of 2007

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

Corporate Governance Statement (Continued)

Compliance with the Continuing Listing requirements - Section 7.6 on the Content of Annual Report issued by the Colombo Stock Exchange

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 ii)	Principal activities of the entity during the year under review	Refer Annual Report of the Board of Directors	Compliant
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Investor Information of this Annual Report	Compliant
7.6 iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer Investor Information of this Annual Report	Compliant
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Investor Information of this Annual Report	Compliant
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Enterprise Risk Management of this Annual Report	Compliant
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 ix)	Number of shares representing the stated capital	Refer Investor Information of this Annual Report	Compliant
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Investor Information of this Annual Report	Compliant
7.6 xi)	Ratios and market price information	Refer Investor Information of this Annual Report	Compliant
7.6 xii)	Significant changes in the entity's fixed assets and the market value of land	Refer Note 15 and 16 to the Financial Statements of this Annual Report	Compliant
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	As at date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 xvi)	Related Party Transactions	Refer Note 37 to the Financial Statements	Compliant

Corporate Governance Statement (Continued)

Section 9 – Corporate Governance
Compliance with Section 9 of the Listing Rules issued by the Colombo Stock Exchange

CSE Rule	Requirement	Effective Date	How We Comply
9.1 Corporate Governance Rules			
9.1.1	Statement confirming the extent of compliance with the Corporate Governance Rules	01st October 2024	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below. Also refer 'Annual Report of the Board of Directors' of this Annual Report
9.2 Policies			
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	01st October 2024	Compliant
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	01st October 2024	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	01st October 2024	Compliant
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	01st October 2024	Compliant

Corporate Governance Statement (Continued)

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

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.5 Policy on matters relating to the Board of Directors			
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	01st October 2024	Compliant with the establishment of the Policy on matters relating to Board of Directors
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	01st October 2024	Compliant with the establishment of the Policy on matters relating to Board of Directors
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	01st October 2024	Compliant Chairman is an Executive Director and SID has been appointed.
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	01st October 2024	Compliant Market announcement has been made following the appointment of an Executive Director as the Chairperson.
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	01st October 2024	Compliant. Refer Statement by The Senior Independent Director of this Annual Report
9.6.4	Rationale for appointing Senior Independent Director	01st October 2024	Compliant. Refer Corporate Governance Statement of this Annual Report
9.7 Fitness of Directors and CEOs			
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	01st October 2024	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times be fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.7 Fitness of Directors and CEOs (contd..)			
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	01st April 2024	Refer 'How We Comply' under Rule 9.7.1 above
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	01st October 2024	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st December 2025.
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	01st October 2024	Compliant Refer the 'Annual Report of the Board of Directors' of this Annual Report N/A
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	01st October 2024	As of the date of the publication of this Annual Report, the Company consists of 6 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	01st October 2024	Compliant
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Criteria 9.8.3 (i) to (viii) - 01st October 2023 Criteria 9.8.3 (ix) - 01st January 2025	Compliant in terms of Rule 9.1.4(3)

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.8 Board Composition (contd..)			
9.8.5	a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified in Rule 9.8.3 of the Listing Rules and in the format in Appendix 9A of the said Rules (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	01st October 2024	The Independent Directors submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE.
9.9 Alternate Directors			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	01st January 2024	Compliant
9.10 Disclosures Relating to Directors			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	01st October 2024	Compliant with the establishment of the Policy on matters relating to Board of Directors
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: a brief resume of such Director; his/her capacity of directorship; and, Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.10 Disclosures Relating to Directors (contd..)			
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	01st October2024	Would comply when the need arises
9.10.4	Directors details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members has any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	01st October 2024	a), b) and d) - Refer 'Board profiles' of this Annual Report c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect is included in the 'Annual Report of the Board of Directors' of this Annual Report e) - Refer 'Corporate Governance Report' of this Annual Report f) and g) - Refer 'Composition' and 'Details of Directors' Attendance at Board Meetings held during the financial year 2025 in the Corporate Governance Report of this Annual Report h) - Refer Committee Reports of this Annual Report i) - Refer Report of the SID of this Annual Report
9.11 Nominations and Governance Committee			
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	01st October 2024	Compliant
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	01st October 2024	Compliant
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.11 Nominations and Governance Committee (contd..)			
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	01st October 2024	Compliant
9.11.5	The functions of the Nominations and Governance Committee	01st October 2024	Refer 'Nomination and Governance Committee Report' of this Annual Report
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson Nominations and Governance Committee Report shall include the following: (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to appointment and reappointment of Directors (g) Details of directors re-appointed Board Committees served Date of first appointment Date of last re-appointment Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years Any relationships – close family member, more 10% shareholding (h) Performance of periodic evaluation of board	01st October 2024	Refer 'Nomination and Governance Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.11 Nominations and Governance Committee (contd..)			
	(i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non- compliant reasons and remedial actions		
9.12 Remuneration Committee			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	01st October 2024	Compliant
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	01st October 2024	Refer 'Remuneration Committee Report' of this Annual Report
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.12 Remuneration Committee (contd..)			
9.12.7	The functions of the Remuneration Committee	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) A statement regarding the Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report Refer Note 11 to the Financial Statements of this Annual Report
9.13 Audit Committee			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	01st October 2024	The Audit Committee of the Company also performs the risk functions
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	01st October 2024	Compliant
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation.	01st October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.13 Audit Committee (contd..)	(7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body		
9.13.4	The functions of the Audit Committee	01st October 2024	Refer 'Audit Committee Report' of this Annual Report
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	01st October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.3	The functions of the Related Party Transactions Review Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.14 Related Party Transactions Review Committee (contd..)			
	3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter		
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	01st October 2024	There were no Related Party Transactions during the year which required shareholder approval The Company would comply with this Rule should a need arise
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	01st October 2024	There were no Related Party Transactions during the year which required an immediate Market Announcement The Company would comply with this Rule should a need arise
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	01st October 2024	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	01st October 2024	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.14.8 (3)	Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that committee has reviewed RPTs and communicated comments/ observations to the Board Policies and procedures adopted by the Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	01st October 2024	Compliant Refer 'Annual Report of the Board of Directors' of this Annual Report
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	01st October 2024	N/A The Company has not acquired or disposed of any significant assets from/to Related Parties during the year under review The Company would comply with this Rule should a need arise.
9.16 Additional Disclosures	Additional disclosures by Board of Directors Declaration on the following: All material interests in contracts and have refrained from voting on matters in which they were materially interested Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	01st October 2024	Compliant Refer 'Annual Report of the Board of Director' of this Annual Report

Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Balangoda Plantations PLC has the pleasure of presenting the Annual Report together with the Audited Financial Statement of the Company for the year ended 31st December 2025. The details set out herein provide the pertinent information requested under Section 168 of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance 2017 as amended in 2023 and issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

Principle Activities

The Company's principal activities, which remained unchanged during the year were: the cultivation, and processing of tea, rubber, forestry products, and other crops. The Company has 6 Tea Estates, 11 Tea and Rubber Estates and 4 Rubber Estates in three regions, 8 estates in Balangoda, 7 estates in Badulla and 6 in Ratnapura consisting 3,931 hectares of Tea and 1,858 hectares of Rubber.

Parent Company

The Company's parent undertaking and controlling party is Melstacorp PLC, which is incorporated in Sri Lanka as a Public Listed Company.

Review of Performance

A review of operational and financial performance, strategy and future outlook of the Company are described in greater detail in the Chairman's Review in pages 8 to 11 and Management Discussion & Analysis in pages 12 to 20 of the Annual Report.

Development and Diversification Strategies

Development and Diversification Strategies are provided in the Chairman's Review on pages 8 to 11 and Management Discussion and Analysis Report on pages 12 to 20 in this Annual Report.

Financial Statements

The Financial Statements of the Company for the year ended 31st December 2025 approved by the Board of Directors on 27th May 2026 are given on pages 65 to 126.

Auditors' Report

The Auditors' Report on the Financial Statements is given in pages 59 to 64 of this Annual Report.

Accounting Policies and Changes During the Year

The Company prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/ LKASs). There were no changes to the accounting policies adopted by the Company during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company are given on pages 69 to 126.

Financial Results

Financial results and ratio analysis are given in Financial Highlights in page 4 and described in detail in the Chairman's Review in pages 8 to 11 and Management Discussion & Analysis in pages 12 to 20 of the Annual Report.

Revenue

Revenue generated by the Company during the year amounted to Rs. 4,280 million (2024 – Rs. 4,842 million). An analysis of gross revenue based on the revenue stream are disclosed in Note 5 to the Financial Statements.

Report of the Board of Directors on the Affairs of the Company (Continued)

Profits and Appropriations

The Company reported a profit after tax of Rs. 597 million (2024 – Rs. 741 million). The Board of Directors of the Company recommended a final dividend of 50 cents per share for the year ended 31st December 2025 (2024: Rs 1 per share). The Directors were satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the payment of the dividend.

Donations

The company did not make any donations during the year.

Capital Expenditure

The Company incurred a capital expenditure of Rs. 154 Mn (2024: Rs 114 Mn) of which Rs. 49 Mn (2024: Rs. 56 Mn) has been invested on field development and Rs. 105 Mn (2024: Rs. 58 Mn) has been invested on upgrading factories, machinery, motor vehicles, and other capital assets.

Buildings & Investment Properties

The valuations, floor area and the number of buildings of the Company are as follows:

Estate	Floor Area Sq.ft	Number of Buildings	Value (Rs.'000)
Balangoda	102,313	45	67,806
Cecilton	67,151	21	52,908
Meddakande	79,985	33	58,485
Non-Pareil	67,082	32	63,758
Pettiagalla	52,145	20	36,083
Rasagalla	100,200	42	75,325
Rye/Wikiliya	171,072	38	264,696
Walaboda	14,134	13	16,961
Galatura	90,812	24	59,740
Mahawale	89,433	37	69,171
Millawitiya	42,883	15	60,601
Mutwagalla	85,185	35	92,769
Palmgarden	110,372	36	115,239
Rambukkande	44,096	25	26,230
Cullen	24,480	22	15,595
Glen Alpin	129,968	55	154,689
Gowerakelle	64,739	21	110,318
Spring Valley	193,989	69	199,267
Telbedde	151,870	76	148,935
Ury	136,174	48	137,520
Wewesse	91,390	40	85,974
Head Office	34,425	2	50,889
Total	**1,943,898**	**749**	**1,962,959**

Report of the Board of Directors on the Affairs of the Company (Continued)

Capital Commitments & Contingents Liabilities

Capital commitments and contingent liabilities are disclosed in Notes 38 & 40 to the Financial Statements.

Directorate

The following Directors held office during the year under review. Brief profiles of the Board of Directors are given on pages 5 to 6 of this Annual Report.

Mr. D. H. S. Jayawardena	–	Executive Chairman
Mr. C. R. Jansz	–	Non-Independent Non-Executive Director
Mr. K Dayaparan	–	Non-Independent Non-Executive Director
Mr. M R Mihular	–	Senior Independent Director
Dr. R A Fernando	–	Independent Non-Executive Director
Mr. P A Jayatunga	–	Executive Director/Company Secretary

Directors' Interests in Shares

No shares of the Company were held by the Directors of the Company, their spouses, or dependents at the beginning and at the end of the financial year.

Remuneration and other Benefits of Directors

The Directors remuneration and other benefits are disclosed in Note 11 to the Financial Statements in page 89.

Re-appointment & Re-election of Directors

Mr.C R Jansz and Mr. M R Mihular, who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment. Mr. M R Mihular who reaches the age of 70 years on 18th June 2026 is to be considered as nevertheless independent in terms of sub clause (c) of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.

Mr. K Dayaparan who retires by rotation has offered himself for re-election in terms of Article 92 of the Articles of Association.

Related Party Transactions

Related Party Transactions are disclosed in Note 37 to the Financial Statements in page 116. The Directors hereby confirms that the Rules pertaining to Related Party Transactions in accordance with Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange have been complied with by the Company.

Interest Register

Directors' interests in the Company are disclosed in Note 37 to the Financial Statements and have been declared at meetings of the Directors. The Directors have no direct or indirect interest in any other contracts or proposed contracts of the Company. Furthermore, the Directors or Close Family Members of the Directors have no material business relationships with other Directors of the Company.

Shareholders and Investor Information

Distribution of Shareholdings as at 31st December 2025, Analysis Report of Shareholders, Market Statistics of Company's share and the list of 20 major shareholders are given on pages 127 and 128 of this Annual Report.

Report of the Board of Directors on the Affairs of the Company (Continued)

Employees and Industrial Relations

The number of persons employed by the Company as at 31st December 2025 was 3,595 (2024: 4,270). Details of the Company's human resource initiatives are provided in the Human Capital section of the Management Discussion and Analysis section of the Annual Report.

There have been no material issues pertaining to employees and industrial relations of the Company.

Event Occurring after the Date of the Statement of Financial Position

Please refer to Note 41 for events occurring after the date of the Statement of Financial Position, which would require disclosure in the Financial Statement.

Matters Pertainin to the Golden Share

The Golden Share shall only be held by the Secretary to the Treasury in his official capacity and not in his name, for and on behalf of the Democratic Socialist Republic of Sri Lanka, or by a company in which the State of the Democratic Socialist Republic of Sri Lanka owns 99% or more of the issued share capital.

The Company shall obtain the written consent of the Golden Shareholders prior to sub-leasing, ceding, or assigning its rights in parts or all of the lands set out in Section 3A (1) of the Memorandum of Association.

The Articles of the Company as originally framed may from time be altered by special resolution, provided that the concurrence of Golden Shareholder in writing shall be first obtained to amend the definition of the words Golden Share and Golden Shareholder and Articles 2A, 2B, 3(C), 3(C)(1), 3(C)(2), 25A, 127A, 127B, 127C and 128

The Golden Share may be converted into an ordinary share with the concurrence of the Golden Shareholder and the concurrence of a majority of the shareholders.

The Golden Shareholder shall be entitled to call upon the Board of Directors of the Company once every three months if desired to meet with the Golden Shareholder and or his nominees, and the Directors if so called upon shall meet with the Golden Shareholder and or his nominees to discuss matters of the Company of interest to the State of the Democratic Socialist Republic of Sri Lanka.

The Golden Shareholder and or his nominee shall be entitled to inspect the books of accounts of the company after giving two weeks written notice to the Company.

Statutory Payments

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

Report of the Board of Directors on the Affairs of the Company (Continued)

Auditors

The Financial Statements for the year have been audited by M/s KPMG, Chartered Accountants who offer themselves for reappointment. Fees paid to Auditors are disclosed on in Note 11 to the Financial Statements on page 89.

As far as the Directors are aware, the auditors do not have any relationship (Other than that of an Auditor) with the company other than those disclosed above. The auditors do not have any interest in the Company.

Annual General Meeting

The Annual General Meeting of the Company will be held as a virtual meeting at the 'Mini Auditorium', Melstacorp PLC, No 110, Norris Canal Road, Colombo 10, Sri Lanka on 24th June 2026 at 10.00 a.m. The Notice of Meeting appears on page 133 & 134 of the Annual Report.

For and on behalf of the Board of Directors,

Sgd.
C R Jansz
Director

Sgd.
K Dayaparan
Director

Sgd.
P A Jayatunga
Director/Company Secretary
27th May 2026

Board Audit Committee Report

Committee

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

The Board Audit Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the Audit Committee is Mr. M. Reyaz Mihular who is a Fellow Member of Institute of the Chartered Accountant of Sri Lanka and a Fellow Member of Chartered Institute of Management Accountants (CIMA) - UK. The other members of the Audit Committee comprise of Dr. R.A. Fernando, Independent Non-Executive Director, and Mr. K. Dayaparan, Non-Independent Non-Executive Director. Mr. P A Jayatunga functions as the Secretary to the Audit Committee. A brief profile of each member is given on pages 5 to 6.

Meetings

The Audit Committee functioned throughout the financial year and held four meetings in semi virtual mode. The attendance of the members at these meetings is as follows:

Name of the Director	**Attendance**
Mr. M R Mihular – Chairman – Senior Independent Director	4/4
Dr. R A Fernando – Independent Non-Executive Director	4/4
Mr. K Dayaparan – Non-Independent Non-Executive Director	4/4

The CEO, CFO, Group CEO of Melstacorp PLC and Group Financial Controller attended the meetings by invitation. Additionally, Senior Officers of the Group, as well as the Partner from Messrs. KPMG, Chartered Accountants, responsible for the Company's external audit, attended the meetings when necessary.

Terms of Reference

The Audit Committee Charter approved and adopted by the Board clearly sets out the terms of reference governing the Audit Committee ensuring the highest compliance with the Corporate Governance rules applicable to Listed Companies in accordance with the Rules of the CSE and the Code of Best Practice on Corporate Governance.

Role of the Audit Committee

- Ensuring the integrity and accuracy of the financial statements of the Company by reviewing significant accounting policies, complex transactions, and management judgments and that sound financial reporting systems are in place and are managed in order to give accurate, appropriate and timely information to the management, regulatory authorities and shareholders. The Committee ensures that quarterly and annual financial statements comply with Sri Lanka Accounting Standards, Companies Act No: 07 of 2007, the Continuing Listing Rules of the Colombo Stock Exchange and other applicable requirements.
- Overseeing the internal audit function, including approval of the audit charter, annual plans, and resources. The Committee assesses the effectiveness of internal controls and risk management processes, reviews significant findings, and ensures management implements timely corrective actions.

Board Audit Committee Report (Continued)

- Evaluating the independence, objectivity, and performance of external auditors, recommending appointments or removals, recommending remuneration, and monitoring coordination with internal audit. The Committee reviews policies on non-audit services to safeguard auditor independence.
- Reviewing the Company's risk management framework and internal controls to ensure significant risks and deficiencies are identified and addressed. The Committee monitors compliance with laws, regulations, and the Company's code of conduct, including procedures for whistleblowing, fraud detection, and reporting non-compliance.
- Keeping the Board regularly informed of Committee activities, maintaining open communication with auditors, and preparing the Audit Committee Report for inclusion in the Annual Report, summarising how responsibilities were discharged and assurances received from management and auditors.
- Undertaking additional duties as assigned by the Board, including special investigations, reviewing internal controls to prevent the leakage of material information, evaluating its own performance, and annually reviewing and updating its Terms of Reference to ensure alignment with governance best practices and regulatory requirements.

Activities During the Financial Year

Financial Reporting and Financial Control

Reviewed the Company's quarterly and Annual Financial Statements, focusing on the following aspects:

- Adequacy of disclosures
- Consistency and appropriateness of the accounting policies adopted
- Major judgmental areas to ensure compliance with the Companies Act No. 7 of 2007
- Adherence to applicable Sri Lanka Accounting Standards, as well as compliance with the Listing Rules of the Colombo Stock Exchange.
- Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.
- Discussion with management on future accounting developments likely to affect the Financial Statements
- Reviewed the integrity of the Company's published financial information, including all significant financial judgments and estimates made by management

Risks and Controls

The Committee obtained and reviewed the major business risks and mitigatory action taken or contemplated for each business sector of the Company. In particular, the Committee deliberated on the financial implications to the Company arising from the world market prices for Tea, labor issues, wage increases, etc., and appraised the Board as appropriate.

Internal Audit

The internal audit function of the Company was carried out by the Internal Audit Division. The Committee reviewed the effectiveness of the internal audit plan to ensure that it has been designed to provide reasonable assurance that the financial reporting system adopted by the Company can be relied upon in the preparation and presentation of the financial statements. The Committee also reviewed the findings of the Internal Auditors and their recommendations together with the management responses and regularly followed up the progress of implementation of such recommendations in order to enhance the overall control environment.

External Audit

The Committee reviewed and monitored the relationship with the External Auditors, including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner, and engagement for non-audit services.

Board Audit Committee Report (Continued)

The Committee also reviewed and discussed the Report of the Auditors and Management Letters issued by them to ensure that no limitations have been placed on their scope of work and conduct of the audit.

The Committee carried out an annual evaluation of the External Auditors to establish their independence and objectivity.

Compliance with Laws and Regulations and Reporting

- The Chairman of the Audit Committee reports to the Board at each meeting on the Committee's activities.
- The Annual Report includes the Board Audit Committee Report.
- The Chairman of the Audit Committee attends the Annual General Meeting.
- The Committee has obtained assurances from the CEO, CFO, and other Senior Management personnel that the financial records have been properly maintained and that the Financial Statements present a true and fair view of the Company's operations and financial position.

Re-appointment of External Auditors

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

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

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

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

Conclusion

The Audit Committee is satisfied that the Company's accounting policies, operational controls and risk management processes provide reasonable assurance that the affairs of the Company are managed in accordance with Company policies and that the Company's assets are properly accounted for and adequately safeguarded.

Furthermore, the Committee is of the opinion that the Company has complied with all applicable financial reporting requirements as stipulated under the Listing Rules of the Colombo Stock Exchange, the Companies Act No. 07 of 2007, the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, and other relevant statutory and regulatory provisions governing financial reporting.

Sgd.
M R Mihular
Chairman – Board Audit Committee
27th May 2026

Nominations and Governance Committee Report

Committee

The Nominations and Governance Committee of the Company was constituted by the Board of Directors w.e.f. 1st October 2024 in compliance with the new listing rules of the Colombo Stock Exchange consisting of three Non-Executive Directors and two of them are Independent. Independent Non-Executive Director Dr. R A Fernando is the Chairman. Mr. Riyaz Mihular and Mr. K Dayaparan serve as its members. The Secretary to the Board, Mr. P A Jayatunga functions as the Secretary to the Nominations and Governance Committee.

Meetings

The Nominations and Governance Committee met two [02] times during the year 2025. The Attendance of the members at these meetings is as follows:

Name of the Director	Date of Appointment	Attendance
Dr. R A Fernando– Chairman – Independent Non-Executive Director	1st October 2024	2/2
Mr. M R Mihular – Senior Independent Director	1st October 2024	2/2
Mr. K Dayaparan – Non-Independent Non-Executive Director	1st October 2024	2/2

The Group CEO of Melstacorp PLC also attends these meetings by invitation when needed.

Responsibilities of the Committee

The function of the Committee is governed by the Nominations and Governance Committee Charter approved and adopted by the Board of Directors which have been developed in line with Rule 9.11.5 of the Listing Rules. Accordingly, the Committee is delegated with the authority by the Board to review the Board's composition and diversity, formulate and implement the policy for nominating Board candidates for election by Shareholders, make recommendations to the Board on the appointment of Directors and members to the Board committees, and assess Independent Non-Executive Director's independence and commitment. The Committee is also responsible for succession planning for Directors, CEO and senior executives, leadership training and development, and oversight of matters relating to corporate governance.

The Committee will perform its duties with responsibleness, ethics and independence. The Nominations and Governance Committee shall ensure that the nomination and remuneration procedures are transparent and fair in accordance with the corporate governance rules. The Nominations and Governance Committee will help enhance efficiency of the Board of Directors in steering the operation of the Company forward in line with new strategies and help build confidence among the shareholders, investors and all stakeholders.

Key Functions of the Committee

The Committee ensures that all recommendations are objective, transparent, and aligned with the long-term interests of the Company and its stakeholders. It supports the Board in maintaining the highest standards of governance by overseeing nominations, succession planning, and corporate governance practices.

During the financial year the Committee carried out the following key functions:

Nominations and Governance Committee Report (Continued)

- Evaluated and recommended the appointment, re-appointment, and re-election of Directors to the Board and its Committees, considering performance, contribution, and external commitments.
- Maintained a formal and transparent procedure for the selection and appointment of Directors, based on professional qualifications, skills, experience, and strategic needs of the Company.
- Facilitated the periodic evaluation of the performance of the Board, its Committees, and the CEO to ensure responsibilities are effectively discharged.
- Reviewed and developed succession plans for the Board and Key Management Personnel to ensure continuity of leadership and effective governance.
- Assessed the structure, size, and composition of the Board and Committees, ensuring a balance of skills, knowledge, experience, and diversity in line with the Company's strategic direction.
- Reviewed and recommended updates to the corporate governance framework, policies, and practices, ensuring compliance with the Colombo Stock Exchange Listing Rules, SEC Act, and evolving best practices.
- Monitored management reports on compliance with governance requirements and ensured corrective actions were implemented where necessary.
- Facilitated induction programs for newly appointed Directors and provided annual updates for existing Directors on governance, regulatory, and legal developments,

Independence of Directors

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

Re-election of Directors

The Articles of Association of the Company require that Directors, other than the Chairman, Chief Executive, Managing or Joint Managing Director, retire by rotation and, being eligible, submit themselves for re-election at the Annual General Meeting. Accordingly, Mr. K Dayaparan who retires by rotation has offered himself for re-election.

Mr. C R Jansz and Mr. M R Mihular, who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment. Further, Mr. M.R. Mihular who reaches the age of 70 years on 18th June 2026 is to be considered as nevertheless independent in terms of sub clause (c) of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.

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

Nominations and Governance Committee Report (Continued)

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

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own reappointments. For further information on the aforementioned Directors please refer the Annual Report of the Board of Directors on pages 5 to 6 and the Corporate Governance report on pages 21 to 39.

Sgd.
Dr. R A Fernando
Chairman - Nominations and Governance Committee
27th May 2026

Remuneration Committee Report

Committee

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

The Remuneration Committee appointed by and is responsible to its Board of Directors. It consists of two Independent Non-Executive Directors, namely Dr. R.A. Fernando, Independent Non-Executive Director, Mr. M. Reyaz Mihular Senior Independent Non-Executive Director, and Mr. K. Dayaparan, Non-Independent Non-Executive Director. Brief profiles of these Directors are given on pages 5 to 6. Dr. R A Fernando functions as the Chairman of the Remuneration Committee and Mr. P A Jayatunga functions as the Secretary.

Terms of Reference

The Remuneration Committee is governed by the Remuneration Committee Charter, which has been approved and adopted by the Board of Directors. It is responsible for determining the Remuneration Policy of the Key Management Personnel of the Company. The Remuneration Policy of the Company is based on the evaluation of individual performance. An annual assessment is carried out and increments and incentives are awarded based on the rating/ranking of each individual.

Meetings

The Remuneration Committee met Two [02] times during the year 2025. The Attendance of the members at these meetings is as follows:

Name of the Director	Attendance
Dr. R A Fernando– Chairman – Independent Non-Executive Director	2/2
Mr. M R Mihular – Senior Independent Director	2/2
Mr. K Dayaparan – Non-Independent Non-Executive Director	2/2

The Group CEO of Melstacorp PLC and the Director Operations – Plantations & General Manager HR and Administration also attend these meetings by invitation when needed.

Aggregate Remuneration of the Executive and Non-Executive Directors

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year has been disclosed under Note 11 on page 89 of the Annual Report.

Sgd.
Dr. R A Fernando
Chairman - Remuneration Committee
27th May 2026

Related Party Transactions Review Committee Report

Committee

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

The Related Party Transactions Review Committee appointed by the Board of Directors comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director.

Meetings

The Related Party Transactions Review Committee functioned throughout the financial year and held four meetings in semi virtual mode. The attendance of the members at these meetings is as follows:

Name of the Director	Attendance
Mr. M R Mihular – Chairman – Senior Independent Director	4/4
Dr. R A Fernando – Independent Non-Executive Director	4/4
Mr. K Dayaparan – Non-Independent Non-Executive Director	4/4

The CEO, CFO, Group CEO of Melstacorp PLC and Group Financial Controller also attend these meetings by invitation when needed.

Responsibilities of the Committee

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

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

Key Functions Performed During the Year

Policies and Procedures adopted

- Quarterly disclosures of any proposed Related Party Transactions, as well as confirmations of post-quarter transactions, were obtained from the Management. All such disclosures were tabled at each Related Party Transactions Review Committee meeting.
- Non-recurrent Related Party Transactions with an aggregate value exceeding the lower of 10% of the Company's equity or 5% of its total assets, based on the previous year's audited Financial Statements, were communicated to the Committee by the Management.

Related Party Transactions Review Committee Report (Continued)

- Recurrent Related Party Transactions exceeding 10% of the Company's gross revenue, as per the previous year's audited Financial Statements, were similarly communicated to the Committee by the Management.

Review of Related Party Transactions

- The Committee has reviewed all related party transactions of the Company in respect of the financial year and communicated the activities of the Committee to the Board of Directors on a quarterly basis.
- Reviewed the thresholds for Related Party Transactions which require either shareholders' approval or immediate market disclosure and confirmed that there were no non- recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange requiring immediate announcement.
- Details of the related party transactions entered into by the Company during the year including recurrent and non-recurrent related party transactions are disclosed in Notes 24, 30, 36 and 37 of the financial statements.

Disclosures

The Committee hereby confirm that the requirements stipulated in Section 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions have been complied with.

Sgd.
M R Mihular
Chairman -Related Party Transactions Review Committee
27th May 2026

Risk Management

The Company operates in an evolving environment which exposes it to different types of risks especially being in the Agricultural Sector which is very sensitive to weather patterns. An effective risk management system is an important area of business management that would enable the company to proactively identify and address key risks to achieve an optimum balance between minimizing the risks and maximizing shareholder value. The Risk Management Process is designed to ensure the identification of any circumstances that would adversely affect the goals of the Company. Our Risk Management Process ensures that we accept or manage unavoidable risks and that uncertainties are minimized.

The Board of Directors holds responsibility for the risk management function of the Company, assisted by the audit committee which has oversight responsibility for matters relating to risks and internal control.



The Company has identified the importance of having a proactive approach in managing risk while maintaining a comprehensive system of internal controls to track and monitor the subsequent effects of each risk on Company's performance. The Company has adopted 'Three Lines of Defense Model' in managing its risks.

1st Line of Defense

- **Business Units -** Identify, assess and manage the risks on day-to-day basis ensuring consistantancy with company's goals and implement internal controls.

2nd Line of Defense

- **Audit Committee and Board -** Risk monitoring and providing guidance on risk mitigation and establishing risk management framework

3rd Line of Defense

- **Internal and External Audit -** Providing independent assurance of the effectiveness of the first two lines of defense and reporting to the Board and Audit Committee

Risk Management (Continued)

Following are the key risks that the company is exposed to while carrying out its business activities and mitigation measures implemented.

Risk	Risk Assessment	Mitigating Strategies	Threat Probability
Environmental Risk	The variability of weather conditions influences crop outcomes. Adverse weather, shifts in ambient temperature, and natural calamities can all disrupt crop growth and development. These factors impact the quantity, quality, market positioning, and financial performance of agricultural products.	• Monitoring weather patterns and their impact on crop harvests. • Adoption of sustainable agricultural practices. • Constant examination and review of soil nutrient contents • Undertaking effective soil conservation measures. • Reservation of forests and watersheds	High
Human Resource	Low productivity, reduction in resident manpower, disruptions in achieving the targeted objectives.	• Providing welfare facilities and introducing participative housing projects to retain workers on plantations and improve their productivity. • Train and encourage Plantation Executives to acquire communication skills in resolving labour disputes. • Improve employee motivation, commitment, welfare, recognition and appreciation.	Moderate
Product Quality Risk	Inconsistency in quality of end products and its negative impact on prices and market share.	• Ensure safety and ethical standards in providing a quality consumable product. • Upgrade manufacturing process and factories to cater to the fluctuating market demand. • Monitor quality assurance measures	Moderate
Inflationary pressures	Cost of Production escalations from various factors, including government-imposed import restrictions, currency devaluation, wages and other macroeconomic measures enacted to navigate economic crises.	• Ongoing measures to improve cost efficiencies • Reducing reliance on high priced imported agrochemicals and nutrients • Crop diversification and value addition to improve margins	Moderate
Political Risk	The impact of political intervention, major industrial relations issues, regulatory changes, ad-hoc acquisitions of land etc. are constraints faced by the plantations industry.	• Maintaining a close engagement with the employees and other stakeholders. • Implementing human development policies	High

Risk Management (Continued)

Risk	Risk Assessment	Mitigating Strategies	Threat Probability
Geo-political Risk	Changes in global political and economic conditions, trade policies, sanctions, conflicts, shipping disruptions, currency volatility, and inflationary pressures may adversely impact export demand, commodity prices, logistics, input costs, i.e. fertilizer, fuel, agrochemicals and supply chain continuity.	• Monitor global and regional developments. • Maintain close engagement with customers, brokers, suppliers and other industry stakeholders to proactively assess potential impacts. • Prudent cost management • Maintain adequate inventory levels of critical inputs • Regular review of business continuity and contingency plans to enhance operational resilience.	High
Interest Rate Risk	Fiscal and monitory policy changes have a direct impact on liquidity and production costs.	• Close monitoring of interest rate developments and negotiating with funding partners • Maintenance of biological assets in optimum condition to enhance productivity, turnover and generate cash-flows.	Moderate
Technology & IT Risk	Lack of accurate and timely information due to ineffective IT systems. Increase in digitization of operations pose a threat of loss of data and hacking.	• Strengthen software development with internal controls and IT security. • Overlooking by the group IT Division of the parent company, Melstacorp PLC • Implement a sound backup system • Use Licensed Software	Moderate
Inventory cycle	Liquidity is impacted as the industry is cyclical with long gestation periods.	• Produce stocks are monitored closely for speedy disposal. • Input stock levels are controlled to avoid obsolescence and theft. • High value input stocks such as fertilizer, firewood and packing materials are purchased on a need basis.	Moderate
Company Reputation Risk	The reputation of the Company could be damaged by noncompliance, unethical behavior, and inconsistent product quality.	• Compliance with statutory requirements • Compliance with the code of corporate governance by all employees • Protection of the environment and adoption of sustainability initiatives • Employee health and safety and food safety procedures.	Moderate

Statement of the Senior Independent Director

In compliance with Rule 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 6th February 2025, following the appointment of Mr. D. H. S. Jayawardena as the Executive Chairman of the Company.

The objective of the appointment of a Senior Independent Director is to ensure the greater independence element in proceedings of the Board and in all deliberations by the Board either at Board meetings or in resolutions circulated amongst the Board. The SID provides guidance to the Chairman on matters of governance of the Company and the role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board. The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

The meeting of Non-Executive Directors without the presence of Executive Directors, as required under Rule 9.6.3 (b) of the Listing Rules of the Colombo Stock Exchange, convened during the year.

I have observed that the Non-Executive Directors, who form the majority of the Board of Directors, have continued to exert a constructive and positive influence on all deliberations and decision-making.

Sgd.
M R Mihular
Senior Independent Director
27th May 2026

Statement of Directors' Responsibilities

The Directors are responsible under the Companies Act No. 07 of 2007, to ensure compliance of the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company as at the Reporting date and the profit of the Company for the financial year. The Directors are also responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts the responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that proper accounting records have been maintained and appropriate accounting policies have been selected and applied consistently in the preparation of such Financial Statements which have been prepared and presented in accordance with Sri Lanka Accounting Standards and provide information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

Further, the Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are available within the Company to continue its operations and to facilitate planned future expansions and capital commitments. The Directors have taken adequate measures to safeguard the assets of the Company and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. The External Auditors were provided with all information and explanations necessary to enable them to form their opinion on the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge and belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company as at the reporting date have been paid or where relevant, provided for.

By Order of the Board,

Sgd.
P A Jayatunga
Director/Company Secretary
27th May 2026

Independent Auditor's Report

KPMG
(Chartered Accountants)
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P. 0. Box 186,
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TO THE SHAREHOLDERS OF BALANGODA PLANTATIONS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Balangoda Plantations PLC ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information set out on pages 65 to 126 of the annual report.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year that ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

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T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA
W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA
Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F R Ziyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

KPMG

Independent Auditor's Report (Continued)

1. Measurement of Biological Assets

Refer to the material accounting policies in Note 3.1.5 and explanatory Notes 19 and 20 of the financial statements.

Risk Description

The Company has reported consumable biological assets carried at fair value, amounting to Rs. 3,886 Mn and bearer biological assets amounting to Rs. 1,527 Mn as at 31 December 2025.

The valuation of consumable biological assets requires significant levels of judgments, technical expertise in selecting appropriate valuation models and assumptions. Management engaged an independent external valuation expert to assist in determining the fair value of the consumable biological assets. Changes in the key assumptions used such as discount rate, value per cubic meter and available timber content used for the valuation of consumable biological assets could have a material impact on the fair value gain or loss for the year and the carrying value of consumable biological assets as of the reporting date.

Bearer biological assets mainly include mature and immature tea and rubber trees in identified plantation fields. Inappropriate transfer from immature to mature plantations has a significant impact on the carrying value of the bearer plants and the reported profits as capitalization of costs will cease from the point of transfer and the mature plantations are depreciated over the useful lives of the plants. As per the industry practice, the transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting. The actual point at which commercial harvesting could start depends on the soil conditions, weather patterns and plant breed. Further, bearer biological assets are subject to impairment assessment which involves management judgements in assessing the impairment indicators and in impairment assessment.

We identified the measurement of biological assets as a key audit matter because the valuation of consumable biological assets involved significant assumptions and judgments exercised by the management and the independent valuation expert which could be subjected to significant levels of estimation uncertainty and management bias. Further, the impairment assessment for bearer biological assets requires management to exercise their judgment in determining the impairment indicators and in impairment assessment which is based on significant estimates.

Our audit procedures for consumable biological assets included;

- Understanding the process of valuation and testing the design and operating effectiveness of the key controls relating to the valuation of consumable biological assets.
- Assessing the objectivity and independence of the external valuation expert and the competence and qualification of the external expert.
- Challenging the key assumptions and methodology used in the valuation, in particular the discount rate, average market price, and expected timber content at harvest and evaluating the appropriateness of those assumptions.
- Obtaining estate-wise census books of timber trees and comparing the number of timber trees with the valuation report to ensure the completeness and accuracy of the data and checking the mathematical accuracy of the consumable biological assets valuation.
- On a sample basis, physically verifying trees during estate visits to assess the girth and height of the respective trees.
- Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

KPMG

Independent Auditor's Report (Continued)

Our audit procedures for bearer biological assets included;

- Testing the design, implementation and operating effectiveness of key internal controls with respect to the capitalization of bearer biological assets.
- Obtaining schedules of costs incurred and capitalized under immature plantations as well as costs transferred to mature plantations by each estate and reconciling those balances to the general ledger on a sample basis, verifying the reconciling items and obtaining explanations from management for any significant variances identified.
- Testing immature to mature cost transfer worksheets for selected estates to check whether the amount transferred during the year was consistent with the Company's accounting policy and industry norms.
- Testing the impairment assessment performed by the management, by challenging the impairment indicators identified and the judgements involved in impairment assessment.
- Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

2. Valuation of Retirement benefit obligation

Refer to the significant accounting policy in Note 3.2.2 and explanatory Note 31 of the financial statements.

Risk Description

The Company has recognized a retirement benefit obligation of Rs. 1,258 Mn as at 31 December 2025. The retirement benefit obligation of the Company is significant in the context of the total liabilities of the Company. The valuation of the retirement benefit obligation requires significant judgment and estimation to be applied across numerous assumptions, including salary increases and the discount rate. Minor changes in those assumptions could have a significant effect on the financial performance and financial position of the Company. Management engaged an independent actuary to assist them in the estimation of the retirement benefit obligation.

We considered the estimation of the retirement benefit obligation to be a key audit matter due to the magnitude of the amounts recognized in the financial statements as well as the estimation uncertainty involved in determining the amounts.

Our audit procedures included;

- Assessing the competency, objectivity and capabilities of the independent actuary engaged by the Company.
- Testing the samples of the employees' details used in the computation to the human resource records and performing re-computation of the post-employment benefit liabilities with the assistance of our internal valuation specialist.
- Challenging the key assumptions used in the valuation, in particular the discount rate, future salary increases and mortality rates.
- Assessing the adequacy of the disclosures made on the financial statements in accordance with the relevant accounting standards.

KPMG

Independent Auditor's Report (Continued)

3. Valuation of Investment Property

Refer to the significant accounting policy in Note 3.1.4 and explanatory Note 18 of the financial statements.

Risk Description

The Company has recognised Investment property of Rs. 576 Mn and a fair value gain amounting to Rs. 47 Mn as at and for the year ended 31 December 2025.

Management's assessment of the fair value of the Investment Properties is based on valuations performed by qualified independent property valuer in accordance with recognised industry standards.

We identified the valuation of investment properties as a key audit matter due to the use of significant estimates and judgement such as appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied. These key assumptions include the specialised nature of the assets, what would be the cost of a modern equivalent asset, the condition of the existing assets and the age and assessment of remaining useful lives and depreciation method.

Our audit procedures included;

- Assessing the objectivity, independence, competency and qualifications of the external valuer engaged by the Company.
- With the assistance of our own internal valuation specialists assessing the key assumptions applied and conclusions made in deriving the fair value of the Investment Properties. In addition, we have assessed the valuation methodologies with reference to recognized industry standards.
- Assessing the adequacy of disclosures made in relation to the valuation of Investment Properties in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used in the estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

KPMG

Independent Auditor's Report (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.

KPMG

Independent Auditor's Report (Continued)

- 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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

Sgd.
Chartered Accountants
Colombo, Sri Lanka
27 May 2026

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December	Notes	2025 Rs.'000	2024 Rs.'000
Revenue	5	4,279,555	4,841,855
Cost of Sales		(3,868,049)	(3,973,901)
Gross Profit		411,506	867,954
Other Income	7	283,557	172,341
Gain on Changes in Fair Value of Biological Assets	8	518,890	373,211
Administration Expenses		(239,810)	(192,705)
Other Expenses	9	(29,196)	(107,487)
Profit from Operations		944,947	1,113,314
Finance Income		2,123	1,945
Finance Costs		(88,575)	(158,058)
Net Finance Costs	10	(86,452)	(156,113)
Profit before Taxation	11	858,495	957,201
Income Tax Expense	12	(261,810)	(215,985)
Profit for the Year		596,685	741,216
Other Comprehensive Income/(Expenses)			
Items that will not be Reclassified to Profit or Loss			
Surplus on Revaluation of Buildings	16	386,678	-
Actuarial Loss on Retirement Benefit Obligations	31	(56,096)	(232,127)
Deferred Tax Charge on Revaluation Surplus	12.2	(116,003)	-
Deferred Tax on Actuarial Loss on Retirement Benefit Obligation	12.2	16,829	69,638
Net Change in Fair Value of Financial Assets Measured at FVOCI	21	205	333
Total Other Comprehensive Income / (Expense)		231,613	(162,156)
Total Comprehensive Income		828,298	579,060
Basic Earnings per Share (Rs.)	13	12.62	15.68

Figures in brackets indicate deductions

The Accounting Policies and Notes on Page 69 to 126 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31 December	Notes	2025 Rs.'000	2024 Rs.'000
ASSETS			
Non Current Assets			
Right of Use Assets	14	452,674	455,942
Immovable Leased Assets	15	333	350
Property, Plant and Equipment	16	1,731,068	1,364,751
Intangible Assets	17	2,736	683
Investment Properties	18	576,038	508,763
Bearer Biological Assets	19	1,526,613	1,596,474
Consumable Biological Assets	20	3,885,890	3,366,850
Financial Assets Measured at FVOCI	21	947	742
Total Non Current Assets		8,176,299	7,294,555
Current Assets			
Produce on Bearer Biological Assets	20.2	6,062	8,166
Inventories	22	479,385	563,351
Trade and Other Receivables	23	267,187	144,458
Amounts due from Related Companies	24	8,028	5,324
Cash and Cash Equivalents	25	17,139	43,273
Total Current Assets		777,801	764,572
Total Assets		8,954,100	8,059,127
EQUITY AND LIABILITIES			
Equity			
Stated Capital	26	2,359,091	2,359,091
Revaluation Reserve	27	1,030,683	760,008
Timber Reserves	28	3,660,649	3,139,656
FVOCI Reserve	29	798	593
Accumulated Losses		(2,553,173)	(2,542,327)
Total Equity		4,498,048	3,717,021
Non Current Liabilities			
Retirement Benefit Obligations	31	1,258,336	1,216,247
Deferred Tax Liability	32	1,829,458	1,591,130
Deferred Income	33	94,318	103,091
Lease Liability	34	529,856	516,952
Total Non Current Liabilities		3,711,968	3,427,420
Current Liabilities			
Interest Bearing Loans and Borrowings	30	-	132,609
Lease Liability	34	6,739	5,720
Trade and Other Payables	35	482,045	470,812
Income Tax Payable	12.3	122,656	-
Amounts due to Related Companies	36	28,714	3,487
Bank Overdraft	25	103,930	302,058
Total Current Liabilities		744,084	914,686
Total Liabilities		4,456,052	4,342,106
Total Equity and Liabilities		8,954,100	8,059,127
Net Assets per Share (Rs.)		95.15	78.63

Figures in brackets indicate deductions
The Accounting Policies and Notes on pages 69 to 126 form an integral part of the Financial Statements.

These financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Sgd.
D S Heenatigalage
General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of Board of Directors of Balangoda Plantations PLC.

Sgd.
C R Jansz
Director
27th May 2026
Colombo

Sgd.
K Dayaparan
Director

Statement of Changes in Equity

For the Year Ended 31 December

	Stated Capital	Pending Allotment	Revaluation Reserve	Timber Reserve	FVOCI Reserves	Accumulated Losses	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2024	2,359,091	-	760,008	2,769,314	260	(2,750,712)	3,137,961
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	741,216	741,216
Other Comprehensive Income for the Year- Net of Tax	-	-	-	-	333	(162,489)	(162,156)
	-	-	-	-	333	578,727	579,060
Transferred to Timber Reserve **(Note 20.1)**	-	-	-	370,342	-	(370,342)	-
Balance as at 31 December 2024	2,359,091	-	760,008	3,139,656	593	(2,542,327)	3,717,021
Balance as at 1 January 2025	**2,359,091**	**-**	**760,008**	**3,139,656**	**593**	**(2,542,327)**	**3,717,021**
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	596,685	596,685
Other Comprehensive Income for the Year- Net of Tax	-	-	270,675	-	205	(39,267)	231,613
	-	-	270,675	-	205	557,418	828,298
Transferred to Timber Reserve **(Note 20.1)**	-	-	-	520,993	-	(520,993)	-
Transaction with Owners directly recorded in the Equity							
Dividend paid	-	-	-	-	-	(47,271)	(47,271)
	-	-	-	-	-	(47,271)	(47,271)
Balance as at 31 December 2025	**2,359,091**	**-**	**1,030,683**	**3,660,649**	**798**	**(2,553,173)**	**4,498,048**

Figures in brackets indicate deductions

The Accounting Policies and Notes on Page 69 to 126 form an integral part of the Financial Statements.

Statement of Cash Flows

For the Year Ended 31 December	Notes	2025 Rs.'000	2024 Rs.'000
Cash Flows From Operating Activities			
Profit Before Taxation		858,495	957,201
Adjustments for			
Depreciation and Amortization	14-19	224,605	225,168
Impairment of Immature Plantation- Rubber	19	19,627	104,746
Provision for impairment off of Other Receivables	9	9,569	1,940
Provision for Obsolete Inventory	22.1	-	801
Gain on Disposal of Property, Plant and Equipment	7	(24,814)	(3,300)
Interest Income	10	(2,123)	(1,945)
Provision for Retirement Benefit Obligations	31	190,388	173,588
Amortization of Government Grants	33	(8,773)	(8,773)
Adjustments on unclaimed retiring gratuity	31	11,058	-
Interest Expenses	10	88,575	158,058
Impairment of Capital Work in Progress	16	-	8,780
Change in Fair Value of Investment Properties	18	(47,361)	(56,008)
Gain on Changes in Fair Value of Biological Assets	20	(518,890)	(373,211)
Operating Profit before Working Capital Changes		**800,356**	**1,187,045**
Working Capital Changes			
Decrease/(Increase) in inventories		83,966	(14,433)
Increase in Trade and Other Receivables		(132,298)	(18,032)
(Increase)/Decrease in Amounts Due From Related Companies		(2,704)	24,779
Increase in Trade and Other Payables		11,233	203,910
Increase in Amounts Due to Related Companies		25,227	2,536
Cash Generated from Operations		**785,780**	**1,385,805**
Gratuity Paid	31	(215,453)	(187,309)
Interest Paid		(88,575)	(88,114)
Net Cash Generated from Operating Activities		**481,752**	**1,110,382**
Cash Flows From Investing Activities			
Interest Received	10	2,123	1,945
Purchase of Property, Plant and Equipment	16	(103,667)	(57,942)
Acquisition of Intangible Assets	17	(1,938)	-
Investment in Immature Bearer Biological Assets	19	(47,286)	(54,704)
Investment in Consumable Biological Assets	20	(1,409)	(1,055)
Proceeds from Disposal of Property, Plant and Equipment		24,814	3,300
Harvest of Consumable Bialogical Assets	20.1	3,362	-
Net Cash Used in Investing Activities		**(124,001)**	**(108,456)**
Cash Flows from Financing Activities			
Repayment of Long Term Borrowings	30	(132,609)	(927,368)
Repayment of Lease Liabilities	34	(5,877)	(4,671)
Dividend Paid	13.2	(47,271)	-
Net Cash Used in Financing Activities		**(185,757)**	**(932,039)**
Net Increase in Cash and Cash Equivalents		**171,994**	**69,887**
Cash and Cash Equivalents at Beginning of the Year		**(258,785)**	**(328,672)**
Cash and Cash Equivalents at End of the Year	**25**	**(86,791)**	**(258,785)**

Figures in brackets indicate deductions
The Accounting Policies and Notes on pages 69 to 126 form an integral part of the Financial Statements.

Notes to the Financial Statements

1 REPORTING ENTITY

1.1 Domicile and Legal Form

Balangoda Plantations PLC ("the Company") is a Company domiciled in Sri Lanka, incorporated under Companies Act No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government-Owned Business Undertakings into Public Companies under Public Companies Act No. 23 of 1987. The registered office of the Company is located at No 110 Norris Canal Road, Colombo 10, and estates are situated in the planting districts of Rathnapura, Balangoda, and Badulla.

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

1.2 Principal Activities and Nature of Operations

The principal activities of Balangoda Plantations PLC consist of cultivation, production, processing and sale of tea, rubber and other crops.

1.3 Parent Enterprise

The Company's immediate parent Company is Melstacorp PLC and the ultimate parent Company is Milford Exports (Ceylon) (Private) Limited which are incorporated in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards ("SLFRS");
- Sri Lanka Accounting Standards ("LKAS");
- Statements of Recommended Practices (SoRPs);
- Statement of Alternate Treatment (SoATs) and
- Financial Reporting Guidelines issued by the CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA SriLanka www.casrilanka.com

2.2 Basis of Measurement

These financial statements of the Company have been prepared in accordance with the historical cost conversion except for the following material items in the statement of financial position:

- Consumable biological assets are measured at fair value less cost to sell as per LKAS 41- "Agriculture."
- Liability for Retirement Benefit Obligation is recognized as the present value of the defined benefit obligation based on actuarial valuation as per LKAS 19 - "Employee Benefits'.
- Agriculture produce harvested from biological assets are measured at fair value as per LKAS 41 - "Agriculture".
- Buildings under Property, Plant and Equipment are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated any impairment loss as per LKAS 16 "Property, Plant and Equipment".
- Investment Properties are measured at fair value as per LKAS 40- "Investment Properties".

Notes to the Financial Statements (Continued)

2.3 Functional and Presentation Currency

The Financial Statements of the Company are presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information presented in Sri Lankan Rupees Thousands (Rs.'000) has been rounded to the nearest Rupee Thousand unless stated otherwise.

2.4 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard -1 on 'Presentation of Financial Statements'.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

2.5 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (LKASs) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumption are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

(a) Assumptions and estimation uncertainties

Information about the assumptions on the future and other major sources of estimation uncertainties that the management has made at the end of reporting period that have a significant risk of resulting in a material adjustment to the carrying value of assets and liabilities within the next financial year is included in the following notes.

Financial Statement Area	Note
Measurement of defined benefit obligations: Key actuarial assumptions	31
Recognition and measurement of provisions for impairment of Bearer Biological Assets	19
Measurement of fair value of Consumable Biological Assets	20
Measurement of lease liability to SLSPC/JEDB	34
Revaluation of Buildings under Property, Plant and Equipment	16
Fair Value Measurement of Investment Properties	18
Recognition and Measurement of provisions and contingencies	40

2.6. Determination of Fair Values

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous

Notes to the Financial Statements (Continued)

2.6. Determination of Fair Values (Continued)

market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. Several of the Company's accounting policies and disclosures require the determination of fair value, for both

financial and non-financial assets and liabilities.

When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes.

Financial Statement Area	Note
Consumable Biological Assets - Timber	20
Produce on Bearer Biological Assets	20.2
Property, Plant and Equipment- Buildings	16
Investment Properties	18

2.6.1 Fair Value of Non-Financial Assets

The fair value used by the Company in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would act in their economic best interest when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the Financial Statements (Continued)

2.6.1 Fair Value of Non-Financial Assets (Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.7 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the company continue to be prepared on a going concern basis. Refer Note 42 which presents the factors that have been considered by the Board of Directors in preparing and presenting these financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Accounting Policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

3.1 Assets and basis of their valuation

Assets classified as current assets in the statement of Financial Position are cash and bank balances and those which are expected to be realized in cash during the normal operating cycle of the Company's business or within one year from the reporting date whichever is shorter. Assets other than current assets are those, which the Company intends to hold beyond a period of one year from the date of statement of financial position are classified as non-current assets.

3.1.1 Leased Assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether,

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either; the Company has the right to operate the asset; or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Where the lease agreement includes an annual adjustment on a variable such as GDP deflater, the Company shall annually reassess the liability considering such variable and recognise the amount of remeasurement of the lease liabilities as an adjustment to the right-of-use asset.

Notes to the Financial Statements (Continued)

3.1.1 Leased Assets (Continued)

i) As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or is there is a revised in substance fixed lease payments.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.1.2 Property, Plant and Equipment

3.1.2.1 Recognition and Measurement

At the initial recognition all the items in all the items Property, Plant and Equipment are recognised at cost and subsequently, stated at cost or at fair value in the case of buildings; less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements (Continued)

3.1.2.1 Recognition and Measurement (Continued)

The cost of Property, Plant and Equipment is the cost of acquisition or construction together with any incidental expenditure incurred in bringing the asset to its working condition for its intended use. Capital work-in-progress is transferred to the respective asset accounts when the assets are available for use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.1.2.2 Owned Assets

The cost of an item of Property, Plant and Equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring at the site on which they are located and borrowing cost on qualifying assets.

3.1.2.3 Subsequent Expenditure

The Cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of Property, Plant and Equipment are recognised in Statement of Profit or Loss and Other Comprehensive Income as incurred.

3.1.2.4 Capital Work-in-Progress.

The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon. Capital work-in-progress transferred to the respective asset accounts at the time of first utilisation or at the time of the asset is commissioned.

Permanent land development costs incurred in making major infrastructure development and building new access roads on leasehold lands. These costs have been capitalized and amortized over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.1.2.5 Borrowing cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset. The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 – "Borrowing Costs". Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss and Other Comprehensive Income.

3.1.2.6 Revaluation

The Company revalues its buildings at least once in five years or at any shorter interval when a significant valuation adjustment becomes evident, which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses. On revaluation of buildings, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not considered in arriving at the gain or loss on disposal.

Notes to the Financial Statements (Continued)

3.1.2.7 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Category	Useful Lives (Years)
Land Improvements	40
Buildings	40
Motor Vehicles	5
Furniture and Fittings	10
Equipment and Tools	4
Water Sanitation	20
Plant and Machinery	10

Depreciation of an asset begins when it is available for use, whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.1.2.8 Derecognition

An item of Property, Plant and Equipment is de-recognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit or Loss in the year the asset is derecognised.

3.1.3 Immovable Leased Assets

3.1.3.1 Recognition and Measurement

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatisation of plantation estates, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 11 June 1992. For this purpose, the Board decided at its meeting on 8 March 1995, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company.

3.1.3.2 Amortisation

Amortisation is calculated based on the useful life of the asset or the lease period whichever is lower. Amortisation is recognised in the Statement of Profit or Loss on a straight-line basis.

Notes to the Financial Statements (Continued)

3.1.3.2 Amortisation (Continued)

The estimated useful lives for the current and comparative periods are as follows:

Category	Useful Lives (Years)
Unimproved Lease Land	53
Mature Bearer Biological Assets	
Tea	33.3
Rubber	20
Improvement to Land	30
Other Vested Assets	30
Machinery	10

3.1.3.3 Intangible Assets

An intangible asset is recognised if it is probable that economic benefits attributable to the assets will flow to the entity and cost of the assets can be measured reliably and carried at cost less accumulated amortisation and accumulated impairment losses.

3.1.3.4 Software

Purchased software is recognised as an intangible asset and is amortised on a straight-line basis over its useful life.

The estimated useful life is as follows:

Asset Category	Useful life
Computer Software	5

3.1.4 Investment Property

3.1.4.1 Recognition and Measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or administrative purposes. Investment properties are initially measured at its cost including related transactions and subsequently at fair value with any change therein recognised in profit or loss.

3.1.4.2 Derecognition

Investment properties are derecognized disposed or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on the retirement or disposal is recognised in the profit or loss in the year of retirement or disposal. Transfers are made to investment property, when there is a change in use.

When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Notes to the Financial Statements (Continued)

3.1.4.2 Derecognition (Continued)

Rental income from investment property is recognized as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

3.1.5 Biological Assets

Biological assets are classified as Bearer Biological assets and Consumable Biological assets. Bearer Biological assets include tea and rubber trees, those that are not intended to be sold or harvested but are however used to grow for harvesting agricultural produce from such Biological assets. Consumable Biological assets include managed timber trees (those that are to be sold as Biological assets).

Biological assets are further classified into Mature Biological assets and Immature Biological assets. Mature Biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature Biological assets are those that have not yet attained harvestable specifications.

3.1.5.1 Recognition and Measurement

The Company recognises the Biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the Company 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 (age below 4 years) as the impact on biological transformation of such plants to price during this period is immaterial.

3.1.5.2 Bearer Plants

The costs of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting, fertilising and so on incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. Biological assets (Tea, Rubber fields) which comes into bearing during the year, is transferred to mature plantations. These immature plantations are shown at direct costs plus attributable overheads including interest attributable to long-term loans used for financing immature plantations.

Permanent impairments to Bearer Biological Assets are charged to the Statement of Profit or Loss in full and reduced the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.1.5.2.1 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling are capitalised when infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance and infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation or unexpired lease period, whichever is lower. Infilling costs that are not capitalized have been charged to the Statement of Profit or Loss and Other Comprehensive Income in the year in which they are incurred.

Notes to the Financial Statements (Continued)

3.1.5.2.2 Depreciation

Mature Plantations (Replanting and New Planting) are depreciated on a straight-line basis over the expected period of their commercial harvesting or the lease period, whichever is less.

The estimated useful lives of significant items of Bearer Biological Assets are as follows:

Category	Useful Lives (Years)
Tea	33.3
Rubber	20
Cinnamon	25

No depreciation is provided for Immature Plantations.

3.1.5.3 Biological Assets at Fair Value

Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees of the estates of the Company are measured on initial recognition at cost and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41– "Agriculture".

The cost of young plants which are below 4 years is treated as an approximation to the fair value as the impact on biological transformation of such plants to price is immaterial.

The fair value of timber trees is measured using discounting cash flows method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer.

3.1.5.3.1 Non- harvested Produce crop on Barer Biological Assets

The Company recognizes its agricultural produce prior to harvest separately from its bearer plant. Such agricultural produce prior to harvest continues to be in the scope of LKAS 41 and is measured at fair value less costs to sell. Changes in the fair value of such agricultural produce are recognised in profit or loss at the end of each reporting period.

The volume of produce growing on bearer plants are measured using the estimated crop of the last harvesting cycle of the year as follows,

Tea-Three days' crop (50% of 6 days cycle) Rubber-One day's crop (50% of 2 days cycle)

The value of the unharvested green leaves is measured using the Tea Commissioner's formula for bought leaf and rubber crop is fair valued using RSS prices.

Notes to the Financial Statements (Continued)

3.1.6 Financial Instruments

3.1.6.1 Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.1.6.2 Classification and subsequent measurement

3.1.6.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequently to their recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL,

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On the initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Business model assessment:

The Company makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed.
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

Notes to the Financial Statements (Continued)

3.1.6.2.1 Financial Assets (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

a) Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.1.6.2.2 Financial Liabilities

(i) Classification, subsequent measurement and gain and loss

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.1.6.3 Derecognition

3.1.6.3.1 Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3.1.6.3.2 Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notes to the Financial Statements (Continued)

3.1.6.4 Impairment– Financial Assets

3.1.6.4.1 Financial Instruments

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position
Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
For individual customers, the Company has a policy of writing off the gross carrying amount as approved by the Board of Directors based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Evidence of impairment included a significant or prolonged decline in its fair value below its cost.

3.1.6.5.2 Impairment of Non-Financial assets

The Company 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 Company makes an estimate of the assets recoverable amount. An assets recoverable amount is the higher of an assets value in use and its fair value less cost to sell 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 Company 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Notes to the Financial Statements (Continued)

3.1.6.5.2 Impairment of Non-Financial assets (Continued)

Impairment loss is recognised in the Statement of Profit or Loss in those expenses' categories consistent with the function of the impaired asset.

3.1.7 Inventories

3.1.7.1 Agricultural Produce after further processing

Further processed output of Agricultural Produce is valued at the lower of cost and estimated net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

3.1.7.2 Input Material, Consumables and Spares

Valued at actual cost on weighted average basis.

3.1.7.3 Growing Crop Nurseries

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

3.1.8 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realise inclusive of provisions for bad and doubtful debts. Other receivables and dues from related parties are recognised at cost less provision for bad and doubtful receivables.

3.1.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the Statement of Cash Flows.

3.2 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from Statement of Financial Position date. Non-current liabilities are those balances that fall due for payment after one year from Statement of Financial Position date. All known liabilities have been accounted for in preparing these Financial Statements.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Notes to the Financial Statements (Continued)

3.2.1 Employee Benefits

3.2.1.1 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Company contributes 12% of gross emoluments of the employees to Employees' Provident Fund (EPF)/Estate Staff Provident Society (ESPS).

All of the employees are eligible for Employees' Trust Fund to which the Company contributes 3% of gross emoluments of such employees.

3.2.1.2 Defined Benefit Plan - Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The valuation is performed annually by a qualified actuary using the projected unit credit method as recommended by Sri Lanka Accounting Standards No 19 - 'Employee Benefits'

The Company recognises all actuarial gains and losses arising from defined benefit plans directly in the other comprehensive income and all expenses related to defined benefit plan in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19- "Employee Benefits". However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The key assumptions used in determining the Retirement Benefit Obligations are given in Note 31.

3.2.2 Contingent Liabilities

The Company does not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognized because it cannot be measured reliably.

Notes to the Financial Statements (Continued)

3.2.3 Deferred Income

3.2.3.1 Government Grants and Subsidies

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

Grants related to Property, Plant and Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant and Equipment. Grants received for forestry are initially deferred and credited to Statement of Profit or Loss and Other Comprehensive Income at once when the related blocks of trees are harvested.

3.2.4 Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired on ordinary course of business from Suppliers. Trade and other payables are stated at cost.

3.3 Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.4 Statement of Profit or Loss and Other Comprehensive Income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income the Directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted in line with the provisions of LKAS 1- "Presentation of Financial Statements".

3.4.1 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over goods to a customer.

The Company generates revenue primarily from the sale of tea, rubber, coconut, cinnamon and other agricultural produce. The revenue is recorded at invoice value net of brokerage, sale expenses and other levies related to revenue. The Company recognises revenue when it transfers control over good or service to a customer. The Company considers sale of tea, rubber, coconut, cinnamon and other agricultural produce as one performance obligation and recognises revenue when it transfers control to the customer.

3.4.1.1 Disaggregation of revenue

SLFRS 15 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Company's revenue comprises of sale of tea, rubber, and other agricultural produce and no disaggregation is required.

Notes to the Financial Statements (Continued)

3.4.1.2 Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at invoice value net of brokerage, sale expenses and other levies related to revenue. Revenue from sale of goods is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

3.4.1.3 Interest Income

Interest Income is recognised as the interest accrued (taking into account the effective yield on the asset) unless collectability is in doubt.

3.4.1.4 Rental income

Rental income arising from operating leases is recognised on an accrual basis.

3.4.1.5 Gain and Losses on Disposal

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant and Equipment and are recognised within other operating income in the Statement of Profit or Loss.

3.4.2 Expenditure Recognition

3.4.2.1 Operating Expenses

All expenses incurred in the day-to-day operations of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to the Statement of Profit or Loss and Other Comprehensive Income in arriving at the profit/(loss) for the year. Provision has also been made for impairment of non-financial assets, slow-moving stocks, overgrown nurseries, all known liabilities and depreciation on property, plant and equipment.

3.4.2.2 Finance Cost

Finance costs comprise interest expense on external borrowings and related party loans and payments made under lease agreements. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.4.2.3 Income Tax Expense

Income Tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or OCI.

The company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for the under LKAS 37 provision, contingent liabilities, and contingent assets.

Notes to the Financial Statements (Continued)

3.4.2.3.1 Current Taxes

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability taxes. arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

3.4.2.3.2 Deferred Taxation

Deferred taxation is recognised using the Balance Sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflect uncertainty related to income taxes, if there is any.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

3.5 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method'. Interest paid Is classified as operating cash flows, interest received and dividends received are classified as investing cash flows while dividend paid and Government grants received are classified as financing cash flows for the purpose of presentation of the Statement of Cash Flows.

3.6 Segmental Reporting

Segmental information is provided for the different business segments of the Company. Business segmentation has been determined based on the nature of goods provided by the Company after considering the risk and rewards of each type of product.

Revenue and Expenditure directly attributable to each segment are allocated to the respective segments. Revenue and Expenditure not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible. Unallocated items comprise mainly income accrued and expenses incurred at Head office level.

Notes to the Financial Statements (Continued)

3.6 Segmental Reporting (Continued)

Assets and Liabilities directly attributable to each segment are allocated to the respective segments. Assets and Liabilities which are not directly attributable to a segment are allocated on a reasonable basis wherever possible.

The activities of the segments are described in the Note 45 to the Financial Statements.

3.7 Related Party Transactions

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - 'Related Party Disclosures'. The pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

According to LKAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the board of directors (including executive and non-executive directors) and their immediate family members have been classified as key management personnel of the Company.

The immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective director for more than 50% of his/her financial needs.

3.8 Earnings per Share

The Company presents Earnings per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.9 Events after the Reporting Date

All material events after the reporting date have been considered and where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the company has not early adopted any of the new or amended standards in the preparation of these financial statements.

Accordingly, the Company has not applied these standards in preparing these Financial Statements.

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 – Climate Related Disclosure
- SLFRS 18 – Presentation and Disclosure in financial statements

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

5.	REVENUE	2025 Rs.'000	2024 Rs.'000
5.1	**Revenue Streams**		
	Revenue from Contracts with Customers – Sale of Goods	4,279,555	4,841,855
	Total Revenue	**4,279,555**	**4,841,855**
5.2	**Disaggregation of Revenue from Contracts with Customers**		
	The Company generate its revenue locally and the following is the revenue from contracts with customers disaggregated by the timing of revenue recognition.		
	Timing of Revenue Recognition		
	Goods transferred at point in time	4,279,555	4,841,855
	Total Revenue	**4,279,555**	**4,841,855**

6.	INDUSTRY SEGMENT	2025 Rs.'000	2024 Rs.'000
6.1	**Revenue**		
	Tea	3,834,986	4,390,211
	Rubber	444,569	451,644
		4,279,555	**4,841,855**
6.2	**Cost of Sales**		
	Tea	(3,352,979)	(3,484,018)
	Rubber	(515,070)	(489,883)
		(3,868,049)	**(3,973,901)**
6.3	**Gross Profit/ (Loss)**		
	Tea	482,007	906,193
	Rubber	(70,501)	(38,239)
		411,506	**867,954**

7.	OTHER INCOME	2025 Rs.'000	2024 Rs.'000
	Rent Income	96,295	83,029
	Amortisation of Government Grants **(Note 33)**	8,773	8,773
	Subsidy Received	1,262	3,224
	Gain on Disposal of Property, Plant and Equipment	24,814	3,300
	Sale of Rubber Trees	46,988	1,826
	Gain from Sundry Projects	58,064	16,181
	Change in Fair Value of Investment Properties **(Note 18)**	47,361	56,008
		283,557	**172,341**

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

8.	GAIN ON CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS	2025 Rs.'000	2024 Rs.'000
	Fair Value (Loss) /Gain on Produce on Bearer Plants **(Note 20.2)**	(2,103)	2,869
	Fair Value Gain on Consumable Biological Assets **(Note 20.1)**	520,993	370,342
		518,890	**373,211**

9.	OTHER EXPENSES	2025 Rs.'000	2024 Rs.'000
	Impairment of Immature Plantations - Rubber **(Note 19.1.1)**	19,627	100,316
	Provision for Impairment of of Bearer Biological Assets **(Note 19.1)**	-	4,430
	Provision for Impairment of Other Receivables **(Note 23.1)**	9,569	1,940
	Provision For Obsolete and Slow Moving Inventories **(Note 22.1)**	-	801
		29,196	**107,487**

10.	NET FINANCE COSTS	2025 Rs.'000	2024 Rs.'000
	Finance Income		
	Interest Income on Fixed Deposit and Saving Deposits	2,021	1,833
	Interest Income on Distress Loan	102	112
		2,123	**1,945**
	Finance Costs		
	Interest on Loans from Melstacorp PLC	553	69,943
	Interest on Bank Overdrafts	19,939	23,552
	Interest on Lease Liability to SLSPC/JEDB **(Note 34.1)**	68,083	64,563
		88,575	**158,058**
	Net Finance Costs	**(86,452)**	**(156,113)**

11.	PROFIT BEFORE TAXATION	2025 Rs.'000	2024 Rs.'000
	Profit before taxation is stated after charging all the expenses including the followings;		
	Directors' Remunerations	5,000	1,172
	Auditors' Remunerations		
	- Audit Services	6,030	5,617
	- Non- Audit Services	631	1,082
	Depreciation / Amortization		
	- Right of Use Assets **(Note 14.1)**	23,068	21,406
	- Immovable Leased Assets **(Note 15)**	17	17
	- Property, Plant and Equipment **(Note 16)**	103,464	109,497
	- Intangible Assets **(Note 17)**	535	573
	- Bearer Biological Assets **(Note 19.2)**	97,520	93,674
	Personnel Costs		
	- Salaries and Wages	1,858,220	1,968,908
	- Defined Benefit Plan Costs - Retiring Gratuity **(Note 31)**	190,388	173,588
	- Defined Contribution Plan Cost - EPF / CPPS / ESPS and ETF	208,131	203,910
	- Surcharges on EPF / ETF/ ESPS / Gratuity Payable	2,257	3,926

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

12.	INCOME TAX EXPENSE	2025 Rs.'000	2024 Rs.'000
12.1	**Amounts Recognised in Profit or Loss**		
	Current Tax Expense		
	Income Tax Charge for the Year **(Note 12.3)**	122,656	-
	Deferred Tax Expense		
	Deferred Tax Charge Recognised in Profit or Loss **(Note 32)**	139,154	215,985
		261,810	**215,985**
12.2	**Amounts Recognised in Other Comprehensive Income**		
	Deferred Tax Charge on Revaluation Surplus	(116,003)	-
	Deferred Tax on Actuarial Loss/(Gain) on Retirement Benefit Obligation **(Note 32)**	16,829	(69,638)
		99,174	**(69,638)**

In accordance with the provisions of the Inland Revenue (Amendment) Act No. 45 of 2022, the Company has calculated its profits from both the "Agro processing" and "Investment income" for the year ended on 31st December 2025, applying the standard tax rate of 30%.

Profit from the business of "Agro farming" was exempted from income tax until 2023/24 under the Inland Revenue (Amendment) Act No. 45 of 2022.

12.3	**Reconciliation of Accounting Profit to Taxable Income**	2025 Rs.'000	2024 Rs.'000
	Profit before taxation	858,495	957,201
	Less: Income from other sources	(2,123)	(1,945)
	Add: Disallowable Expenses	683,865	761,064
	Less: Non-Taxable Income	-	(250,520)
	Less: Allowable Expenses	(960,451)	(702,348)
	Less: Exempt Income	-	-
	Adjusted Profit for the year	**579,786**	763,451
	Business Income	**579,786**	763,451
	Investment Income	**2,123**	1,945
	Less: Loss utilized for the year **(Note 12.4)**	**(173,058)**	(765,396)
	Taxable Income	**408,851**	**-**
	Income Tax Expense		
	Tax at 30%	**122,656**	**-**

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

12. INCOME TAX EXPENSE (CONTINUED)	2025 Rs.'000	2024 Rs.'000
12.4 Accumulated Tax Losses		
Tax Losses Brought Forward	173,058	881,369
Adjustments due to Finalization of Prior Year Taxes	-	318,558
Utilization of Tax Losses During the Year	(173,058)	(765,397)
Tax Losses Expired During the year	-	(261,472)
Tax Losses Carried Forward	**-**	173,058

13 Earnings Per Share and Dividend Per Share

13.1 Basic Earnings Per Share

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders for the year divided by weighted-average number of ordinary shares outstanding during the year and calculated as follows.

	2025	2024
Profit attributable to ordinary shareholders (Rs.'000)	596,685	741,216
Weighted average number of ordinary shares (Nos.'000)	47,274	47,274
Earnings per Share Rs.	12.62	15.68

13.1.1 Diluted Earnings per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earnings per share shown above.

13.2 Dividend per Share	2025 Per Share Rs.	2025 Total Rs.'000	2024 Per Share Rs.	2024 Total Rs.'000
Dividend Paid	1.00	47,271	-	-
	1.00	**47,271**	**-**	**-**

14. RIGHT OF USE ASSETS	2025 Rs.'000	2024 Rs.'000
Right of Use - Land (Note 14.1)	452,674	455,942
	452,674	**455,942**
14.1 Right of Use - Land		
Capitalised Value : As at 11 June 1992	703,566	625,184
Remeasurement during the year	19,800	78,382
Balance as at 31st December	**723,366**	**703,566**
Accumulated Amortisation		
Balance as at 1 January	247,624	226,218
Amortisation Charge for the Year	23,068	21,406
Balance as at 31 December	**270,692**	**247,624**
Carrying Amount as at 31 December	**452,674**	**455,942**

The Right of Use - Lands consist of the lease rights on Janatha Estates Development Board / Sri Lanka State Plantations Corporation Estates. Leases have been executed for a period of 53 years All of these leases are retroactive to 11 June 1992 the date of formation of the Company. The leasehold right to the land on all of these estates have been taken into the books of the Company on 11 June 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka.

Notes to the Financial Statements (Continued)

As at 31 December

14. RIGHT OF USE ASSETS (CONTINUED)

14.1 Right of Use - Land (Continued)

14.1.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka

The Government of Sri Lanka has initiated actions under provisions of the Land Acquisition Act No.28 of 1964, to acquire lands from lands leased to the Company in Agarsland Estate, Cecilton Estate, Rasagalla Estate, Non Pareil Estate, Rye Wikiliya Estate and Balangoda Estate located in Balangoda region; Mutuwagala Estate, Palmgarden Estate, Millawitiya Estate, Galathura Estate and Rambukkanda Estate located in Ratnapura region, and Glen Alpin Estate, Telebedde Estate, Ury Estate and Wewesse Estate located in Badulla region.

The Government of Sri Lanka has already acquired a total land extent of 198.63 hectares (refer Note A below) and also there are no lands in the process of acquiring as at 31 December 2025 (refer Note A below).

(A) List of lands acquired by the Government as at 31 December 2025.

Region	Estate	Purpose of Acquisition	Extent (Hectares)
Balangoda	Cecilton Estate	Expansion of an Village	7.21
Balangoda	Non Perial Estate	Construction of R/Non Paeril Tamil Vidyalaya	0.81
Balangoda	Non Perial Estate	Construction of Army camp	36.18
Balangoda	Non Perial Estate	Construction of R/Karagastalawa Maha Vidyalaya	1.21
Balangoda	Non Perial Estate	Widening of Road	0.38
Balangoda	Non Perial Estate	Widening of Road	0.30
Balangoda	Non Perial Estate	Village Alienation	12.09
Balangoda	Agarsland Estate	Construction of R/Wellawala Mukalana Tamil School	0.81
Balangoda	Agarsland Estate	Village Alienation	6.79
Balangoda	Rasagalla Estate	Village Alienation	7.87
Balangoda	Rasagalla Estate	Village Alienation	4.34
Balangoda	Rasagalla Estate	Village Alienation	2.37
Balangoda	Rasagalla Estate	Construction of Estate Hospital – Rasagalla	0.81
Balangoda	Rye Wikiliya Estate	Construction of Balangoda Pinnawala Police Station	1.00
Balangoda	Rye Wikiliya Estate	Village Alienation	2.02
Ratnapura	Mutwagala Estate	Construction of North Karadana Police Post	0.06
Ratnapura	Palmgarden Estate	Construction of an Industrial Estate	34.49
Ratnapura	Palmgarden Estate	Village Alienation	5.26
Badulla	Glen Alpin Estate	Expansion of Uva Wellassa University	10.10
Badulla	Glen Alpin Estate	Construction of an Industrial Zone	9.49
Badulla	Telbedde Estate	Construction of a Lake	1.62
Badulla	Ury Estate	Village Alienation	2.90
Badulla	Wewesse Estate	Expansion of Uva Wellassa University	17.81
Ratnapura	Galathura Estate	Construction of Houses for Flood Victims	1.18
Ratnapura	Millawitiya Estate	Village Alienation	11.86
Ratnapura	Mutuwagala Estate	Village Alienation	4.90
Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	3.49
Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	4.78
Balangoda	Balangoda Estate	Build a Mini Hydro Project	0.66
Badulla	Ury Estate	Construction of Peradeniya Badulla Highway	0.01
Badulla	Wewesse Estate	Construction of Peradeniya Badulla Highway	2.91
Badulla	Telbedde Estate	Construction of a Rural Hospital	0.37
Badulla	Glen Alpin Estate	Relocation of Diyanaglla Tamil School	0.40
Ratnapura	Palmgarden Estate	Relocation Rathnapura Tamil Maha Vidyalaya	2.02
Ratnapura	Mutwagala Estate	Disaster Housing Programme	0.13
			198.63

14. RIGHT OF USE ASSETS (CONTINUED)

14.1 Right of Use - Land (Continued)

14.1.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka (Continued)

No adjustments have been made to the financial statements in respect of these lands acquired as the compensation receivable on these acquisitions are not known and the Government Valuation is pending as at 31 December 2025. Accordingly, the transactions pertaining to those acquisitions are incomplete as at 31 December 2025.

15. IMMOVABLE LEASED ASSETS

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 11 June 1992. For this purpose, the Board of Directors of the Company decided, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the Statement of Financial Position as at 11 June, 1992 and amortisation of immovable leased assets to 31 December 2025 are as follows;

	Unimproved Lease Land Rs.'000	Mature Bearer Biological Assets Rs.'000	Improvement to Land Rs.'000	Other Vested Assets Rs.'000	Machinery Rs.'000	Total Rs.'000
Capitalised Value (11 June 1992)						
As at 1 January 2025	899	271,225	15,702	152	26,164	314,142
As at 31 December 2025	**899**	**271,225**	**15,702**	**152**	**26,164**	**314,142**
Accumulated Amortisation						
As at 1 January 2024	535	271,222	15,702	152	26,164	313,775
Amortisation for the year	17	-	-	-	-	17
As at 31 December 2024	552	271,222	15,702	152	26,164	313,792
As at 1 January 2025	552	271,222	15,702	152	26,164	313,792
Amortisation for the year	17	-	-	-	-	17
As at 31 December 2025	**569**	**271,222**	**15,702**	**152**	**26,164**	**313,809**
Carrying Amounts at 31 December 2024	347	3	-	-	-	350
Carrying Amounts at 31 December 2025	**330**	**3**	**-**	**-**	**-**	**333**

16. PROPERTY, PLANT AND EQUIPMENT

	Land Improvements Rs.'000	Buildings Rs.'000	Motor Vehicles Rs.'000	Furniture and Fittings Rs.'000	Equipment and Tools Rs.'000	Water Sanitation Rs.'000	Plant and Machinery Rs.'000	Capital Work -in-Progress (A) Rs.'000	Total Rs.'000
Cost/ Revalued Amounts									
Balance as at 1 January 2024	118,748	1,272,474	268,806	14,553	118,267	60,791	716,898	7,280	2,577,817
Additions During the Year	-	6,231	30,842	-	8,930	-	525	11,413	57,941
Disposals During the Year	-	-	(5,463)	-	-	-	-	-	(5,463)
Transfers During the Year	-	-	-	-	1,200	-	8,063	(9,263)	-
Write off during the Year	-	-	-	-	-	-	-	(8,780)	(8,780)
Balance as at 31 December 2024	118,748	1,278,705	294,185	14,553	128,397	60,791	725,486	650	2,621,515
Balance as at 1 January 2025	118,748	1,278,705	294,185	14,553	128,397	60,791	725,486	650	2,621,515
Additions During the Year	-	3,723	21,461	178	11,733	-	66,272	300	103,667
Disposals During the Year	-	-	(29,404)	-	-	-	-	-	(29,404)
Transfer to Intangible Assets	-	-	-	-	-	-	-	(650)	(650)
Transfer to Investment Property	-	(25,154)	-	-	-	-	-	-	(25,154)
Revaluation Gain for the year	-	386,678	-	-	-	-	-	-	386,678
Balance as at 31 December 2025	**118,748**	**1,643,952**	**286,242**	**14,731**	**140,130**	**60,791**	**791,758**	**300**	**3,056,652**
Accumulated Depreciation									
Balance as at 1 January 2024	74,517	154,775	221,395	11,318	98,260	58,202	534,263	-	1,152,730
Depreciation Charge for the Year	3,211	53,345	19,264	387	7,495	533	25,262	-	109,497
Disposals During the Year	-	-	(5,463)	-	-		-	-	(5,463)
Balance as at 31 December 2024	77,728	208,120	235,196	11,705	105,755	58,735	559,525	-	1,256,764
Balance as at 1 January 2025	77,728	208,120	235,196	11,705	105,755	58,735	559,525	-	1,256,764
Depreciation Charge for the Year	3,211	54,152	22,212	391	8,317	533	14,648	-	103,464
Transfers to Investment Property	-	(5,240)	-	-	-	-	-	-	(5,240)
Disposals During the Year	-	-	(29,404)	-	-	-	-	-	(29,404)
Balance as at 31 December 2025	**80,939**	**257,032**	**228,004**	**12,096**	**114,072**	**59,268**	**574,173**	**-**	**1,325,584**
Carrying Amounts									
As at 31 December 2024	41,020	1,070,585	58,989	2,848	22,642	2,056	165,961	650	1,364,751
As at 31 December 2025	**37,809**	**1,386,920**	**58,238**	**2,635**	**26,058**	**1,523**	**217,585**	**300**	**1,731,068**

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

16.1 Revaluation of Buildings under Property ,Plant and Equipment

Buildings of the Company are stated based on a valuation performed by Mr. S Sivaskantha, R I C S (Sri Lanka) an external, independent Chartered Valuation Surveyor using Depreciation Replacement Cost method. This reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost) and discounted for the age, condition, refurbishment level of maintenance etc.

The fair value measurement for all of Buildings has been categorized as level 03 fair value based on the input to the valuation technique used.

The details of which are as follows,

Region	Estate	Location	Valuation of Building Rs.'000	Net Book Valueof the Building Rs.'000	Revaluation Surplus Rs.'000	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Rathnapura	Galatura	Galatura Estate, Kiriella	59,740	29,885	29,855	24	90,812	Estimated replacement cost of a Sq., Ft. adjusted for wear and tear	Rs. 1,250 - 5,000	Positively correlated sensitivity
Rathnapura	Mahawela	Mahawela Estate, Ratnapura	69,171	54,179	14,992	37	89,433	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Rathnapura	Mutwagalla	Mutwagalla Estate, Kiriella	26,515	24,703	1,812	30	43,819	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,000 - 5,500	Positively correlated sensitivity
Rathnapura	Millawitiya	Millawitiya Estate, Ratnapura	9,249	7,883	1,366	10	13,396	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Rathnapura	Palmgarden	Palmgarden Estate, Ratnapura	95,390	120,606	(25,216)	31	99,336	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 270 - 5,500	Positively correlated sensitivity
Rathnapura	Rambukkande	Rambukkande Estate, Ratnapura	26,230	36,535	(10,306)	25	44,096	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,000 - 5,500	Positively correlated sensitivity
Balangoda	Balangoda	Balangoda Estate, Balangoda	67,806	62,803	5,003	45	102,313	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity

Region	Estate	Location	Valuation of Building Rs.'000	Net Book Valueof the Building Rs.'000	Revaluation Surplus Rs.'000	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Balangoda	Cecilton	Cecilton Estate, Balangoda	52,908	46,703	6,205	21	67,151	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Balangoda	Meddakande	Meddakande Estate, Balangoda	58,485	44,980	13,505	33	79,985	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,500 - 5,500	Positively correlated sensitivity
Balangoda	Non Pareil	Non Pareil Estate, Belihuloya	22,971	14,998	7,973	29	31,806	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Balangoda	Pettiagalla	Pettiagalla Estate, Balangoda	36,083	35,238	845	20	52,145	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Balangoda	Rasagalla	Rasagalla Estate , Balangoda	53,740	60,656	(6,916)	35	80,972	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Balangoda	Rye/Wikilliya	Rye/Wikiliya Estate, Balangoda	26,985	16,572	10,413	19	32,020	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,000 - 5,500	Positively correlated sensitivity
Balangoda	Walaboda	Walaboda Estate, Balangoda	16,961	7,356	9,604	13	14,134	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Badulla	Cullen	Cullen Estate, Badulla	15,595	8,073	7,522	22	24,480	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Badulla	Gowerakelle	Gowerakelle Estate, Badulla	22,706	11,195	11,511	20	27,709	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity
Badulla	Glen Alpin	Glen Alpin Estate, Badulla	154,689	77,333	77,356	55	129,968	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,750 - 5,500	Positively correlated sensitivity

Region	Estate	Location	Valuation of Building Rs.'000	Net Book Valueof the Building Rs.'000	Revaluation Surplus Rs.'000	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Badulla	Spring Valley	Spring Valley Estate, Badulla	199,267	117,680	81,587	69	193,989	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Badulla	Telbedde	Telbedde Estate, Badulla	148,935	84,299	64,636	76	151,870	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Badulla	Ury	Ury Estate, Badulla	137,520	83,828	53,692	48	136,174	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Badulla	Wewesse	Wewesse Estate, Badulla	85,974	54,737	31,236	40	91,390	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Total			**1,386,920**	**1,000,242**	**386,678**	**702**	**1,596,998**			

16.1.1 The carrying amount of revalued buildings if they were carried at cost less depreciation is Rs. 168,837,365/- as at 31 December 2025 (2024: Rs 177,279,758/-)

16.1.2 Senstivity of the Company's buildings stated at valuation are indicated below.

		Total buildngs sensitivity on rate per squere feet		
		+5% Rs.'000	Value as stand Rs.'000	-5% Rs.'000
	Buildings	1,456,266	1,386,920	1,317,574
		1,456,266	**1,386,920**	**1,317,574**

Notes to the Financial Statements (Continued)

As at 31 December

16.	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2025 Rs.'000	2024 Rs.'000
16.2	**Fully Depreciated Assets**		
	The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at the reporting date are as follows.		
	Land Improvements	8,869	8,311
	Motor Vehicles	187,513	185,602
	Furniture and Fittings	10,699	10,686
	Equipment and Tools	101,399	91,137
	Water Sanitation	55,687	50,149
	Plant & Machinery	593,025	464,540
		957,192	**810,425**

17.	INTANGIBLE ASSETS	Computer Software Rs.'000	Total Rs.'000
	Cost		
	Balance at 1 January 2024	3,069	3,069
	Balance at 31 December 2024	3,069	3,069
	Balance at 1 January 2025	3,069	3,069
	Transfer from Property Plant Equipment	650	650
	Additions During the Year	1,938	1,938
	Balance at 31 December 2025	**5,657**	**5,657**
	Accumulated Amortization		
	Balance at 1 January 2024	1,813	1,813
	Amortisation During the Year	573	573
	Balance at 31 December 2024	2,386	2,386
	Balance at 1 January 2025	2,386	2,386
	Amortisation During the Year	535	535
	Balance at 31 December 2025	**2,921**	**2,921**
	Carrying Amounts		
	At 31 December 2024	683	683
	At 31 December 2025	**2,736**	**2,736**

17.1 Intangible assets consist of the cost incurred to acquire and install the accounting system of the Company, "Olax" and the cost incurred to acquire a computerised digital weighing system "Agrithmics".

Notes to the Financial Statements (Continued)

As at 31 December

18. INVESTMENT PROPERTIES	2025 Rs.'000	2024 Rs.'000
Valuation		
Buildings		
Balance as at 1 January	508,763	452,755
Transfer from Property Plant and Equipment	19,914	-
Change in Fair Value	47,361	56,008
Balance as at 31 December	**576,038**	**508,763**

Investment property reflects the tea factories in Gowerakelle Estate, Mutuwagala Estate, Millawitiya Estate, Palmgarden Estate, Rye/ Wikiliya Estate, Agarsland Estate,Non Perieil Estate ,Nagrak Bungalow in Non Perieil Estate and Restaurant in Palmgarden Estate.

18.1 Income from Investment Properties	2025 Rs.'000	2024 Rs.'000
Rent Income from Investment Properties	58,548	54,018
	58,548	**54,018**

The Company has incurrred Rs. 2,058,678/- (2024: Rs. 2,401,110/-) as insurance expenses on these properties during the year ended 31 December 2025.

18.2 Senstivity of the Company's buildings stated at valuation are indicated below.

	Total buildngs sensitivity on per squere feet		
	+5% Rs.'000	Value as stand Rs.'000	-5% Rs.'000
Buildings	604,840	576,038	547,236
	604,840	**576,038**	**547,236**

18.3 Valuation of Investment Properties

Investment Properties of the Company are stated at fair value as at 31 December 2025 based on a valuation performed by Mr. S Sivaskantha, R I C S (Sri Lanka) an external, independent Chartered Valuation Surveyor using Depreciation Replacement Cost method. This reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost) and discounted for the age, condition, refurbishment level of maintenance etc.

18. INVESTMENT PROPERTIES (CONTINUED)

18.3 Valuation of Investment Properties (Continued)

The fair value measurement for all of Buildings has been categorized as level 03 fair value based on the input to the valuation technique used. The details of which are as follows,

Region	Estate	Location and Property Type	Fair Value 2025 Rs.'000	Fair Value 2024 Rs.'000	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Rathnapura	Mutwagalla	Tea Factory- Mutwagalla Estate, Kiriella	66,254	61,098	41,366	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 3,000 - 5,500	Positively correlated sensitivity
Rathnapura	Millawitiya	Tea Factory- Millawitiya Estate, Ratnapura	51,351	44,505	29,487	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500 - 5,500	Positively correlated sensitivity
Rathnapura	Palmgarden	Restaurant - Palmgarden Estate, Rathnapura	17,038	14,993	7,425	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,500 - 5,500	Positively correlated sensitivity
Balangoda	Rye/Wikilliya	Tea Factory- Rye/Wikiliya Estate, Balangoda	237,711	221,387	139,052	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,000 - 5,500	Positively correlated sensitivity
Badulla	Gowerakelle	Tea Factory- Gowerakelle Estate, Badulla	87,613	81,080	37,030	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 4,500 - 5,500	Positively correlated sensitivity
Balangoda	Non-Periel	Holiday Bungalow - Non-Periel Estate, Balangoda	16,304	13,884	4,645	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 8,000	Positively correlated sensitivity
Balangoda	Non-Periel	Tea Factory - Non-Periel Estate - Balangoda	24,482	-	30,631	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 3,000 - 4,500	Positively correlated sensitivity
Rathnapura	Palmgarden	Tea Factory - Palmgarden Estate, Rathnapura	53,699	52,691	38,036	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,250 - 5,500	Positively correlated sensitivity
Balangoda	Agarsland	Tea Factory - Agarsland Estate, Rasagalla, Balangoda	21,586	19,123	19,228	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,500 - 4,000	Positively correlated sensitivity
Total			**576,038**	**508,763**	**346,900**			

19. BEARER BIOLOGICAL ASSETS	2025				2024			
	Tea Rs.'000	Rubber Rs.'000	Others Rs.'000	Total Rs.'000	Tea Rs.'000	Rubber Rs.'000	Others Rs.'000	Total Rs.'000
19.1 Immature Plantations								
Cost								
Balance as at 1 January	91,230	1,008,561	37,089	1,136,880	74,144	1,023,294	27,563	1,125,001
Additions During the Year	7,274	24,460	15,552	47,286	17,086	28,091	9,526	54,703
Transfers to Mature During the Year	-	-	-	-	-	(42,824)	-	(42,824)
	98,504	1,033,021	52,641	(1,184,166)	91,230	1,008,561	37,089	1,136,880
Provision for impairment (Note 19.1.1)	-	(880,177)	(4,430)	(884,607)	-	(860,550)	4,430	864,980
Balance as at 31 December	**98,504**	**152,844**	**48,211**	**299,559**	91,230	148,011)	32,659	271,900
19.1.1 Provision for Impairment of Immature Plantions								
Balance as at 1 January	-	860,550	4,430	864,980	-	760,234	-	760,234
Impairment charge for year	-	19,627	-	19,627	-	100,316	4,430	104,746
Balance as at 31 December	-	880,177	4,430	884,607	-	860,550	4,430	864,980

The Company has performed an impairment assessment on immature biological assets - rubber and identified that some of rubber trees located in new planting fields are non existing and / or untappable. Accordingly, the management has performed a calculation of provision for impairment on such rubber immature fields based on the costs incurred after considering the recoverable amount of untappable trees based on fair value less cost to sell.

As a result, the Company has recognised an impairment provision of Rs.884,607,000/- as at 31 December 2025 (2024: Rs.864,980,294/-), for immature biological assets.

19. BEARER BIOLOGICAL ASSETS (CONTINUED)	2025				2024			
	Tea Rs.'000	Rubber Rs.'000	Others Rs.'000	Total Rs.'000	Tea Rs.'000	Rubber Rs.'000	Others Rs.'000	Total Rs.'000
19.2 Mature Plantations								
Cost								
Balance as at 1 January	490,295	1,750,181	68,083	2,308,559	490,295	1,707,357	68,083	2,265,735
Transfers During the Year	-	-	-	-	-	42,824	-	42,824
Balance as at 31 December	490,295	1,750,181	68,083	2,308,559	490,295	1,750,181	68,083	2,308,559
Accumulated Depreciation								
Balance as at 1 January	229,116	734,964	19,905	983,985	212,925	660,450	16,936	890,311
Depreciation During the Year	14,710	80,087	2,723	97,520	16,191	74,514	2,969	93,674
Balance as at 31 December	243,826	815,051	22,628	1,081,505	229,116	734,964	19,905	983,985
Carrying Amount of Mature Plantations	**246,469**	**935,130**	**45,455**	**1,227,054**	261,179	1,015,217	48,178	1,324,574
Total Bearer Biological Assets	**344,973**	**1,087,974**	**93,666**	**1,526,613**	352,409	1,163,228	80,837	1,596,474

Notes to the Financial Statements (Continued)

As at 31 December

20.	CONSUMABLE BIOLOGICAL ASSETS	2025 Rs.'000	2024 Rs.'000
	Mature Plantations **(Note 20.1)**	3,885,890	3,366,850
		3,885,890	**3,366,850**
20.1	**Consumable Biological Assets- Mature Plantations**		
	Balance as at 1 January	3,366,850	2,995,453
	Increase due to New Planting	1,409	1,055
	Decrease due to harvest/disposal	(3,362)	-
		3,364,897	2,996,508
	Gain arising from Changes in Fair Value	520,993	370,342
	Balance as at 31 December	**3,885,890**	**3,366,850**

20.1.1Measurement of Fair Value

The valuation of consumable biological assets was carried by Mr. W.M Chandrasena, an independent Chartered Valuation Surveyor, using Discounted Cash Flows (DCF) methods. The Valuation Report dated 31 December 2025 has been prepared based on the physically verified timber statistics provided by the Company.

The future cash flows are determined by reference to current timber prices.

The fair value measurement for the consumable biological assets has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

20. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

20.1 Consumable Biological Assets- Mature Plantations (Continued)

20.1.2 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques used in measuring Level 3 fair value of consumable biological assets as well as the significant unobservable inputs used for the valuation as at 31 December 2025.

Type	Valuation technique used	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing Timber	**Discounted cash flows**	**Determination of Timber Content**	
Standing timber older than 4 years.	The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis . Expected cash flows are discounted using a risk-adjusted discount rate of 14.5% (2024: 16.5%)	Timber trees in inter-crop areas and pure crop areas have been identified field-wise and species were identified and harvestable trees were separated, according to their average girth and estimated age. Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size. **Determination of Price of Timber** Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of logs sawn timber at the popular timber traders in Sri Lanka. In this exercise, following factors have been taken into consideration. a) Cost of obtaining approval of felling. b) Cost of felling and cutting into logs. c) Cost of transportation. d) Sawing cost. e) Cost of sale. Accordingly, prices falling within the range of Rs. 100 - 50,000 per cubic ft./ per tree has been considered in the valuation. f) Exclusion of trees located in restricted area specialized in the circular no 2019/01 dated on 6 November 2019 issued by the Ministry of Plantation Industries. Risk-adjusted discount rate. 2025 - 14.5% (Risk Premium 4.5%) 2024 - 16.5% (Risk Premium 4.5%)	The estimated fair value would increase/(decrease) if; - the estimated timber content were higher/(lower). - the estimated timber prices per cubic meter were higher/ (lower). - the estimated selling related costs were lower/(higher). - the estimated maturity age were (higher)/lower. - the risk-adjusted discount rate were lower/(higher).

Notes to the Financial Statements (Continued)

As at 31 December

20. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

20.1 Consumable Biological Assets- Mature Plantations (Continued)

20.1.3 Sensitivity Analysis

(a) Sensitivity Variation on Sales prices

Values as appearing in the statement of financial position are sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that an increase or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

	-10% Rs.'000	2025 Rs.'000	+10% Rs.'000
Timber	3,497,302	3,885,890	4,274,480
Total	**3,497,302**	**3,885,890**	**4,274,480**

(b) Sensitivity Variation on Discount Rate

Values as appearing in the statement of financial position are sensitive to changes of the discount rate applied. Simulations made for timber show that an increase or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	-1% Rs.'000	2025 Rs.'000	+1% Rs.'000
Timber	3,578,821	3,885,890	3,173,224
Total	**3,578,821**	**3,885,890**	**3,173,224**

20.1.4 The Company is exposed to the following risks relating to its timber plantation

(a) Regulatory and Environmental Risks

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

(b) Supply and Demand Risks

The Company is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible the Company manages this risk by aligning its harvest volume to market supply and demand. The management performs regular industry trend analyses to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

(c) Climate and Other Risks

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

Notes to the Financial Statements (Continued)

As at 31 December

20.	CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)	2025 Rs.'000	2024 Rs.'000
20.2	**Produce on Bearer Biological Assets**		
	Balance at 1 January	8,165	5,296
	Change in Fair Value less Cost to Sell	(2,103)	2,869
	Balance at 31 December	**6,062**	**8,165**

The volume of produce growing on bearer plants are measured using the estimated crop of the last harvesting cycle of the year as follows

Tea – Three days crop (50% of 6 days cycle)
Rubber - One Day Crop (50% of 2 days cycle)

Produce that grows on mature bearer plantations are measured at fair value less cost to sell. The value of the unharvested green leaves is measured using the Tea Commissioner's formula for bought leaf and rubber crop is fair valued using RSS (Ribbed Smoked Sheets) prices.

21.	FINANCIAL ASSETS MEASURED AT FVOCI	2025		2024	
		No. of Shares	Fair Value Rs.'000	No. of Shares	Fair Value Rs.'000
	Quoted Equity Investments in Ordinary Shares				
	National Development Bank PLC	6,702	947	6,554	742
		6,702	**947**	**6,554**	**742**

The Company designated the investment shown above as equity securities at Fair value through other comprehensive income because these equity securities represent investment that the Company intends to hold for medium to long term for strategic purpose.

No strategic investments were disposed during the year ended 31 December 2025, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

22.	INVENTORIES	2025 Rs.'000	2024 Rs.'000
	Nurseries	4,977	4,412
	Harvested Crops	370,374	484,970
	Input Stocks, Consumables and Spares	106,519	76,454
		481,870	565,836
	Less: Provision for Obsolete Slow Moving Inventories **(Note 22.1)**	(2,485)	(2,485)
		479,385	**563,351**

Notes to the Financial Statements (Continued)

As at 31 December

22.	INVENTORIES (CONTINUED)	2025 Rs.'000	2024 Rs.'000
22.1	**Provision For Obsolete and Slow Moving Inventories**		
	Balance at 1 January	2,485	1,684
	Charge for the Year	-	801
	Balance at 31 December	**2,485**	**2,485**

23.	TRADE AND OTHER RECEIVABLES	2025 Rs.'000	2024 Rs.'000
	Trade Receivables	152,391	28,928
	Employee Related Debtors	67,646	65,904
	Other Taxes Receivable	23,612	16,248
	Advances & Prepayments	16,383	2,292
	Staff Loans	500	953
	Other Receivables	22,316	36,225
		282,848	150,550
	Less: Provision for Impairment of Other Receivables **(Note 23.1)**	(15,661)	(6,092)
		267,187	**144,458**

23.1	**Provision For Impairment of Other Receivables**		
	Balance at 1 January	6,092	4,152
	Charge for the Year	9,569	1,940
	Balance at 31 December	15,661	6,092

24.	AMOUNTS DUE FROM RELATED COMPANIES	2025 Rs.'000	2024 Rs.'000
	Madulsima Plantations PLC	4,256	-
	Milford Exports (Ceylon) (Private) Limited	3	5,324
	Stassen Exports Private Limited	3,769	
		8,028	**5,324**

25.	CASH AND CASH EQUIVALENTS	2025 Rs.'000	2024 Rs.'000
	Favourable Balances		
	Cash at Bank	14,857	40,431
	Cash in Hand	2,282	2,842
		17,139	43,273
	Less: Unfavourable Balances		
	Bank Overdrafts	(103,930)	(302,058)
	Cash and Cash Equivalents for the Purpose of Cash Flows	**(86,791)**	**(258,785)**

Notes to the Financial Statements (Continued)

As at 31 December

26. STATED CAPITAL	2025		2024	
	No. of Shares	Value of Shares Rs.'000	No. of Shares	Value of Shares Rs.'000
Balance at 1 January	47,273,727	2,359,091	47,273,727	2,359,091
Balance at 31 December	**47,273,727**	**2,359,091**	**47,273,727**	**2,359,091**

26.1 Golden Shareholder

The Golden Share has been allotted to the Secretary to the Treasury by capitalization of revaluation reserve on 1st August 1995. Articles of Association of the Company embodies the specific rights assigned to the Golden Shareholder on behalf of the State of Democratic Socialist Republic of Sri Lanka. In addition to the rights of the normal ordinary shareholders, in terms of the Articles of the Company, the Golden Shareholder has the following rights

i. The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/to be leased to the Company by the Janatha Estate Development Board/Sri Lanka State Plantation Corporation (JEDB/SLSPC).
ii. The concurrence of the Golden Shareholder will be required to amend any clause in the Articles of Association of the Company which grant specific rights to the Golden Shareholder.
iii. The Golden Shareholder, or his nominee will have the right to examine the books and accounts of the Company at any time with two weeks written notice.
iv. The Company will be required to submit a detailed quarterly accounts report to the Golden Shareholder in a specified format within 60-days of the end of each quarter. Additional information relating to the Company in a specified format must be submitted to the Golden Shareholder within 90-days of the end of the each fiscal year.
v The Golden Shareholder can request the Board of Directors of the Company to meet with him/his Nominee, once every quarter to discuss issues related to the Company's operation of interest to the Government.

27. REVALUATION RESERVE	2025 Rs.'000	2024 Rs.'000
Balance as at 1 January	760,008	760,008
Surplus on Revaluation	386,678	-
Deferred Tax on Revaluation	(116,003)	-
Balance as at 31 December	**1,030,683**	**760,008**

The revaluation reserve comprise of gain arisen from the revaluation of Buildings. This reserve is realized upon the derecognition of the revalued Buildings.

28. TIMBER RESERVES

This represents the unrealized gains arising from the fair valuation of consumable biological assets (Timber plantations) until the assets are derecognized or impaired.

29. FVOCI RESERVE

This represents the cumulative net change in fair value of financial assets measured at FVOCI until the investments are derecognized or impaired.

Notes to the Financial Statements (Continued)

As at 31 December

30.	INTEREST BEARING LOANS AND BORROWINGS	2025 Rs.'000	2024 Rs.'000
	Balance as at 1 January	132,609	990,034
	Add :Interest Charge for the Year	-	69,943
		132,609	1,059,977
	Less :Repayments during the year	(132,609)	(927,368)
	Balance as at 31 December	**-**	**132,609**
	Maturity Analysis		
	Amount Payable within One Year	-	132,609
	Lender-wise Summary		
	Melstacorp PLC	-	132,609
		-	**132,609**

30.1 Interest Bearing Loans and Borrowings - Detailed Breakup

Name of the Lender and Rate of Interest	Nature of the Facility	Amount Outstanding as at 31 December 2025 Rs.'000	Amount Outstanding as at 31 December 2024 Rs.'000	Terms of Payment	Securities Pledged
Melstacorp PLC (AWPLR +0.5%)	Working Capital Loan Series	-	132,609	Capital to be repaid after a moratorium of 3 years. Interest payable monthly	N/A
		-	132,609		

Notes to the Financial Statements (Continued)
As at 31 December

31. RETIREMENT BENEFIT OBLIGATIONS	2025 Rs.'000	2024 Rs.'000
Retirement Benefit Obligations	1,146,957	1,076,903
Unclaimed Retiring Gratuity	111,379	139,344
Total Retirement Benefit Obligations	**1,258,336**	**1,216,247**
The movement in the retirement benefit obligation over the year is as follows:		
Balance at 1 January	1,076,903	903,264
Included in Profit or Loss		
Interest Cost During the Year	129,228	112,908
Current Service Cost	61,160	60,680
Included in OCI		
Actuarial Loss for the Year	56,096	232,127
Gratuity Payable During the Year	(37,469)	(44,767)
Gratuity Payments During the Year	(138,961)	(187,309)
Balance at 31 December	**1,146,957**	**1,076,903**
Unclaimed Retiring Gratuity		
Balance at the beginning of the Year	139,344	94,577
Payable during the Year	37,469	44,767
Payments made during the Year	(76,492)	-
Adjustment on unpaid and unclaimed retiring gratuity	11,058	-
Total Unclaimed Retiring Gratuity	111,379	139,344
Balance at the end of the year	**1,258,336**	**1,216,247**

An actuarial valuation of defined benefit obligation was carried out as at 31 December 2025 by Messrs Actuarial and Management Consultants (Private) Limited, a firm of professional actuaries. The valuation method used by the actuaries to value the obligation is the "Projected Unit Credit Method", a method recommended by the Sri Lanka Accounting Standard LKAS – 19 "Employee Benefits".

The key assumptions used by Messers.Actuarial & Management Consultants (Private) Limited include the following.

	2025	2024
(I) Rate of Interest (per Annum)	10.0%	12%
(ii) Retirement Age		
- Workers	60 years	60 years
- Staff	60 years	60 years
(iii) Turnover Rate	2% - 7%	2% - 7%

Notes to the Financial Statements (Continued)
As at 31 December

A long term Treasury Bond rate of 10% p.a (2024-12%) has been used to discount future liabilities taking into considerartion remaining life of eligible employees.

In addition to the above, demographic assumptions such as mortality, withdrawal and disability and retirement age were considered for the actuarial valuation. The " 1949/52 Mortality Table" issued by the Institute of Actuaries, London and "A1967/70 Mortality Table" issued by the Institute of Actuaries was used to estimate the gratuity liability of the Company.

As at 31 December 2025, the weighted-average duration of the defined benefit obligation was 9.6 years (2024: 9.6 years).

Sensitivity of Assumptions Used

Sensitivity analysis for significant assumptions as at 31 December 2025 is shown below.

	2025		2024	
Discount Rate Sensitivity Level	**Increase 1%**	**Decrease 1%**	**Increase 1%**	**Decrease 1%**
Impact on Defined Benefit Obligation (Rs.'000)	(94,527)	108,762	(80,349)	91,632

	2025		2024	
Future Salary Increment Rate Sensitivity Level	**Increase 1%**	**Decrease 1%**	**Increase 1%**	**Decrease 1%**
Impact on Defined Benefit Obligation (Rs.'000)	93,153	(83,242)	94,394	(84,024)

Maturity Profile of the Defined Benefit Obligation as at 31 December 2025

	2025 Rs.'000	2024 Rs.'000
Within the next 12 months	118,161	110,217
Between 1-5years	287,376	315,385
Beyond 5 years	741,420	651,301
Total	**1,146,957**	**1,076,903**

32. DEFERRED TAX LIABILITY	2025 Rs.'000	2024 Rs.'000
Balance at 1 January	1,591,130	1,444,783
Recognised in Profit or Loss		
Deferred Tax Charged During the Year	139,154	215,985
Recognised in Other Comprehensive Income		
Deferred Tax Charged During the Year	99,174	(69,638)
Balance at 31 December	**1,829,458**	**1,591,130**

Notes to the Financial Statements (Continued)

As at 31 December

32.	DEFERRED TAX LIABILITY (CONTINUED)	2025		2024	
		Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
	Deferred Tax Liabilities				
	Property, Plant and Equipment	84,349	25,305	147,576	44,273
	Revaluation Reserve on Buildings	1,472,403	441,721	1,085,725	325,718
	Investment Properties	471,198	141,359	423,837	127,151
	Bearer Biological Assets	1,526,613	457,984	1,596,474	478,942
	Consumable Biological Assets	3,885,890	1,165,767	3,366,849	1,010,055
	Right of Use Assets	452,674	135,802	455,942	136,782
	As at 31 December	7,893,127	2,367,938	7,076,403	2,122,921
	Deferred Tax Assets				
	Retirement Benefit Obligations	(1,258,336)	(377,501)	(1,076,903)	(323,071)
	Accumulated Tax Losses	-	-	(173,059)	(51,918)
	Lease Liabilities	(536,595)	(160,979)	(522,672)	(156,802)
	As at 31 December	(1,794,931)	(538,480)	(1,772,634)	(531,791)
	As at 31st December	**6,098,196**	**1,829,458**	**5,303,769**	**1,591,130**

The effective tax rate used to calculate deferred tax liability for all the Temporary Differences as at 31st December, 2025 is 30%. (2024 - 30%).

		2025 Rs.'000	2024 Rs.'000
32.1	**Amount charged to profit or loss**		
	Due to changes in temporary differences	139,154	215,985
		139,154	215,985
	Amount charged to Other Comprehensive Income		
	Due to changes in temporary differences	99,174	(69,638)
		99,174	(69,638)
	Total Impact to Financials	**238,328**	**146,347**

Notes to the Financial Statements (Continued)

33.	DEFERRED INCOME	2025 Rs.'000	2024 Rs.'000
	Cost		
	Balance at 1 January	305,710	305,710
	Balance at 31 December	**305,710**	**305,710**
	Accumulated Amortisation		
	Balance at 1 January	202,619	193,846
	Amortisation During the Year	8,773	8,773
	Balance at 31 December	211,392	202,619
	Carrying Amount as at 31 December	**94,318**	**103,091**

The Company has received funding from the Plantation Housing and Social Welfare Trust, Tea Board Subsidy Fund and Plantation Development Project (PDP) for the development of fields, factory and workers facilities such as re-roofing of line rooms, latrines, water supply, sanitation and roads etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Income. Grants are amortised over the life of the assets for which they are being deployed.

34.	LEASE LIABILITIES	2025 Rs.'000	2024 Rs.'000
	Lease Liability to SLSPC and JEDB **(Note 34.1)**	536,595	522,672
		536,595	**522,672**

	2025			2024		
	Current Liability Rs.'000	Non-Current Liability Rs.'000	Total Rs.'000	Current Liability Rs.'000	Non-Current Liability Rs.'000	Total Rs.'000
Gross Liability	74,643	1,380,898	1,455,541	71,910	1,402,256	1,474,166
Less: Interest in suspense	(67,904)	(851,042)	(918,946)	(66,190)	(885,304)	(951,494)
	6,739	**529,856**	**536,595**	**5,720**	**516,952**	**522,672**

Notes to the Financial Statements (Continued)

As at 31 December

34.	**LEASE LIABILITIES** (CONTINUED)	**2025**	**2024**
		Rs.'000	**Rs.'000**
34.1	**Lease Liability to SLSPC and JEDB**		
	Balance at 1 January	522,672	448,961
	Remeasurement of Right-of-Use Asset as at 1 April	19,800	78,382
		542,472	527,343
	Interest Charges for the Year	68,083	64,562
	Less: Lease Payments Made During the Year	(73,960)	(69,233)
	Lease Liability to SLSPC and JEDB	536,595	522,672

The lease of the estates have been amended, with effect from 11 June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The first rental payable under the revised basis is Rs. 5.7 million from 11 June 1997.This amount is to be inflated annually by the Gross Domestic Product (GDP) deflator, and was in the form of Contingent rental.

		2025	**2024**
		Rs.'000	**Rs.'000**
34.2	**Maturity Analysis of Contractual Undiscounted Cash Flows**		
	Within One Year	74,644	70,910
	1-2 Years	149,288	143,821
	2-5 Years	223,932	215,732
	More than 5 Years	1,007,678	1,042,703
	Total Undiscounted Lease Liabilities	1,455,542	1,474,166
34.3	**Amounts Recognised in Profit or Loss**		
	Interest on Lease Liabilities	68,083	64,562
	Depreciation Charged for Right of Use Asset	23,068	21,406
		91,151	85,968
34.4	**Amounts Recognised in Statement of Cash Flows**		
	Total Cash Outflow for Leases	73,960	69,233

Notes to the Financial Statements (Continued)

As at 31 December

35. TRADE AND OTHER PAYABLES	2025 Rs.'000	2024 Rs.'000
Trade Creditors	12,149	23,915
Employee Related Creditors	200,574	230,455
Accrued Expenses	39,076	26,357
Dividends Payable	10,479	8,784
Sundry Creditors	82,829	73,906
Prepayments Received	19,456	27,726
VAT Payable	93,577	31,678
Other Payables	23,905	47,992
	482,045	**470,812**

36. AMOUNTS DUE TO RELATED COMPANIES	2025 Rs.'000	2024 Rs.'000
Stassen Exports (Private) Limited	-	284
Melsta Logistics (Private) Limited	468	468
Melsta Technologies (Private) Limited	1,024	972
Distilleries Company of Sri Lanka PLC	15,729	-
Lanka Milk Foods (CWE) PLC	2,727	-
Madulsima Plantations PLC	-	255
Milford Exports (Ceylon) (Private) Limited	2,797	-
Formula World (Private) Limited	5,969	1,508
	28,714	**3,487**

37. RELATED PARTY DISCLOSURES

37.1 Substantial Shareholding and Ultimate Parent Company

The Company's immediate parent Company is Melstacorp PLC which owns 72.21% of Balangoda Plantations PLC and the ultimate parent Company is Milford Exports (Ceylon) (Private) Limited both of which are incorporated in Sri Lanka.

37.2 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard 24 " Related Party Disclosures", key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors has been classified as Key Management Personnel of the Company.

37.3 Compensations to KMPs

	2025 Rs.'000	2024 Rs.'000
Short-term Employee Benefits - Directors' remunerations	5,000	1,172
	5,000	**1,172**

37. RELATED PARTY DISCLOSURES (CONTINUED)

37.4 Transactions with Related Companies

Name of the Company	Nature of Relationship	Names of the Common Directors	Nature of the Transactions	Company			
				Transaction Amount		Balance as at 31 December	
				2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Stassen Exports (Private) Limited	Common Directors	Mr. D. H. S. Jayawardena Mr. C. R. Jansz	Reimbursement of Expenses Sale of Organic Green Leaf Settlements Received	(30) 13,867 (9,784)	(162)	3,769	(284)
Melsta Logistics (Private) Limited	Subsidiary of Parent Company		Vehicle Repair Charges	-	-	(468)	(468)
Melsta Technologies (Private) Limited	Subsidiary of Parent Company		Salaries Incurred Reimbursement of Expenses	(3,332) 3,280	(3,050) 2,438	(1,024)	(972)
Madulsima Plantations PLC	Subsidiary of Parent Company	Mr. D. H. S. Jayawardena Mr. C. R. Jansz Mr. M. R. Mihular Mr. K. Dayaparan Mr. P. A. Jayatunga Dr. R. A. Fernando	Supply good and service Reimbursement of Expenses Settlements Received	15,520 (1,236) (9,774)	17,306 (7,373) (37,208)	4,256	(255)
Milford Export Ceylon (Private) Limited	Ultimate Parent Company	Mr. D. H. S. Jayawardena Mr. C. R. Jansz	Rent Received Sale of Green Leaf Reimbursement of Expenses Settlements Received	6,092 22,584 (2,781) (34,016)	6,109 79,248 60 (83,677)	(2,794)	5,324
Melstacorp PLC	Intermediate Parent Company	Mr. D. H. S. Jayawardena Mr. C. R. Jansz Mr. M. R. Mihular Dr. R. A. Fernando	Interest Charge Repayments during the Year	- 132,609	(69,943) 927,368		(132,609)
Formula World (Private) Limited	Subsidiary of Parent Company		Vehicle Repair Charges Settlement	(5,969) 1,508	(13,862) 9,854	(5,969)	(1,508)
Distilleries Company of Sri Lanka PLC	Subsidiary of Parent Company	Mr. D. H. S. Jayawardena Mr. C. R. Jansz Dr. R. A. Fernando	Reimbursement of Staff Cost Settlement	(47,635) 31,906	- -	(15,729)	-
Lanka Milk Foods (CWE) PLC	Subsidiary of Parent Company	Mr. D. H. S. Jayawardena Mr. C. R. Jansz Mr. K. Dayaparan	Vehicle Repair Charges	(2,727)	-	(2,727)	-

Notes to the Financial Statements (Continued)

As at 31 December

38. CAPITAL COMMITMENTS

There are no material capital commitments as at the date of the Statement of Financial Position.

39. COMPARATIVE INFORMATION

Following reclassification have made to comparative figures to improve the comparability and presentation of financial statements. This reclassification adjustment does not result in changes to the net assets of the Company perviously reported.

Reclassifications in the Statement of Financial Position

	Current Presentation		As Previously Reported
	2025 Rs.('000)	2024 Rs.('000)	2024 Rs. ('000)
Reclassification between Trade & other payable to Retirement Benefit Obligation			
Retirement Benefit Obligation	1,258,336	1,216,247	1,076,903
Trade and Other Payable	482,045	470,812	610,157

The Company has reclassified the unclaimed gratuity payable from Trade and other payable to Retirement Benefits Obligations.

40. CONTINGENT LIABILITIES

There are no contingent liabilities as at the date of the Statement of Financial Position.

41. EVENTS OCCURRING AFTER THE REPORTING DATE

The Board of Directors has proposed a final dividend of 50 cents per share amounting to Rs.23,636,363/50 for the year ended 31 December 2025 which is subject to approval of shareholders at the Annual General Meeting.

No other circumstances have arisen since the reporting date which would require adjustments to or disclosure in the Financial Statements.

42. GOING CONCERN

The following factors have been considered by the Board of Directors in preparing and presenting these financial statements on going concern basis.

The Company has reported accumulated losses of Rs.2,553,173,000/- (2024: Rs. 2,542,327,092/-) as at reporting date. Notwithstanding this, the financial statements have been prepared on a going concern basis as at 31st December 2025 based on a comprehensive review of the Company's affairs including, but not limited to:

- The cash flow forecast of the Company for the period up to next 12 months.
- The Company's ability of settling the statutory payables and other liabilities when they fall due and payable.
- Revenue and profitability forecasts of the Company not only for the next financial year, but beyond 31st December 2025.

Notes to the Financial Statements (Continued)

As at 31 December

42. GOING CONCERN (CONTINUED)

Further, based on the Company's assessment of the sources of funding available to the Company and strategies to improve performance and the financial position, the management believes that the Company will be able to generate profits in the future.

Based on reasons given above, the Board of Directors of the Company is confident that the Company will remain operational and generate profits for at least next 12 months from the reporting date. Accordingly, these financial statements have been prepared on going concern basis.

43. FINANCIAL RISK MANAGEMENT

43.1 Risk Management Framework

The Company's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programs and adherence to the Group's financial risk management policies. The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company's board of directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Accordingly, the company's activities exposed to variety of financial risks:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

43.1.1 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

a) Credit Risk Management

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, trade and other receivables, the Company's exposure to credit risk arises from default of the counterparty. The Company manages its operations to avoid any excessive concentration of counterparty risk and the Company takes all reasonable steps to ensure the counterparties fulfil their obligations.

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

Credit Risk Exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following figures shows the maximum risk positions.

At 31 December	2025 Rs.'000	2024 Rs.'000
Trade and Other Receivables	242,853	132,010
Amounts due from Related Companies	8,028	5,324
Cash at Bank	14,857	40,431
Total Credit Risk Exposure	**265,738**	**177,765**

Impairment Losses

The aging of Trade receivables as at the reporting date was;

As at 31 December	2025 Gross Rs.'000	2025 Impairment Rs.'000	2024 Gross Rs.'000	2024 Impairment Rs.'000
Not Past Due	152,391	-	28,928	-
	152,391	**-**	**28,928**	**-**

43.1.1.1 Amounts Due From Related Parties

The amounts due from related parties mainly consist of balances due from companies under common control and from affiliate companies.

43.1.1.2 Cash and Cash Equivalents and Short Term Investments

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Company consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

The cash and cash equivelents are held at Banks, which are rated "A (lka)" based on fitch rating Sri Lanka.

43.1.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

43.1.2 Liquidity Risk (Continued)

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 December 2025 based on contractual undiscounted payments.

At 31 December 2025	Carrying Amount Rs.'000	Contractual Cash flow Rs.'000	06 Months or less Rs.'000	06 - 12 Months Rs.'000	01 - 02 Years Rs.'000	02- 05 Years Rs.'000	More than 5 Years Rs.'000
Non-Derivative Financial Liabilities							
Lease Liability	536,595	1,455,542	37,322	37,322	149,288	223,932	1,007,678
Trade and Other Payables	462,589	462,589	462,589	-	-	-	-
Amounts due to Related Companies	28,714	28,714	28,714	-	-	-	-
Bank Overdraft	103,930	103,930	103,930	-	-	-	-
	1,131,828	**2,050,775**	**632,555**	**35,955**	**143,821**	**215,732**	**1,042,703**

At 31 December 2024	Carrying Amount Rs.'000	Contractual Cash flow Rs.'000	06 Months or less Rs.'000	06 - 12 Months Rs.'000	01 - 02 Years Rs.'000	02- 05 Years Rs.'000	More than 5 Years Rs.'000
Non-Derivative Financial Liabilities							
Interest Bearing Loans and Borrowings	132,609	132,609	132,609	-	-	-	-
Lease Liability	522,673	1,474,166	35,955	35,955	143,821	215,732	1,042,703
Trade and Other Payables	443,086	443,086	443,086	-	-	-	-
Amounts due to Related Companies	3,487	3,487	3,487	-	-	-	-
Bank Overdraft	302,058	302,058	302,058	-	-	-	-
	1,403,912	**2,355,406**	**917,195**	**35,955**	**143,821**	**215,732**	**1,042,703**

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

43.1.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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 risk comprise of the following types of risk:
(a) Interest rate risk
(b) Currency risk
(c) Commodity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the deposits and borrowings.

The interest rates have increased significantly after the reporting date and this may lead to substantial negative impact on the future profits of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were,

	2025 Rs.'000	2024 Rs.'000
Fixed Rate Instruments		
Financial Liabilities	(640,525)	(824,731)
	(640,525)	**(824,731)**
Variable Rate Instruments		
Financial Liabilities	-	(132,609)
	-	**(132,609)**

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

43.1.3 Market Risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings)

	2025		2024	
	Increase	Decrease	Increase	Decrease
	-	-	8%	8%
Effect on Profit before Tax	-	-	(10,609)	10,608
Effect on Equity	-	-	(7,426)	7,426

b) Currency Risk

The Company has no any currency risk, since there are no any foreign currency instruments as at the reporting date.

43.1.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial actions
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance when this is effective

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit and also finance team. The results of Internal Audit reviews are discussed with the Management, summaries submitted to the senior Management of the Company.

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.2 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current borrowings as shown in the statements of financial position.

The Company's Debt to Equity ratio at the end of the reporting periods is as follows:

At 31 December	2025 Rs.'000	2024 Rs.'000
Total Liabilities	4,456,052	4,342,104
Less: Cash at Bank and Cash in Hand	(17,139)	(43,273)
Net debts	4,438,913	4,298,831
Total Equity	4,498,048	3,717,021
Debt to Equity ratio (Gearing Ratio)	**98%**	**116%**

44. FAIR VALUE MEASUREMENT

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

44.1 Fair Value versus the Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

44. FAIR VALUE MEASUREMENT (CONTINUED)

44.1 Fair Value versus the Carrying Amounts (Continued)

	2025		2024	
	Carrying Amount Rs.'000	Fair Value Rs.'000	Carrying Amount Rs.'000	Fair Value Rs.'000
Assets Carried at Amortised Cost				
Trade and Other Receivables	242,853	242,853	132,010	132,010
Amounts due from Related Companies	8,028	8,028	5,324	5,324
Cash and Cash Equivalents	17,139	17,139	43,273	43,273
Financial Assets Measured at FVOCI				
Quoted Equity Investments in Ordinary Shares	947	947	742	742
	268,967	**268,967**	**181 ,349**	**181,349**
Liabilities Carried at Amortised Cost				
Interest Bearing Loans and Borrowings	-	-	132,609	132,609
Lease Liabilities	536,595	536,595	522,673	522,673
Trade and Other Payables	462,589	462,589	473,085	473,085
Amounts due to Related Companies	28,714	28,714	3,486	3,486
Bank Overdraft	103,930	103,930	302,058	302,058
	1,131,828	**1,131,828**	**1,403,911**	**1,403,911**

44.2 Financial Assets and Liabilities by Categories

(a) Financial Assets	2025			2024		
	Amortised Cost Rs.'000	Fair Value Through Profit or Loss Rs.'000	Fair Value Through Other Comprehensive Income Rs.'000	Amortised Cost Rs.'000	Fair Value Through Profit or Loss Rs.'000	Fair Value Through Other Comprehensive Income Rs.'000
Trade and Other Receivables	242,853	-	-	132,010	-	-
Amounts due from Related Companies	8,028	-	-	5,324	-	-
Cash and Cash Equivalents	17,139	-	-	43,273	-	-
Financial Assets Measured at FVOCI	-	-	947	-	-	742
	268,020	**-**	**947**	**180,607**	**-**	**742**

Notes to the Financial Statements (Continued)

As at 31 December

44. FAIR VALUE MEASUREMENT (CONTINUED)

44.2 Financial Assets and Liabilities by Categories (Continued)

(b) Financial Liabilities	2025		2024	
	Other Financial Liabilities	Fair Value Through Profit or Loss	Other Financial Liabilities	Fair Value Through Profit or Loss
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Bearing Loans and Borrowings	-	-	132,609	-
Lease Liabilities	536,595	-	522,673	-
Trade and Other Payables	462,589	-	443,085	-
Amounts due to Related Companies	28,714	-	3,486	-
Bank Overdraft	103,930	-	302,058	-
	1,131,828	**-**	**1,403,911**	**-**

44.3 Financial Assets and Liabilities by Fair Value Hierarchy

As at 31 December 2025	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets Carried at Amortised Cost			
Trade and Other Receivables	-	-	242,853
Amounts due from Related Companies	-	-	8,028
Other Financial Assets Measured at Amortised Cost	-	-	-
Cash and Cash Equivalents	-	17,139	-
Financial Assets Measured at FVOCI			
Quoted Equity Investments in Ordinary Shares	947	-	-
	947	**17,139**	**250,881**
Liabilities Carried at Amortised Cost			
Interest Bearing Loans and Borrowings	-	-	-
Lease Liabilities	-	-	536,595
Trade and Other Payables	-	-	462,589
Amounts due to Related Companies	-	-	28,714
Bank Overdraft	-	103,930	-
	-	**103,930**	**1,027,898**
As at 31 December 2024			
Assets Carried at Amortised Cost			
Trade and Other Receivables	-	-	132,010
Amounts due from Related Companies	-	-	5,324
Other Financial Assets Measured at Amortised Cost	-	-	-
Cash and Cash Equivalents	-	43,273	-
Financial Assets Measured at FVOCI			
Quoted Equity Investments in Ordinary Shares	742	-	-
	742	**43,273**	**137,334**
Liabilities Carried at Amortised Cost			
Interest Bearing Loans and Borrowings	-	-	132,609
Lease Liabilities	-	-	522,673
Trade and Other Payables	-	-	443,085
Amounts due to Related Companies	-	-	3,486
Bank Overdraft	-	302,058	-
	-	**302,058**	**1,098,363**

45. OPERATING SEGMENTS

	Tea		Rubber		Others		Total	
	2025 Rs.'000	2024 Rs.'000	2024 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Segmental Results								
Revenue	3,834,986	4,390,211	444,569	451,644	-	-	4,279,555	4,841,855
Revenue Expenditure	(3,352,979)	(3,484,018)	(515,070)	(489,883)	-	-	(3,868,049)	(3,973,901)
Gross Profit/ (Loss)	482,007	906,193	(70,501)	(38,239)	-	-	411,506	867,954
Gain on Changes in Fair Value of Biological Assets	-	-	-	-	-	-	518,890	373,211
Other Income	-	-	-	-	-	-	283,557	172,341
Unallocated Expenses	-	-	-	-	-	-	(269,006)	(300,192)
Net Finance Cost	-	-	-	-	-	-	(86,452)	(156,113)
Profit Before Taxation	-	-	-	-	-	-	858,495	957,201
Income Tax Expenses	-	-	-	-	-	-	(261,810)	(215,985)
Profit for the Year	-	-	-	-	-	-	596,685	741,216
Other Comprehensive Income (Net of tax)	-	-	-	-	-	-	231,613	(162,156)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**828,298**	**579,060**
Segmental Assets								
Non Current Assets	2,564,803	2,232,251	1,628,256	1,613,879	3,983,240	3,448,425	8,176,299	7,294,555
Current Assets	632,934	631,898	118,240	86,351	26,627	46,323	777,801	764,572
Total	**3,197,737**	**2,864,149**	**1,746,496**	**1,700,230**	**4,009,867**	**3,494,748**	**8,954,100**	**8,059,127**
Segmental Liabilities								
Non Current Liabilities	1,105,551	875,520	135,735	201,380	2,470,682	2,350,520	3,711,968	3,427,420
Current Liabilities	254,118	432,544	59,421	93,565	430,545	388,577	744,084	914,686
Total	**1,359,669**	**1,308,064**	**195,156**	**294,945**	**2,901,227**	**2,739,097**	**4,456,052**	**4,342,106**
Segmental Capital Expenditure								
Field Development	7,274	17,087	24,460	28,091	16,961	9,526	48,695	54,704
Property, Plant & Equipment	77,823	43,495	6,941	281	20,841	14,166	105,605	57,942
Total Capital Expenditure	**85,097**	**60,582**	**31,401**	**28,372**	**37,802**	**23,692**	**154,300**	**112,646**
Depreciation								
Mature Depreciation	14,710	16,191	80,087	74,514	2,723	2,970	97,520	93,675
Property,Plant & Equipment	67,138	73,358	22,067	24,111	14,259	12,028	103,464	109,497
	81,848	**89,549**	**102,154**	**98,625**	**16,982**	**14,998**	**200,984**	**203,172**

Shareholder and Investor Information

The issued Ordinary shares of Balangoda Plantations PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Financial Statements of the Company for the year ended 31st December 2025 have been submitted to the Colombo Stock Exchange.

Distribution of Shareholdings as at 31st December 2025

No. of Shares held	No. of Shareholders	No. of Shareholders %	Total Holdings	Total Holding %
1-1,000	17,942	97.19%	2,297,980	4.86%
1,001-10,000	365	1.98%	1,248,476	2.64%
1,001-100,000	129	0.70%	4,473,262	9.46%
100,001-1,000,000	23	0.12%	5,118,076	10.83%
0VER 1,000,001	1	0.01%	34,134,932	72.21%
Grand Total	**18,460**	**100.00%**	**47,272,726**	**100.00%**

Analysis of Shareholders

Category	No. of Shareholders	No. of Shareholders %	Total Holdings	Total Holding %
Individual	18,287	99.06%	7,308,215	15.47%
Institution	155	0.84%	39,767,135	84.12%
Foreign Individuals	16	0.09%	120,485	0.25%
Foreign Institution	2	0.01%	76,891	0.16%
Grand Total	**18,460**	**100.00%**	**47,272,726**	**100.00%**

Market Statistics

As at 31 December	2025	2024
Number of Shares	47,272,726	47,272,726
Earning/(Loss) per Share Rs	12.62	15.68
Net Asset per Share Rs	95.15	78.63
Dividend per Share Rs	0.50	1.00
Highest Share Price Rs	107.00	76.00
Lowest Share Price Rs	60.00	43.00
Last traded Price Rs	71.90	72.00

Shareholder and Investor Information (Continued)

No	Name of the Shareholder	No. of Shares	%
1	MELSTACORP PLC	34,134,932	72.21
2	DEUTSCHE BANK AG-NATIONAL EQUITY FUND	883,331	1.87
3	SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	534,446	1.13
4	RANAVAV HOLDINGS (PVT) LTD	411,000	0.87
5	COMMERCIAL BANK OF CEYLON PLC/M.M. FUAD	300,000	0.63
6	MISS. O.U.K. JAYASUNDARA	285,000	0.60
7	SEYLAN BANK PLC/R.A.RISHARD	278,330	0.59
8	MR. M.Z. RASHEED	204,122	0.43
9	MR. M.H.M. FAWSAN	193,739	0.41
10	PEOPLE S LEASING AND FINANCE PLC/NAGOYA CEYLON TRADING (PVT) LTD	184,431	0.39
11	MR. M.R. RASHEED	182,300	0.39
12	SEYLAN BANK PLC/MOHAMED SUBAIR FOUZAL HAQQUE	180,000	0.38
13	WINSKY MARKETING (PVT) LTD	149,900	0.32
14	COMMERCIAL BANK OF CEYLON PLC/RANANJAYA HOLDINGS (PVT)LTD	142,529	0.30
15	SENKADAGALA FINANCE PLC/M.M.SUGATHAPALA	135,000	0.29
16	SENKADAGALA FINANCE PLC/M.S.F.HAQQUE	133,591	0.28
17	MR. S.A. COORAY & MR. P.T.COORAY,MRS. S.NUGAPITIYA	129,423	0.27
18	AMANA BANK PLC/HI-LINE TOWERS PVT LIMITED	126,435	0.27
19	COCOSHELL ACTIVATED CARBON COMPANY (PRIVATE) LIMITED	120,400	0.25
20	MR. M.A. HUSSAIN	118,080	0.25
	Sub Total	**38,826,989**	**82.13**
	Other Shareholders	**8,445,737**	**17.87**
	Total	**47,272,726**	**100.00**

1) Public Holding Percentage as at 31st December 2025 – 27.79% (2024: 25.39%)

2) Number of shareholders representing the above percentage – 18,460 (2024 : 18,528)

3) The adjusted market capitalization as at 31st December 2025 – Rs.944,557,000 (2024 : 864,319,000)

4) The float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1(a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said opposition.

Financial Information

	2025 000	2024 000	2023 000	2022 000	2021 000	2020 000
Turnover	4,279,555	4,841,855	4,129,862	6,070,594	4,002,689	3,573,075
Profit/(Loss) before Taxation	858,495	957,201	354,851	996,622	(58,781)	143,597
Taxation	(261,810)	(215,985)	(285,782)	(439,695)	57,061	(27,198)
Profit/(Loss) after Taxation	596,685	741,216	69,069	556,927	(1,720)	116,399
Other Comprehensive Income	231,613	(162,156)	43,665	(155,750)	(92,140)	927,900
Accumulated Loss Brought Forward	(2,542,327)	(2,750,712)	(2,344,666)	(2,739,820)	(2,386,946)	(2,376,156)
Dividend Paid	(47,271)	-	(94,546)			
Transfer to Revaluation Reserves	(270,675)			206,613	(39,284)	(909,017)
Transfer to Timber Reserve	(520,993)	(370,342)	(405,689)	(212,831)	(219,776)	(146,139)
Available for Sales Reserve	(205)	(333)	(217)	196	46	67
Fixed Assets	8,176,299	7,294,555	7,014,482	6,560,402	6,402,324	6,284,118
Current Assets	777,801	764,572	737,350	3,005,831	577,101	561,072
Current Liabilities	744,084	914,686	1,294,098	1,065,871	1,155,334	2,686,744
Non Current Liabilities	3,711,968	3,427,420	3,319,774	5,220,028	5,114,576	3,355,071
Net Assets	4,498,048	3,717,021	3,137,961	3,280,334	709,515	803,375
Share Capital	2,359,091	2,359,091	2,359,091	350,000	350,000	350,000
Revaluation Reserves	1,030,683	760,008	760,008	741,689	948,302	909,017
Timber Reserves	3,660,649	3,139,656	2,769,314	2,363,625	2,150,793	1,931,017
Available for Sales Reserve	798	593	260	43	240	285
Accumulated Loss	(2,553,173)	(2,542,327)	(2,750,712)	(2,344,665)	(2,739,820)	(2,386,946)
Share Application Pending Allotment	-			2,169,642		
Capital Employed	4,498,048	3,717,021	3,137,961	3,280,333	709,515	803,373
Number of Shares ('000)	47,272	47,272	47,272	23,636	23,636	23,636
Earning per Share (Rs.)	12.62	15.68	1.48	23.56	(0.07)	4.92
Dividend Declared per Share (Rs.)	0.50	1.00	-	2.00	-	-
Net Asset per Share (Rs.)	95.15	78.63	67.30	46.99	30.02	33.99
Dividend Payout Ratio (%)	3.96	6.38	-	8.49	-	-

Statement of Value Addition

	Year ended 31.12.2025		Year ended 31.12.2024	
	%	Rs.'000	%	Rs.'000
Revenue		4,279,555		4,841,855
Other Income		802,447		545,552
Total Revenue		5,082,002		5,387,407
Cost of Materials & Services bought		1,865,869		1,912,634
VALUE ADDED	**100.00**	**3,216,133**	**100.00**	**3,474,773**
	%	Share	%	Share
DISTRIBUTION OF VALUE ADDED				
A To Employees as Remuneration	70.24	2,258,996	67.64	2,350,332
B To Government as taxes				
B 1 To Government as Lease Intrest	2.12	68,083	1.86	64,563
C To Lenders of Capital as Interest	0.64	20,492	2.69	93,495
D To Shareholders as Dividends	1.47	47,273	-	-
E Retained in Business				
E1 Provision of Depreciation	6.98	224,604	6.48	225,167
E2 Profit Retained	18.55	596,685	21.33	741,216
	100.00	**3,216,133**	**100.00**	**3,474,773**

Performance of Estates

Tea Estates	Elevation Category	Year	Tea Extent (Ha.)	Combined Crop (Kg)	Yield Kg/ha	C.O.P Rs/kg	N.S.A Rs/kg
Balangoda	Uva Medium	2025	418.95	639,185	1,353	784.18	1,040.77
		2024	418.95	658,118	1,340	793.58	1,093.98
Cecilton	Uva Medium	2025	169.06	260,005	979	981.95	1,038.29
		2024	169.06	261,724	1,027	980.49	1,054.14
Meddakande	Uva Medium	2025	143.90	137,093	638	1,175.33	1,026.54
		2024	143.90	161,400	794	1,128.98	1,057.48
Non Pareil	Uva High	2025	226.00	83,894	371	1,367.02	1,104.94
		2024	226.00	83,363	369	1,445.71	1,063.04
Pettiagalla	Uva Medium	2025	173.50	171,296	859	954.24	1,040.03
		2024	173.50	189,933	910	951.10	1,034.94
Rasagalla	Low	2025	234.81	273,137	662	1,061.11	1,156.93
		2024	234.81	291,284	761	1,095.22	1,204.64
Rye/Wikiliya	Low	2025	129.80	49,334	380	1,317.12	1,033.26
		2024	129.80	53,001	408	1,275.50	1,052.35
Walaboda	Uva Medium	2025	102.50	69,003	673	979.91	1,047.14
		2024	102.50	84,001	820	906.17	1,063.37
Mahawale	Low	2025	1.60	373	233	868.53	825.86
		2024	1.60	511	319	835.72	837.57
Palmgarden	Low	2025	3.02	1,654	548	967.21	821.73
		2024	3.02	2,016	668	722.88	861.24
Cullen	Uva Medium	2025	141.90	72,800	512	982.83	1,047.17
		2024	141.90	78,150	548	1,011.61	1,122.65
Glen Alpin	Uva Medium	2025	297.82	250,571	724	985.32	1,020.71
		2024	298.82	316,309	801	1,004.15	1,080.61
Gowerakelle	Uva Medium	2025	194.35	93,359	480	1,022.56	992.05
		2024	194.35	98,693	508	916.36	989.22
Spring Valley	Uva High	2025	452.53	316,681	668	938.33	1,002.61
		2024	452.53	408,959	780	943.15	1,076.22
Telbedde	Uva Medium	2025	512.48	466,692	884	911.09	1,029.90
		2024	512.48	591,242	1,079	872.95	1,098.39
Ury	Uva Medium	2025	299.92	255,154	648	934.86	1,071.25
		2024	299.92	299,022	713	940.35	1,124.94
Wewesse	Uva Medium	2025	233.10	220,037	615	989.59	1,064.34
		2024	233.10	303,990	764	957.46	1,139.53

Performance of Estates

Rubber Estates	Elevation Category	Year	Rubber Extent (Ha.)	Combined Crop (Kg)	Yield Kg/ha	C.O.P Rs/kg	N.S.A Rs/kg
Galatura	Ratnapura	2025	159.15	48,971	294	1,408.30	917.06
		2024	169.65	65,640	340	1,114.32	809.66
Mahawale	Ratnapura	2025	170.73	48,372	274	1,263.66	923.31
		2024	186.08	54,410	286	1,162.54	823.88
Millawitiya	Ratnapura	2025	90.12	45,709	506	1,056.09	895.80
		2024	90.12	57,012	615	855.55	806.38
Mutwagalla	Ratnapura	2025	177.43	59,746	332	1,336.52	896.21
		2024	195.15	77,496	367	1,063.77	741.05
Palmgarden	Ratnapura	2025	260.65	118,031	438	1,046.97	911.72
		2024	257.40	126,814	460	956.05	812.62
Rambukkande	Ratnapura	2025	201.73	122,712	602	799.84	913.98
		2024	208.32	140,075	653	701.91	833.77
Rye/Wikiliya	Balangoda	2025	48.07	20,820	433	726.96	642.74
		2024	48.07	19,480	405	734.18	617.13
Glen Alpin	Badulla	2025	6.97	6,079	872	429.28	650.00
		2024	6.97	7,003	1,005	428.91	595.05
Ury	Badulla	2025	40.13	14,790	369	617.12	639.28
		2024	40.13	20,848	520	538.35	606.65
Wewesse	Badulla	2025	27.53	18,917	687	733.96	648.08
		2024	27.53	23,193	842	561.26	604.91

Notice Of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Third (33rd) Annual General Meeting of BALANGODA PLANTATIONS PLC will be held as a virtual meeting via an online meeting platform conducted from the "Mini Auditorium", Melstacorp PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka on Wednesday 24th June 2026 at 10.00 a.m. to consider and if thought fit to pass the following resolutions:

1. To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st December 2025 together with the Auditors' Report thereon.

2. To propose the following resolution as an ordinary resolution for the re- appointment of Mr. C R Jansz as a Director who has attained the age of seventy three (73) years.
   "Ordinary Resolution
   IT IS HEREBY RESOLVED THAT the age limit referred in Section 210 of the Companies Act No. 07 of 2007(Companies Act) shall not apply to Mr. C R Jansz Director of the Company, who has attained the age of seventy three (73) years and that he be re-appointed as a director of the company.

3. To propose the following resolution as an ordinary resolution for the re- appointment of Mr. M R Mihular as a Director who has attained the age of seventy (70) years.
   "Ordinary Resolution
   IT IS HEREBY RESOLVED THAT the age limit referred in Section 210 of the Companies Act No. 07 of 2007(Companies Act) shall not apply to Mr. M R Mihular Director of the Company, who has attained the age of seventy 70 years and that he be re-appointed as a director of the company.

4. To propose the following resolution as an ordinary resolution in accordance with sub clause (c) of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, to approve Mr M R Mihular as nevertheless independent upon him attaining the age of seventy years
   "Ordinary Resolution
   WHEREAS in keeping with sub clause (a) to Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee along with the justification and rationale had recommended to the board of directors of the Company ("the Board") to consider Mr. M R Mihular as nevertheless independent upon him attaining the age of seventy years on 18th June 2026

   WHEREAS the Board having duly considered the said justification and rationale has confirmed the recommendation of the Nominations and Governance Committee to consider Mr M R Mihular as nevertheless independent upon him attaining the age of seventy years;
   Accordingly, IT IS HEREBY RESOLVED THAT the recommendation of the Nominations and Governance Committee along with the justification and rationale and the confirmation of the board of directors of the Company to consider Mr M R Mihular as nevertheless independent upon him attaining the age of seventy years, be approved.
5. To re-elect Mr. K Dayaparan who retire by rotation at the Annual General Meeting in terms of Article 92 of the Articles of Association as a Director of the Company.
6. To approve a final dividend of 50 cents per share, as recommended by the Board of Directors.
7. To re-appoint M/s KPMG, Chartered Accountants as the auditors of the Company in terms of Section 158 of the Companies Act No. 07 of 2007 and authorize the Board of Directors to determine the remuneration of the Auditors for the year ending 31st December 2026.

By order of the Board

Sgd.
Pradeep A Jayatunga
Company Secretary
27th May 2026,
Colombo

Notes

1) The Thirty Third (33rd) Annual General Meeting of Balangoda Plantations PLC will be a virtual meeting held by participants joining in person or proxy and through audio or audio-visual means in the manner specified below:

i) Attendance of the Chairman and the Board of Directors

The Chairman, the Board of Directors, certain Key Management Personnel, the Company Secretary, and the External Auditors will be available **on the Virtual Platform on Wednesday, 24th June 2026 at 10.00 a.m.**

ii) Shareholder Participation

a. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.

b. The Shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio-visual means only.

c. The shareholders who wish to participate in the meeting will be able to join the meeting through audio or audio-visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders and forward same to Company Secretary via bplmplcompanysecretary@gmail.com or by facsimile on +94 11 254033, to reach the Secretary not less than two (02) days before the date of the meeting so that the meeting login information could be forwarded to the email address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.

d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Form of Proxy should be sent to the Company Secretary via e-mail bplmplcompanysecretary@gmail.com or facsimile at +94 11 254033 or by post to the Registered Office of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka **not less than forty – eight (48) hours before the time fixed for the meeting.**

iii) Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to the Company Secretary, via e-mail to bplmplcompanysecretary@gmail.com or facsimile at + 94 11 254033 or by post to the Registered Office of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka **not less than Two (02) days before the date of the meeting.** This is to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that the same could be addressed at the meeting.

2) The Annual Report of the Company for the year 2025 will be available for perusal on the Company websites https://bgdpl.lk, http://melsta.com/our-core-sectors/plantation-services and the Colombo Stock Exchange website on **www.cse.lk**

If you wish to receive a printed copy of the Annual Report for the year 2025, please complete and forward us the Form of Request (Annexure 1) by post to the registered address of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka or email bplmplcompanysecretary@gmail.com or facsimile + 94 11 2540333.

Form of Proxy

I/We*.....of.....being a shareholder / shareholders of Balangoda Plantations PLC hereby appoint;

Don Hasitha Stassen Jayawardena*	of failing him
Cedric Royle Jansz*	or failing him
Kumarasamy Dayaparan*	or failing him
Mohamed Reyaz Mihular*	or failing him
Ravindra Ajith Fernando*	or failing him
Pradeep Arjuna Jayatunga*	or failing him

..... of..... as my/our* proxy to represent me/us* and to vote on my/our behalf at the Thirty Third (33rd) Annual General Meeting of the Company to be held as a virtual meeting via online platform on Wednesday 24th June 2026 at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I/We* the undersigned hereby authorize my/our* Proxy to vote on my/our* behalf following the preference indicated below:

	For	Against
1. To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st December 2025 together with the Auditors' Report thereon.	☐	☐
2. To propose the following resolution as an ordinary resolution for the re- appointment of Mr. C R Jansz as a Director who has attained the age of seventy three (73) years. **"Ordinary Resolution** IT IS HEREBY RESOLVED THAT the age limit referred in Section 210 of the Companies Act No. 07 of 2007(Companies Act) shall not apply to Mr. C R Jansz Director of the Company, who has attained the age of seventy-three (73) years and that he be re-appointed as a director of the company.	☐	☐
3. To propose the following resolution as an ordinary resolution for the re- appointment of Mr. M R Mihular as a Director who has attained the age of seventy (70) years. **"Ordinary Resolution** IT IS HEREBY RESOLVED THAT the age limit referred in Section 210 of the Companies Act No. 07 of 2007(Companies Act) shall not apply to Mr. M R Mihular Director of the Company, who has attained the age of seventy (70) years and that he be re-appointed as a director of the company.	☐	☐
4. To propose the following resolution as an ordinary resolution in accordance with sub clause (c) of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, to approve Mr M R Mihular as nevertheless independent upon him attaining the age of seventy years **"Ordinary Resolution** WHEREAS in keeping with sub clause (a) to Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee along with the justification and rationale had recommended to the board of directors of the Company ("the Board") to consider Mr. M R Mihular as nevertheless independent upon him attaining the age of seventy years on 18th June 2026. WHEREAS the Board having duly considered the said justification and rationale has confirmed the recommendation of the Nominations and Governance Committee to consider Mr. M R Mihular as nevertheless independent upon him attaining the age of seventy years; Accordingly, IT IS HEREBY RESOLVED THAT the recommendation of the Nominations and Governance Committee along with the justification and rationale and the confirmation of the board of directors of the Company to consider Mr M R Mihular as nevertheless independent upon him attaining the age of seventy years, be approved.	☐	☐
5. To re-elect Mr. K Dayaparan who retires by rotation at the Annual General Meeting in terms of Article 92 of the Articles of Association as a Director of the Company.	☐	☐
6. To approve a final dividend of 50 cents per share, as recommended by the Board of Directors.	☐	☐
7. To re-appoint M/s KPMG, Chartered Accountants as the auditors of the Company in terms of Section 158 of the Companies Act No. 07 of 2007 and authorize the Board of Directors to determine the remuneration of the Auditors for the year ending 31st December 2026.	☐	☐

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* Please strike the inappropriate words.

Signed on this .....day of .....Two Thousand and Twenty Five.

.....	.....	.....
Shareholder's Signature	1st Joint Holder's Signature	2ndJoint Holder's Signature
Date.....	Date.....	Date.....

Instructions for Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relevant power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointor.
4. Duly filled Form of Proxy should be sent to reach the Company Secretary via-email to bplmplcompanysecretary@gmail.com, or facsimile on + 94 11 2540333 or by post to the registered address of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka not less than Two (02) working days before the date of the meeting.

Please provide the following details (mandatory):	
NIC/PP/Company Registration No. of the Shareholder/s	:.....
Folio No	:.....
Email address of the Shareholder/(s) or proxy holder (other than a Director appointed as proxy)	:.....
Mobile No	:.....
Fixed Line	:.....









