BOGAWANTALAWA

CLIMATE POSITIVE AND BEYOND

WORLD'S 1st CLIMATE POSITIVE TEAS

ANNUAL REPORT

2025/26

ABOUT US

VISION

Bogawantalawa Tea Estates PLC aspires to be the world's best tea growing and marketing company.

MISSION

To be a company where people share the responsibility and commitment to attain excellence in managing the resources on a sustainable basis by providing customers with high-quality products and services whilst developing our employees and protecting the environment.

CONTENTS

FINANCIAL CALENDAR 2025/26

FINANCIAL STATEMENTS DATE

1st Quarter 14/08/2025
2nd Quarter 14/11/2025
3rd Quarter 13/02/2026
4th Quarter 29/05/2026

ANNUAL REPORT 2025/2026

32nd Annual General Meeting 30/09/2025
33rd Annual General Meeting 30/09/2026

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third (33rd) Annual General Meeting of Bogawantalawa Tea Estates PLC will be held by way of electronic means on Wednesday, 30th September 2026 at 10.30 a.m. centered at Metrocorp Building, 1st Floor, No. 150 A, Nawala Road, Nawala, Nugegoda, Sri Lanka. and the business to be brought before the Meeting will be:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.

2. To re-elect as a Director, Ms. S. H. Munasinghe who retires by rotation in terms of Articles 89 & 90 of the Articles of Association of the Company.

3. To re-elect as a Director, Mr. C. M. O. Haglind who retires by rotation in terms of Articles 89 & 90 of the Articles of Association of the Company.

4. To pass the ordinary resolution set out below to re- appoint Mr. D. J. Ambani who is 73 years of age, as a Director of the Company;

   "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. D. J. Ambani who is 73 years of age and that he be and is hereby re-appointed a Director of the Company."

5. To pass the ordinary resolution set out below to re- appoint Mr. D. A. de S. Wickramanayake who is 76 years of age, as a Director of the Company;

   "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. D. A. de S. Wickramanayake who is 76 years of age and that he be and is hereby re-appointed a Director of the Company."

6. To authorize the Directors to determine donations for the ensuing year.

7. To re-appoint Messrs. BDO Partners, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.

By Order of the Board
Bogawantalawa Tea Estates PLC

Sgd.
P W CORPORATE SECRETARIAL (PVT) LTD
Director/Secretaries

28th August 2026
Colombo

NOTICE OF MEETING

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her.

2. A Proxy need not be a shareholder of the Company.

3. A Form of Proxy is enclosed for this purpose.

4. The completed form of Proxy should be deposited at the Registered Office of the Company, Metrocorp Building, 1st Floor, No. 150A, Nawala Road, Nawala, Nugegoda, not less than Thirty Six (36) hours before the time fixed for the commencement of the Meeting.

5. Since the Meeting will be held via electronic means, shareholders who wish to participate in the AGM either by themselves or through their Proxies, are requested to forward the duly completed and signed Registration Form as per the Guidelines for Registration made available to the Shareholders on the Company/CSE Websites, to the Registrars of the Company, Corporate Solutions Unit, Central Depository Systems (Pvt) Limited, Mezzanine Floor, M & M Centre, 341/5, Kotte Road, Rajagiriya or e-mailed to AGM_EGM_registrars@cds.lk not later than 48 hours prior to the time appointed for the meeting.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the Annual Report and Audited Financial Statements of Bogawantalawa Tea Estates PLC for the financial year ended 31 March 2026.

The year under review was marked by continued economic recovery in Sri Lanka, supported by improved macroeconomic stability and stronger domestic economic activity. According to the Central Bank of Sri Lanka's Annual Economic Review 2025, merchandise exports reached a record USD 13.6 billion, the highest annual export value on record, while agricultural export earnings increased by 10.7%. Tea continued to make an important contribution to Sri Lanka's export earnings and remains a cornerstone of the country's agricultural and export economy.

Against this improving yet uncertain backdrop, the plantation sector continued to navigate structural challenges arising from rising labour and input costs, climate variability, productivity constraints, international competition and geopolitical developments. The impact of Cyclone Ditwah in the latter part of 2025 further highlighted the sector's exposure to climate-related disruptions and reinforced the importance of resilience, preparedness and sustainable agricultural practices.

Against these conditions, Bogawantalawa Tea Estates PLC remained focused on strengthening its core operations, improving productivity and operational efficiency, diversifying its agricultural portfolio and continuing to build the foundations for sustainable long-term growth.

FINANCIAL PERFORMANCE

The Company maintained revenue growth during the year, with revenue increasing by 10.0% to Rs. 5.67 billion, compared with Rs. 5.15 billion in the previous year. However, prevailing cost pressures and tax burden moderated the conversion of revenue growth into profitability, with profit before tax recorded at Rs. 932.13 million and profit after tax at Rs. 568.16 million.

Despite these pressures, the Company's financial position remained sound. Total assets increased to Rs. 9.78 billion, while shareholders' equity increased to Rs. 4.29 billion. Net asset value per share improved to Rs. 51.25, reflecting the continued strength of the Company's asset base.

The Company's value-added contribution increased by 4% to Rs. 3.80 billion, underscoring the wider economic value generated through our agricultural operations, employment, procurement and other business activities.

These results reinforce the importance of strengthening productivity, maintaining cost discipline, improving operational efficiency and exercising prudent capital allocation as we focus on protecting margins and creating sustainable value over the long term.

TEA INDUSTRY AND OUR CORE BUSINESS

Tea remains at the heart of Bogawantalawa Tea Estates PLC, and strengthening the competitiveness, quality and long-term sustainability of our tea operations remains a central priority.

Sri Lanka's tea production increased marginally to approximately 264.12 million kg in 2025, compared with 262.69 million kg in 2024, while tea exports increased to 257.44 million kg. At the same time, the national average auction price declined from Rs. 1,225.17 per kg in 2024 to Rs. 1,167.72 per kg in 2025. Tea export earnings, however, exceeded USD 1.5 billion, reaffirming the continuing importance of Ceylon Tea to Sri Lanka's export economy.

The industry continued to experience a complex combination of supply, quality and pricing pressures during the year. Higher production during the early part of 2025 contributed to greater availability of average and plain-quality teas, while global competition added further pressure on prices. At the same time, better-quality teas continued to command premiums, reinforcing the importance of quality differentiation and value creation.

Against this backdrop, Bogawantalawa increased its tea production to approximately 4.02 million kg, compared with 3.90 million kg in the previous year, representing a 3.0% increase. This improvement reflects our continued focus on field productivity, crop management, factory efficiency and operational discipline.

Looking ahead, we will continue to strengthen tea productivity and quality through improved agronomic practices, appropriate mechanisation, efficient resource utilisation, factory optimisation and sustainable agricultural management. Our objective is not simply to increase production, but to create greater value from every hectare of land, every unit of resource utilised and every kilogram of tea produced.

We remain committed to strengthening the reputation and premium positioning of Ceylon Tea, with quality, authenticity, sustainability and provenance remaining fundamental to our long-term competitiveness.

CHAIRMAN'S STATEMENT

DIVERSIFICATION – OIL PALM, CINNAMON, VANILLA AND PEPPER

Diversification is an increasingly important component of our long-term strategy as we seek to strengthen the resilience of the Company's agricultural portfolio and optimise the productive use of our land resources.

Our oil palm operations recorded significant growth during the year, with production increasing to approximately 2.64 million kg, compared with 1.92 million kg in 2024/25. This represents a meaningful contribution to the Company's diversified agricultural portfolio and provides an important complement to our core tea operations.

At the same time, our Low Country spice initiatives in cinnamon, vanilla and pepper continued to progress towards commercialisation. These crops provide opportunities to enhance land productivity, broaden our agricultural income base and diversify the Company's exposure across agricultural commodities and markets.

We will continue to develop these initiatives prudently, guided by agronomic suitability, productivity potential, market demand, sustainability, risk management and disciplined capital allocation. Our objective is to build a diversified agricultural portfolio that complements our tea business while creating sustainable long-term value from the Company's land and other productive assets.

PEOPLE, PRODUCTIVITY AND SUSTAINABILITY

Our people remain central to Bogawantalawa Tea Estates PLC's success and resilience. We remain committed to a safe, respectful working environment that strengthens employee wellbeing, skills and productivity, alongside sustainable development of our estate communities. The revised plantation wage framework is an important step for employees and their families, but it has also raised the industry's cost base, reinforcing the need to accelerate productivity gains, appropriate mechanisation, skills development and more efficient operating models. Wellbeing and productivity must progress together for the plantation sector's long-term sustainability.

Sustainability has evolved beyond compliance into a core business strategy, spanning climate action, renewable energy, water and natural resource management, biodiversity conservation, regenerative agriculture, responsible sourcing and internationally recognized certifications. These efforts reduce our environmental footprint while strengthening operational resilience, protecting productivity and preserving access to sustainability-conscious global markets.

This commitment extends to our communities through initiatives in health, education, nutrition and livelihood development. Our Living Wage initiatives and partnerships with international customers and development organisations show how responsible value chains benefit plantation workers and their families. We believe value chain collaboration is key to social progress and to keeping responsibly produced Ceylon Tea competitive.

Climate change remains a major long-term risk to core-business. Shifting rainfall, prolonged dry spells, rising temperatures and extreme weather increasingly affect crop productivity and resource availability. We continue building climate resilience through renewable energy, water security, soil and moisture conservation, and responsible land management. Sustainability is no longer just an environmental duty; it is a business imperative underpinning resilience, market access, customer trust, risk management and long-term value. Our ambition is for Bogawantalawa to be recognised not only for product quality, but for the responsible way it is produced.

OUTLOOK

We enter 2026/27 with cautious optimism and a clear focus on disciplined execution.

The plantation sector will continue to face challenges arising from labour costs, climate variability, global tea market dynamics, productivity constraints and geopolitical and international market uncertainties. At the same time, the enduring strength of Ceylon Tea, its international reputation and growing demand for differentiated, traceable and responsibly produced tea provide a strong foundation for the industry's future.

For Bogawantalawa, our priorities for the year ahead will Centre on improving tea productivity and quality, strengthening cost competitiveness, increasing the contribution of oil palm, progressing cinnamon, pepper and other diversification initiatives towards greater commercial contribution, accelerating appropriate mechanisation, strengthening climate resilience and maintaining disciplined financial and capital management.

We will continue to focus on improving the productivity of our land and resources while building a more resilient and diversified agricultural portfolio. Importantly, we see productivity, diversification and sustainability as interconnected elements of the same strategy. Greater productivity improves competitiveness; diversification strengthens resilience; and sustainability protects the people, natural resources, market relationships and agricultural systems upon which our long-term performance depends.

Our ambition is to build a business that is financially disciplined, operationally efficient, environmentally responsible and sufficiently resilient to respond to changing market and climate conditions.

We believe that our strong heritage in Ceylon Tea, supported by an increasingly diversified agricultural portfolio and a clear commitment to sustainable and responsible business practices, provides a strong platform for the Company's next phase of growth.

Our focus will remain firmly on creating sustainable long-term value for our shareholders, employees, communities, customers and wider stakeholders.

APPRECIATION

On behalf of the Board, I extend my sincere appreciation to our employees and management team for their dedication, resilience and contribution throughout the year.

I also extend my gratitude to our customers, brokers, suppliers, business and development partners, financial institutions, regulators and all other stakeholders for their continued confidence, cooperation and support.

I thank our shareholders for their continued trust in Bogawantalawa Tea Estates PLC.

With a strong heritage in Ceylon Tea, an increasingly diversified agricultural portfolio and a clear commitment to sustainable growth, we remain confident in the Company's ability to navigate the challenges ahead, seize emerging opportunities and create enduring value for our shareholders and all our stakeholders.

Sgd.
D. J. Ambani
Chairman

28th August 2026

FINANCIAL HIGHLIGHTS

For the year ended 31 March	2025/2026 Rs. '000s	2024/2025 Rs. '000s	Change %
Turnover	**5,665,951**	5,150,007	10%
Gross Profit	**1,087,335**	1,195,072	-9%
Profit/(Loss) before tax	**932,131**	1,240,036	-25%
Taxation	**(363,974)**	(197,096)	-85%
Profit/(Loss) after tax	**568,158**	1,042,940	-46%
Other Comprehensive Income/ (Expenses)	**(67,788)**	(272,151)	75%
Total Comprehensive income /(Expenses) for the year	**500,370**	770,789	-35%
Total Assets	**9,780,035**	9,345,236	5%
Total Equity	**4,291,803**	4,084,558	5%
Total Value Added	**3,798,591**	3,652,332	4%
Rs per share			
Earnings per share	**6.78**	12.45	
Net assets per share	**51.25**	48.77	
Market value per share	**65.00**	52.10	
Dividend per share	**3.50**	-	

VALUE ADDED STATEMENT

For the year ended 31 March	2025/26 Rs. '000s	2024/25 Rs. '000s
Turnover	**5,665,951**	5,150,007
Other Income	**469,910**	576,520
Total Revenue	**6,135,861**	5,726,527
Cost of Bought Material and Service	**2,337,270**	2,074,195
Total Value Created	**3,798,591**	3,652,332
Distribution of Value Added		
To Employees as Remuneration	**2,739,626**	2,396,134
To Government	**253,169**	160,491
To Lenders of Capital	**60,866**	97,081
Retained in the Business	**744,929**	998,627
	3,798,591	3,652,332
Retained in the Business		
Provision for Depreciation & Amortization	**244,559**	227,838
Profit Retained	**500,370**	770,789
	744,929	998,627

FINANCIAL REVIEW

OPERATING ENVIRONMENT

During FY 2025/26, Sri Lanka's economy continued its recovery, supported by improved macroeconomic stability and stronger domestic economic activity. However, the global operating environment remained challenging due to geopolitical tensions, trade disruptions, climate-related risks and fluctuations in international commodity markets. The plantation sector continued to face pressure from higher labour and operating costs, while weather variability remained an important factor affecting agricultural productivity.

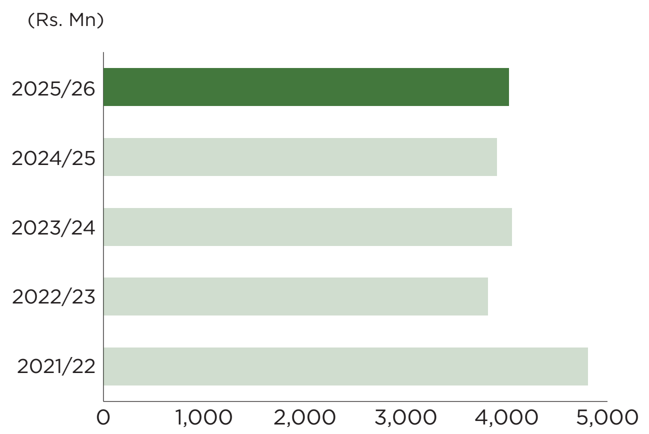
Sri Lanka's tea industry continued to play an important role in the country's export economy. National tea production increased marginally during 2025, while the industry continued to face pressure from international market conditions and rising production costs. The importance of quality, productivity, sustainability and value addition has therefore become increasingly significant to maintaining the competitiveness of Ceylon Tea.

Against this backdrop, Bogawantalawa Tea Estates PLC continued to focus on productivity, quality, cost discipline and diversification. The Company's predominantly Up-Country tea portfolio remained the core of its operations, while the increasing contribution from oil palm and the development of Low Country cinnamon and pepper projects provide additional platforms for future growth.

PRODUCTION

BTE's production base continues to be predominantly Up Country, supported by its established high-grown tea portfolio. The Company's focus during the preceding year remained on field productivity, quality enhancement, improved harvesting practices and efficient utilisation of available resources.

PRODUCTION



Total tea production increased to 4.02 Mn kg during FY 2025/26 compared with 3.90 Mn kg in the previous year, representing an increase of approximately 3%. Tea sales volume increased by approximately 9% to 4.14 Mn kg, compared with 3.79 Mn kg in 2024/25.

The improvement in production reflects continued attention to field management and productivity despite challenging weather conditions and increased operating costs.

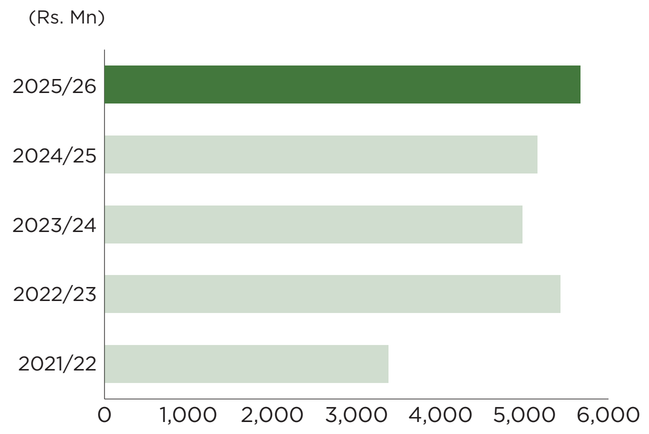
Oil palm also recorded significant operational growth during the year. Production increased substantially to approximately 2.64 Mn kg, compared with 1.92 Mn kg in the previous year. This performance demonstrates the increasing productive potential of the Company's diversified agricultural portfolio.

The Company will continue to focus on improving productivity through better field management, appropriate mechanisation, improved crop husbandry and disciplined estate-level performance monitoring.

REVENUE, COST OF PRODUCTION AND GROSS MARGIN

Company revenue increased to Rs. 5,666 Mn, compared with Rs. 5,150 Mn in FY 2024/25, representing a growth of 10%.

TURNOVER



Tea remained the principal contributor to account for the majority of company revenue, the contribution from oil palm increased from approximately 3% to 4%, demonstrating the gradual progress of the Company's diversification strategy.

FINANCIAL REVIEW

The increase in revenue was accompanied by a significant increase in the cost base. Cost of sales increased to approximately Rs. 4,579 Mn, compared with Rs. 3,955 Mn in the previous year. The increase in costs was primarily attributable to higher labour and operating costs.

The cost of production for tea increased to approximately Rs. 1,025/kg, compared with Rs. 960/kg in FY 2024/25. Consequently, gross profit declined to Rs. 1,087 Mn, compared with Rs. 1,195 Mn in the previous year.

TURNOVER VS. COST OF SALE VS. GROSS PROFIT

The increase in production costs reinforces the importance of productivity improvement, mechanisation, energy efficiency and disciplined estate-level cost management.

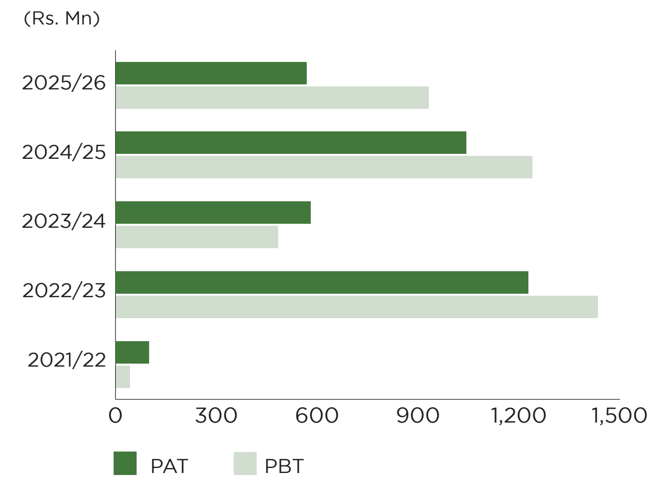
PROFITABILITY

The Company remained profitable during FY 2025/26, although profitability was affected by the significant increase in the operating cost base.

Profit before tax was Rs. 932 Mn, compared with Rs. 1,240 Mn in FY 2024/25, representing a decline of approximately 25%.

Profit after tax was Rs. 568 Mn, compared with Rs. 1,043 Mn in the previous year.

PBT & PAT



The reduction in profitability primarily reflects the higher cost of production and increased employee-related and operating costs. This was against the backdrop of a particularly strong previous year, during which improved Net Sales Average and lower unit production costs resulted in significant operating leverage.

Despite the reduction in earnings, the Company maintained a resilient financial position and continued to generate positive operating cash flows.

The experience of FY 2025/26 further reinforces the importance of productivity improvement, cost management and diversification as key elements of the Company's long-term strategy.

SEGMENT ANALYSIS

Tea

Tea remained the dominant contributor to Group revenue, accounting for approximately 96% of total turnover.

Tea revenue increased to approximately Rs. 5,421 Mn, compared with Rs. 5,009 Mn in FY 2024/25. The increase was supported by higher sales volumes, with tea sales increasing to approximately 4.14 Mn kg.

The Company's high-grown tea portfolio continues to provide a strong foundation through its established quality and reputation. Going forward, management will continue to focus on productivity, quality enhancement, appropriate mechanisation and maintaining the Company's competitive position in premium tea markets.

Oil Palm

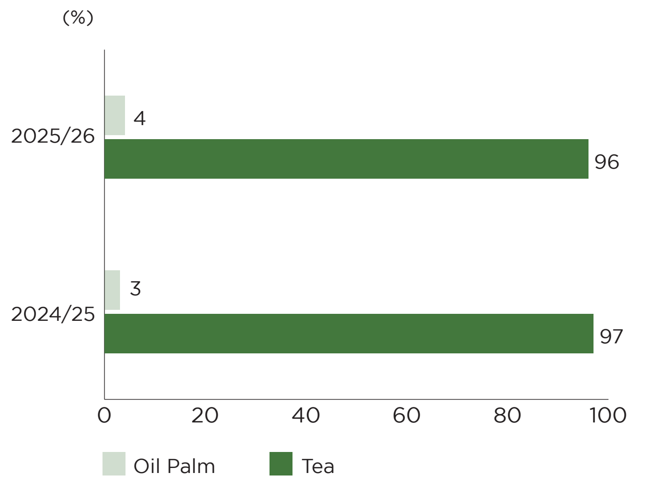
Oil palm continued to strengthen its contribution to the Company's diversified agricultural portfolio.

Revenue from oil palm increased to approximately Rs. 245 Mn, compared with Rs. 141 Mn in FY 2024/25, while production increased substantially to approximately 2.64 Mn kg.

Oil palm therefore contributed approximately 4% of Group revenue during the year compared with approximately 3% in the previous year.

The increasing contribution from oil palm provides an important diversification benefit and reduces the Company's dependence on tea as its sole major agricultural revenue stream.

SEGMENTAL TURNOVER



FUTURE DIVERSIFICATION

The Company's diversification strategy will continue to expand beyond tea and oil palm.

The Low Country development projects are expected to generate commercial income from cinnamon and pepper from FY 2026/27 onwards. These crops provide an opportunity to improve the utilisation of the Company's land resources and establish additional agricultural revenue streams.

Cinnamon benefits from Sri Lanka's established global reputation for Ceylon Cinnamon, while pepper provides a complementary crop suited to the relevant Low Country agro-climatic conditions.

Management will continue to develop these projects in a phased and disciplined manner, with emphasis on productivity, market potential, sustainability and long-term commercial returns.

BALANCE SHEET AND RETURN

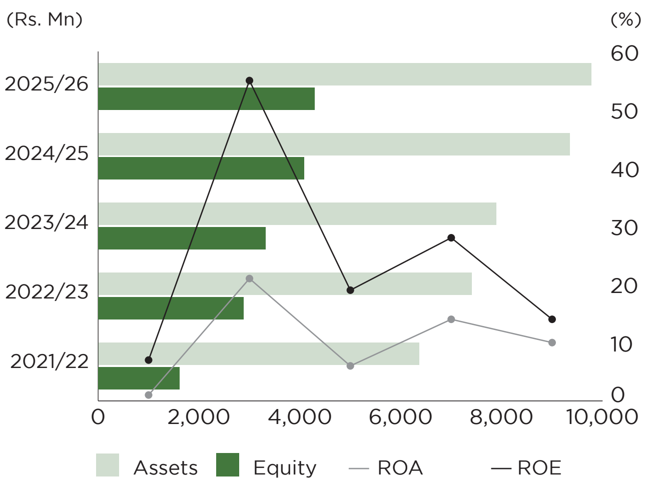
Total assets increased to Rs. 9,780 Mn as at 31 March 2026, compared with Rs. 9,345 Mn at the previous year-end, representing an increase of approximately 5%.

Shareholders' funds increased to Rs. 4,292 Mn, compared with Rs. 4,085 Mn in FY 2024/25, representing an increase of approximately 5%.

The increase in shareholders' funds reflects the continued strengthening of the Company's underlying financial position.

Net Asset Value per share increased from Rs. 48.77 to Rs. 51.25 during the year.

ASSETS, EQUITY, ROA & ROE



The Company's equity-to-assets ratio remained broadly stable, reflecting a sound capital structure despite the challenging operating environment.

WORKING CAPITAL

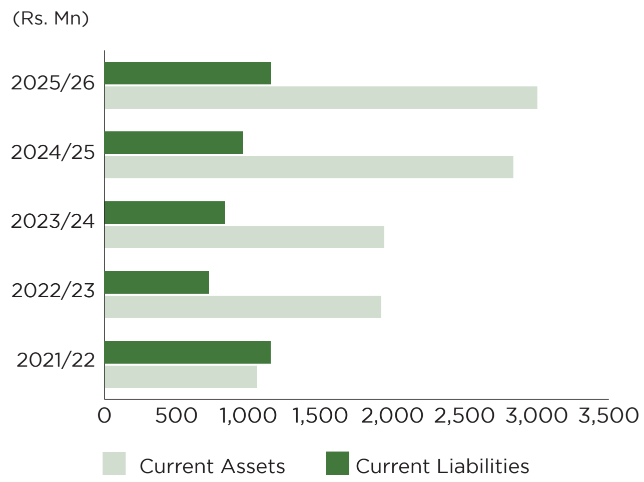
The Company maintained a sound working capital position during the year.

Current assets amounted to approximately Rs. 3,005 Mn, while current liabilities stood at approximately Rs. 1,157 Mn as at 31 March 2026.

The current ratio remained at a healthy 2.60 times, compared with 2.94 times in the previous year.

FINANCIAL REVIEW

CURRENT ASSETS & LIABILITIES



Although the current ratio moderated from the previous year, the Company continued to maintain adequate liquidity to meet its short-term obligations.

Management will continue to focus on efficient inventory management, timely collection of receivables and disciplined management of working capital to support operating cash generation.

DEBT AND FINANCE COST

The Company continued to maintain a disciplined approach to its financing arrangements during the year.

The Company's financing structure comprises interest-bearing borrowings, debentures and short-term banking facilities. As at the end of the financial year 2025/26, the total loans and borrowings decreased by 49% against the previous year, due to a loan and debenture repayment of Rs. 251 Mn (2024/25 – Rs. 324 Mn). The total net finance cost of the Company was Rs. 258 million for the year, representing a 3% increase compared with the previous year.

The Company's financial discipline remains important in an environment of elevated operating costs and increased investment requirements. Maintaining an appropriate balance between debt funding, operating cash generation and capital investment will remain a key priority.

CAPITAL EXPENDITURE

The Company invested Rs. 284 Mn in capital expenditure during FY 2025/26 compared with Rs. 251 Mn in the previous year.

The investment programme continued to focus on field development, plantation improvement, factory-related investments and other productive assets.

Capital allocation remains focused on investments that improve productivity, maintain the Company's productive asset base, enhance operational efficiency and support future diversification.

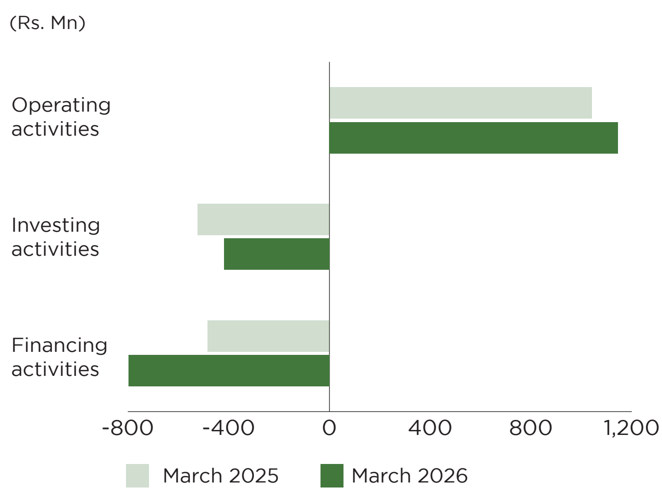
Investment in the development of the Company's agricultural portfolio will remain an important component of the Company's long-term strategy, particularly as the Low Country cinnamon and pepper projects progress towards commercial production.

CASH FLOW

The Company continued to generate strong cash flows from its operating activities during FY 2025/26.

Cash generated from operating activities increased to approximately Rs. 1,145 Mn, compared with Rs. 1,042 Mn in the previous year.

NET CASH FLOW



The positive operating cash flow supported the Company's investment programme, financing commitments and working capital requirements.

The Company will continue to focus on converting operating performance into sustainable cash generation through disciplined working capital management, productivity improvements and prudent capital allocation.

EARNINGS PER SHARE

Earnings per share for FY 2025/26 was Rs. 6.78, compared with Rs. 12.45 in FY 2024/25.

The decline reflects the reduction in profit after tax during the year, principally due to the increase in operating and employee-related costs.

Notwithstanding the lower EPS, the Company's net asset value per share increased to Rs. 51.25, reflecting continued strengthening of the underlying equity base.

RISKS AND MITIGATIONS

The principal risks affecting the Company's performance include labour and wage cost inflation, weather and climate variability, tea price volatility, geopolitical and export market uncertainties, exchange rate movements and rising operating costs.

The increase in plantation wages continues to emphasise the importance of productivity and labour efficiency, for which the Company is focusing on appropriate mechanisation, improved field practices and productivity enhancement initiatives. Climate-related risks are being addressed through climate-resilient agricultural practices, effective soil and water management and crop diversification. Fluctuations in international tea prices and geopolitical developments may affect market demand, export volumes and supply chains; accordingly, the Company continues to focus on quality, product differentiation, strong market relationships and flexibility in its sales and customer management.

In addition, the Company's diversification into new agricultural crops requires investment and a development period before reaching full commercial maturity. These projects are therefore being progressed on a phased basis, with continuous monitoring of agronomic performance, market potential and commercial returns.

FUTURE OUTLOOK

Looking ahead, the operating environment is expected to remain challenging, with elevated labour costs, climate related uncertainties, international tea prices and geopolitical developments continuing to influence the plantation sector.

At the same time, Sri Lanka's established reputation for quality Ceylon Tea, increasing emphasis on premiumisation and the opportunities presented by agricultural diversification provide a positive long-term platform. BTE's priorities for FY 2026/27 and beyond will focus on five key areas.

Quality and Market Positioning

Continued emphasis on quality to protect premium realisations and strengthen the Company's position in key markets.

Productivity and Mechanisation

Improving field productivity, labour efficiency and mechanisation in suitable terrain to mitigate increasing wage costs.

Diversification

Further strengthening the contribution from oil palm and progressing the Low Country development projects towards commercial income generation.

Operational Efficiency

Improving factory efficiency, energy management, waste reduction and digital monitoring to control unit costs and strengthen sustainability.

Financial Discipline

Maintaining prudent working capital management, disciplined capital allocation and strong operating cash generation.

Overall, BTE enters FY 2026/27 with higher revenue, stronger tea volumes, a growing contribution from overall segments and a clear pathway towards further agricultural diversification.

The Company remains focused on building a more productive, diversified, sustainable and resilient plantation business while creating long-term value for shareholders and all stakeholders.

SUSTAINABILITY REPORT

SUSTAINABILITY OVERVIEW

Sustainability remains deeply embedded within the strategic direction of Bogawantalawa Tea Estates PLC and continues to serve as a core driver of long-term value creation, operational resilience, environmental stewardship, and responsible business transformation. During the 2025/2026 financial year, the organization further strengthened its position as a globally recognized climate-positive plantation enterprise through the continued integration of Climate Positive operations, Net Zero Energy leadership, regenerative agriculture, renewable energy transformation, biodiversity conservation, and ESG-driven governance practices.

The organization's sustainability strategy continued evolving beyond a traditional compliance-oriented approach toward a fully integrated regenerative and climate-resilient business model where environmental sustainability, social responsibility, operational excellence, and ethical governance function as interconnected pillars of long-term enterprise sustainability.

Through continuous investment in renewable energy systems, climate-smart plantation management, ecosystem restoration, circular economy initiatives, and community sustainability programs, the company continued strengthening its contribution toward global climate action, responsible plantation management, and sustainable development priorities.

Sustainability at Bogawantalawa Tea Estates PLC extends beyond environmental compliance and operational management and remains firmly integrated within long-term strategic planning, enterprise governance, climate accountability, and responsible value creation. The organization continued advancing sustainability-focused operational transformation initiatives designed to strengthen environmental resilience, improve resource efficiency, enhance ecosystem sustainability, and support long-term plantation productivity across estate operations.

During the reporting period, the company continued strengthening Climate Positive operations through renewable energy integration, operational decarbonization initiatives, ecosystem restoration programs, and climate-smart agricultural practices aligned with internationally recognized environmental management and carbon accounting principles. Renewable energy systems including solar photovoltaic installations, mini-hydropower generation, biomass utilization, and energy optimization initiatives continued supporting low-carbon operational transformation while strengthening long-term energy resilience.

Regenerative agriculture remained a central pillar of the organization's sustainability framework throughout the financial year. Sustainable plantation management systems including integrated composting, organic nutrient management, agroforestry integration, soil restoration practices, green mulch application, and biodiversity enhancement initiatives continued supporting ecological resilience, soil fertility restoration, water retention improvement, and long-term agricultural sustainability.

The organization also continued strengthening nature-positive operational practices through biodiversity conservation, watershed protection, riparian habitat restoration, native species propagation, and ecosystem restoration initiatives implemented across plantation landscapes. Climate-smart agricultural systems, GIS-based environmental monitoring, sustainability analytics, and climate-risk assessment mechanisms continued supporting adaptive and science-based sustainability decision-making across estate operations.

Water stewardship and circular economy implementation remained strategic sustainability priorities during the reporting period. Rainwater harvesting systems, wastewater reuse initiatives, watershed management programs, waste recovery systems, biomass utilization, recycling initiatives, and sustainable resource management practices continued supporting responsible environmental management and long-term climate resilience.

In parallel with environmental sustainability advancement, Bogawantalawa Tea Estates PLC continued strengthening social sustainability and inclusive development initiatives focused on employee wellbeing, occupational health and safety, women empowerment, education support, healthcare accessibility, child welfare, and sustainable livelihood development across estate communities.

The organization additionally continued strengthening ESG governance frameworks, sustainability disclosure practices, stakeholder engagement mechanisms, environmental accountability systems, and sustainability reporting processes aligned with evolving international sustainability expectations and responsible business principles.

Through the successful integration of Climate Positive operations, regenerative agriculture, renewable energy transformation, biodiversity stewardship, climate resilience planning, social sustainability advancement, and ESG governance integration, Bogawantalawa Tea Estates PLC continued reinforcing its long-standing commitment toward building a resilient, regenerative, and sustainability-focused plantation enterprise capable of delivering meaningful environmental, social, and economic value creation for future generations.

BOGAWANTALAWA SUSTAINABILITY MODEL

Bogawantalawa Tea Estates PLC continued strengthening its sustainability management approach during the 2025/2026 financial year through the implementation of the Bogawantalawa Sustainability Model — a comprehensive three-pillar sustainability framework designed to support environmental stewardship, social responsibility, economic resilience, ESG governance integration, and long-term sustainable value creation across plantation operations.

Environmental

15 Drivers **45** KPIs N E

Protecting ecosystems, soil, water, and climate — while reducing our carbon and agrochemical footprint.

- Ecosystem & biodiversity preservation
- Sustainable land & water management
- Energy efficiency & carbon reduction
- Climate resilience & sustainable agriculture
- Transparent environmental reporting

Social

15 Drivers **45** KPIs S

Upholding fair labor, community wellbeing, and ethical practice across every relationship we hold.

- Fair labor & ethical recruitment
- Community & cultural engagement
- Health, safety & skill development
- Responsible supply chain & marketing
- Accountability, rights & transparency

Economic

15 Drivers **45** KPIs E C

Creating long-term value through profitable, ethical, and innovation-led operations.

- Profitable & resilientoperations
- Fair wages & local economic growth
- Sustainable, transparent supply chain
- Innovation & operational efficiency
- Community investment & alignment

The Sustainability Model functions as a strategic sustainability management platform integrating Environmental, Social, and Economic sustainability pillars supported by structured impact drivers, measurable Key Performance Indicators (KPIs), sustainability analytics systems, environmental monitoring mechanisms, and governance-focused accountability processes. The framework continues supporting evidence-based sustainability monitoring, operational performance evaluation, climate resilience planning, stakeholder engagement, sustainability disclosure practices, and long-term responsible business transformation across the organization.

The Sustainability Model is supported by 45 structured impact drivers and 135 measurable KPIs designed to strengthen sustainability integration across operational management systems, ESG-focused governance mechanisms, climate accountability initiatives, sustainability reporting frameworks, and strategic planning processes.

The Environmental pillar focuses on protecting ecosystems, biodiversity, soil health, water resources, climate resilience, and sustainable agricultural systems while supporting renewable energy integration, carbon footprint reduction, environmentally responsible operational management, and long-term ecological sustainability.

The Social pillar focuses on strengthening employee wellbeing, fair labor practices, ethical recruitment systems, occupational health and safety, community engagement, cultural preservation, responsible supply chain management, workforce development, and inclusive social sustainability initiatives implemented across estate communities.

The Economic pillar focuses on strengthening profitable and resilient operations, sustainable supply chain systems, innovation-driven operational transformation, financial responsibility, community investment, local economic development, and long-term sustainable value creation across plantation operations.

SUSTAINABILITY PERFORMANCE MONITORING AND KPI INTEGRATION

The organization continued strengthening sustainability performance monitoring through structured KPI management systems aligned with the Bogawantalawa Sustainability Model. Sustainability analytics platforms, operational monitoring systems, climate monitoring technologies, environmental intelligence systems, ESG-focused reporting processes, and evidence-based sustainability evaluation mechanisms continued supporting strategic sustainability integration and responsible operational decision-making.

The 135 measurable KPIs tracked under the Sustainability Model continue supporting sustainability transparency, operational accountability, climate resilience evaluation, ESG governance integration, stakeholder confidence, and long-term sustainability performance improvement across the organization.

Through the successful integration of Environmental, Social, and Economic sustainability pillars supported by impact drivers, measurable KPIs, and ESG-focused governance systems, Bogawantalawa Tea Estates PLC continued reinforcing its long-term commitment toward Climate Positive leadership, regenerative sustainability transformation, responsible plantation management, and sustainable value creation for people, communities, ecosystems, and future generations.

SUSTAINABILITY AT A GLANCE

- Maintained internationally recognized Climate Positive operational status
- Continued strengthening Net Zero Energy leadership across estate operations
- Expanded renewable energy integration through solar, mini-hydropower, and biomass systems
- Advanced regenerative agriculture and climate-smart plantation management practices
- Strengthened biodiversity conservation, ecosystem restoration, and conservation forestry initiatives
- Enhanced water stewardship through rainwater harvesting, wastewater reuse, and watershed protection programs
- Expanded circular economy implementation and sustainable resource management systems
- Continued strengthening ESG governance, sustainability reporting, and environmental accountability practices
- Advanced climate resilience planning and environmental intelligence systems

- Strengthened employee wellbeing, occupational health and safety, and community sustainability initiatives
- Continued supporting responsible sourcing, sustainable packaging, and climate-conscious supply chain transformation
- Reinforced long-term commitment toward sustainable plantation management and low-carbon operational transformation

2025/2026 STRATEGIC SUSTAINABILITY ACHIEVEMENTS

The 2025/2026 financial year represented a defining milestone in Bogawantalawa Tea Estates PLC's sustainability transformation journey as the organization continued strengthening its position as a globally recognized climate-positive plantation enterprise. Sustainability remained deeply integrated across strategic planning, operational management, enterprise risk governance, climate accountability frameworks, and long-term value creation initiatives.

During the reporting period, the organization further accelerated the integration of Climate Positive operations, Net Zero Energy transformation, renewable energy expansion, regenerative agriculture, ecosystem restoration, climate-smart plantation management, circular economy systems, and ESG-driven governance practices across the value chain. Continuous sustainability-focused operational transformation initiatives remained central to strengthening environmental resilience, improving resource efficiency, enhancing ecosystem sustainability, and supporting long-term plantation productivity.

A major strategic achievement during the financial year was the successful continuation of the company's internationally recognized Climate Positive operational status. BTE continued maintaining its position as a globally recognized pioneer in Climate Positive tea production supported by climate-smart plantation management systems, renewable energy integration, ecosystem restoration initiatives, and sustainability-focused operational transformation programs.

The organization also continued strengthening its enterprise-wide Net Zero Energy strategy through sustained investments in renewable energy infrastructure and operational energy optimization systems. Renewable energy generated through solar photovoltaic installations, mini-hydropower facilities, biomass utilization systems, and energy-efficient operational technologies continued contributing significantly toward operational energy requirements while supporting long-term energy resilience and low-carbon operational transformation.

Regenerative agriculture remained one of the most significant pillars of the company's sustainability strategy during the reporting period. BTE continued strengthening plantation management systems designed to restore soil fertility, improve biodiversity, enhance ecological resilience, strengthen moisture retention capacity, and improve long-term agricultural sustainability. Sustainable soil development practices including integrated composting systems, organic nutrient management, biological soil enhancement, erosion control mechanisms, agroforestry integration, and green mulch application continued supporting soil restoration and long-term climate resilience.

The organization further expanded regenerative agricultural practices including integrated composting systems, organic nutrient management, agroforestry integration, green mulch application, cover cropping, biological soil enhancement, and sustainable land-use management systems. These regenerative cultivation practices continued supporting environmental restoration while strengthening long-term plantation productivity, ecological sustainability, and climate adaptation capacity.

BTE further strengthened its nature-positive operational approach through landscape-level ecosystem restoration and biodiversity conservation initiatives implemented across estate operations. Forest enrichment programs, watershed conservation, native species propagation, ecological corridor enhancement, riparian habitat restoration, conservation forestry systems, and biodiversity enhancement initiatives continued supporting ecological resilience and long-term environmental sustainability across plantation landscapes.

Climate-smart agriculture and environmental intelligence systems also continued advancing during the reporting period. Climate monitoring technologies, GIS-based environmental mapping systems, sustainability analytics platforms, climate-risk assessment mechanisms, biodiversity assessments, and water resource monitoring systems supported adaptive and science-based operational decision-making across plantation operations.

Water stewardship remained another strategic sustainability priority throughout the financial year. Investments in rainwater harvesting systems, wastewater reuse initiatives, drip irrigation systems, watershed management programs, runoff control mechanisms, and water efficiency monitoring systems contributed toward strengthening long-term water resilience, responsible freshwater resource management, and climate adaptation capacity.

The organization also continued strengthening circular economy implementation and sustainable resource management initiatives through integrated waste management systems, compost generation programs, biomass recovery initiatives, recycling systems, waste segregation mechanisms, sustainable material utilization practices, and environmentally responsible operational systems designed to support resource efficiency and waste minimization.

Sustainable supply chain transformation also continued advancing during the reporting period through responsible sourcing practices, sustainable packaging innovation, supplier sustainability engagement, ESG-focused procurement systems, and climate-conscious logistics optimization aimed at strengthening sustainability integration across the broader value chain.

In parallel with environmental sustainability advancement, BTE continued strengthening social sustainability and inclusive development initiatives across estate communities. Employee wellbeing programs, occupational health and safety systems, women empowerment initiatives, healthcare accessibility improvements, education support programs, child welfare initiatives, nutrition awareness activities, and sustainable livelihood development programs remained integral components of the organization's long-term sustainability strategy.

The organization additionally strengthened ESG governance systems, sustainability reporting mechanisms, stakeholder engagement frameworks, climate accountability practices, environmental management systems, and sustainability disclosure practices aligned with evolving international ESG expectations and climate disclosure requirements.

Through the successful integration of Climate Positive operations, renewable energy leadership, regenerative agriculture, ecosystem restoration, climate resilience planning, social sustainability initiatives, and ESG governance integration, Bogawantalawa Tea Estates PLC continued reinforcing its position as a globally recognized sustainability-focused plantation enterprise committed to delivering long-term environmental, social, and economic value creation while contributing meaningfully toward global climate action and sustainable development priorities.

CLIMATE POSITIVE AND NET ZERO LEADERSHIP

Bogawantalawa Tea Estates PLC continued maintaining its internationally recognized Climate Positive status during the reporting period through the successful integration of renewable energy systems, enterprise decarbonization initiatives, regenerative agricultural systems, ecosystem restoration, and natural carbon sequestration enhancement programs. Sustainability-focused operational transformation initiatives continued supporting reduced carbon intensity, improved environmental performance, enhanced ecosystem resilience, and long-term climate accountability across plantation operations.

The organization continued strengthening enterprise-wide carbon management systems through greenhouse gas monitoring, operational decarbonization strategies, renewable energy integration, and climate-smart plantation management practices aligned with internationally recognized carbon accounting frameworks and environmental sustainability principles. Climate resilience planning and adaptive environmental management approaches remained integral components of the company's long-term sustainability strategy.

The organization also continued strengthening its Net Zero Energy leadership through sustained investment in solar energy systems, mini-hydropower generation, biomass utilization, and energy-efficient operational modernization initiatives. Renewable energy generation continued contributing significantly toward operational energy requirements, supporting long-term energy resilience while reducing dependence on conventional fossil fuel-based energy sources and strengthening low-carbon operational transformation across estate operations.

Regular energy monitoring, energy efficiency improvement initiatives, operational optimization systems, and sustainable energy management practices continued supporting reduced energy intensity, improved resource efficiency, and long-term environmental sustainability. Renewable energy infrastructure expansion and sustainable energy integration remained key strategic priorities in supporting the organization's transition toward climate-resilient and environmentally responsible operations.

The company additionally continued strengthening ecosystem restoration initiatives, conservation forestry programs, biodiversity enhancement activities, watershed conservation efforts, and regenerative agricultural systems designed to support natural carbon sequestration, ecological sustainability, and long-term climate resilience throughout plantation landscapes.

These achievements continue reinforcing the company's position as a globally recognized sustainability-focused plantation enterprise while supporting broader climate mitigation, environmental stewardship, and decarbonization priorities within the plantation sector.

CONTINUED CLIMATE POSITIVE AND NET ZERO ENERGY CERTIFICATION

The company continued maintaining its internationally recognized Climate Positive and Net Zero Energy certifications awarded by the Sri Lanka Climate Fund under the Ministry of Environment. Greenhouse gas statement verification was conducted in accordance with ISO 14064-1 for organization-level quantification and reporting of greenhouse gas emissions and removals, and ISO 14067 for product-level carbon footprint requirements.

These internationally recognized verification and certification processes continued strengthening sustainability transparency, environmental accountability, carbon disclosure credibility, and evidence-based climate reporting practices across the organization.

BTE further reinforced its position as a globally recognized pioneer in Climate Positive tea production through the successful continuation of uncompensated Climate Positive tea operations supported by renewable energy integration, climate-smart plantation management systems, regenerative agricultural practices, and sustainability-focused operational transformation initiatives.

The continued maintenance of Climate Positive and Net Zero Energy certifications reflects the organization's long-standing commitment toward responsible environmental management, low-carbon operational transformation, climate resilience, and long-term sustainable value creation for people, communities, ecosystems, and future generations.

REGENERATIVE AGRICULTURE AND NATURE POSITIVE OPERATIONS

Regenerative agriculture remained central to the company's sustainability strategy during the financial year. BTE continued implementing regenerative plantation management practices designed to restore soil health, strengthen biodiversity, improve ecological resilience, enhance water retention capacity, and support long-term sustainable tea cultivation. Sustainability-focused agricultural systems remained integral to strengthening long-term environmental resilience, improving plantation productivity, and supporting climate-smart operational transformation across estate operations.

Integrated composting systems, organic nutrient management, agroforestry integration, green mulch application, cover cropping, biological soil enhancement, and sustainable land-use planning continued supporting the organization's transition toward climate-smart and regenerative plantation management systems. These integrated cultivation practices continued contributing toward improved soil fertility, enhanced carbon sequestration potential, reduced soil degradation, improved moisture retention capacity, and strengthened long-term ecosystem sustainability across plantation landscapes.

SUSTAINABLE SOIL DEVELOPMENT

Sustainable soil development remained a key component of the organization's regenerative agriculture framework during the reporting period. Integrated nutrient management systems, compost application, erosion control mechanisms, organic soil conditioning practices, biological soil enhancement initiatives, and sustainable land management approaches continued supporting soil restoration, ecological balance, and long-term agricultural resilience.

The organization continued promoting environmentally responsible plantation management systems designed to minimize soil degradation, improve nutrient cycling, strengthen microbial activity, and enhance long-term land productivity. These initiatives additionally supported climate adaptation capacity while strengthening the sustainability and resilience of plantation ecosystems.

CLIMATE SMART AGRICULTURE

Climate-smart agricultural systems and adaptive plantation management approaches continued strengthening sustainability integration across estate operations. Climate monitoring technologies, GIS-based environmental mapping systems, sustainability analytics platforms, climate-risk assessments, biodiversity evaluations, and environmental intelligence systems supported science-based operational decision-making and long-term environmental planning.

The integration of climate-smart agricultural practices also supported improved environmental monitoring, adaptive resource management, and resilience-focused plantation operations designed to address increasing climate variability and long-term environmental risks associated with changing climatic conditions.

NATURE POSITIVE OPERATIONS AND BIODIVERSITY STEWARDSHIP

The organization further strengthened nature-positive operational practices through ecosystem restoration, conservation forestry, native species propagation, watershed conservation, riparian habitat restoration, and biodiversity enhancement initiatives across plantation landscapes. Landscape-level environmental restoration initiatives continued supporting ecological resilience, habitat protection, biodiversity sustainability, and long-term environmental conservation objectives.

Forest enrichment programs, ecological corridor enhancement initiatives, conservation forestry systems, and watershed protection activities continued supporting the preservation of environmentally sensitive ecosystems while contributing toward improved biodiversity resilience and sustainable land management across estate operations.

The organization additionally continued strengthening environmental stewardship through sustainable plantation forestry initiatives, ecosystem restoration activities, and biodiversity conservation programs designed to support nature-positive operational transformation and long-term ecological sustainability.

Through the successful integration of regenerative agriculture, climate-smart cultivation systems, sustainable soil development, ecosystem restoration, and biodiversity stewardship initiatives, Bogawantalawa Tea Estates PLC continued reinforcing its long-term commitment toward environmentally responsible plantation management and regenerative sustainability transformation.

RENEWABLE ENERGY AND CIRCULAR RESOURCE MANAGEMENT

BTE continued strengthening renewable energy integration and sustainable resource management systems throughout the reporting period. Renewable energy generated through solar photovoltaic systems, mini-hydropower facilities, biomass utilization systems, and energy-efficient operational technologies continued supporting low-carbon operational transformation while strengthening long-term energy resilience and environmentally responsible operational management across estate operations.

The organization continued expanding sustainable energy initiatives through ongoing investment in renewable energy infrastructure, operational energy optimization systems, energy efficiency improvement programs, and environmentally responsible energy management practices designed to reduce dependence on conventional fossil fuel-based energy sources and strengthen climate resilience.

Regular energy monitoring, energy efficiency enhancement initiatives, operational modernization programs, and energy optimization systems continued supporting improved resource efficiency, reduced energy intensity, and long-term sustainability performance. Renewable energy integration remained a key strategic priority in supporting the organization's Net Zero Energy leadership and climate-positive operational transformation objectives.

The organization also strengthened circular economy implementation through integrated waste management systems, compost generation programs, biomass recovery initiatives, waste segregation mechanisms, recycling systems, and sustainable material utilization practices. These initiatives continued supporting resource efficiency, waste minimization, responsible waste management, and long-term environmental sustainability across operational activities.

Integrated circular resource management systems continued promoting environmentally responsible utilization of organic waste streams, biomass materials, recyclable resources, and operational by-products while supporting reduced environmental impact and improved sustainability performance across the plantation value chain.

The company additionally continued strengthening sustainable packaging initiatives, environmentally responsible material management practices, resource recovery systems, and sustainable operational processes designed to improve circularity and reduce waste generation throughout manufacturing and operational activities.

Biomass utilization systems and organic waste recovery initiatives also continued supporting renewable energy generation, compost production, sustainable soil enhancement, and environmentally responsible resource management while contributing toward climate mitigation and sustainable operational transformation objectives.

Through the continued integration of renewable energy systems, circular economy implementation, sustainable resource management practices, and environmentally responsible operational transformation initiatives, Bogawantalawa Tea Estates PLC further reinforced its commitment toward low-carbon development, resource efficiency, climate resilience, and long-term environmental sustainability.

SOCIAL SUSTAINABILITY AND COMMUNITY DEVELOPMENT

Social sustainability and inclusive development remained integral components of the organization's long-term sustainability strategy during the reporting period. BTE continued investing in employee wellbeing, occupational health and safety, education support initiatives, healthcare accessibility, women empowerment programs, child welfare initiatives, and sustainable livelihood development across estate communities. These initiatives remained central to strengthening social resilience, enhancing employee wellbeing, and supporting inclusive and responsible plantation sector development.

The organization continued prioritizing employee health, workplace safety, and community wellbeing through structured occupational health and safety systems, employee welfare programs, healthcare accessibility initiatives, nutrition awareness activities, and community support programs implemented across estate operations. Sustainability-focused people development initiatives remained aligned with the organization's long-term commitment toward responsible human capital development and socially responsible operational management.

Education support initiatives, youth development activities, child welfare programs, women empowerment initiatives, and sustainable livelihood enhancement programs also continued supporting long-term social sustainability and inclusive community development across plantation communities. These programs contributed toward strengthening community resilience, improving social wellbeing, and supporting equitable access to development opportunities.

The organization additionally continued strengthening employee engagement and sustainability awareness through environmental education programs, biodiversity conservation initiatives, climate awareness activities, waste management awareness campaigns, renewable energy awareness programs, and sustainability leadership development initiatives. These activities continued supporting the development of a sustainability-focused organizational culture across estate operations.

Community wellbeing initiatives including healthcare accessibility improvements, educational assistance programs, social awareness activities, environmental sustainability campaigns, and community engagement programs remained integral components of the organization’s broader sustainability and stakeholder engagement framework.

BTE also continued promoting responsible workplace practices, employee inclusivity, workforce development, and ethical operational standards designed to support long-term organizational sustainability and responsible plantation sector leadership.

These initiatives continue supporting responsible plantation management while strengthening community resilience, employee wellbeing, social inclusion, and long-term social sustainability across the organization’s operational landscape.

ESG GOVERNANCE AND SUSTAINABILITY ACCOUNTABILITY

BTE continued strengthening ESG governance frameworks, sustainability reporting systems, stakeholder engagement mechanisms, and environmental accountability practices during the reporting period. Sustainability governance remained integrated across strategic planning processes, enterprise risk management systems, operational management structures, and long-term value creation initiatives.

Enhanced carbon accounting systems, sustainability analytics platforms, climate monitoring technologies, environmental management systems, and ESG disclosure frameworks continued supporting improved sustainability transparency, operational monitoring, and evidence-based sustainability decision-making. The organization also continued strengthening sustainability data management practices and environmental reporting mechanisms designed to improve accountability, governance efficiency, and sustainability performance monitoring.

The organization continued aligning sustainability disclosures and ESG governance practices with evolving international sustainability reporting expectations, climate disclosure priorities, and responsible business principles. ESG-focused governance integration remained central to supporting long-term operational resilience, climate accountability, stakeholder confidence, and sustainable business transformation.

Stakeholder engagement frameworks continued supporting transparent communication, sustainability accountability, responsible governance practices, and collaborative sustainability advancement across the organization’s operational and community environments.

The company additionally strengthened environmental governance practices through enhanced monitoring systems, sustainability oversight mechanisms, operational compliance management, and climate accountability initiatives aligned with long-term sustainability objectives and responsible corporate governance principles.

The organization remains committed to continuously strengthening sustainability integration across governance structures, operational management systems, sustainability reporting practices, and long-term strategic planning processes while reinforcing its position as a sustainability-focused plantation enterprise committed to responsible environmental, social, and governance leadership.

FUTURE SUSTAINABILITY COMMITMENTS

Bogawantalawa Tea Estates PLC remains committed to continuously strengthening Climate Positive operations, Net Zero Energy leadership, regenerative agriculture, renewable energy transformation, ecosystem restoration, circular economy implementation, and ESG governance integration across the organization.

As global sustainability expectations continue evolving, the company will continue investing in climate resilience, sustainable plantation management, biodiversity stewardship, environmental innovation, community sustainability, and responsible business transformation. Long-term sustainability advancement will remain guided by climate resilience, environmental stewardship, responsible resource management, operational sustainability, and inclusive stakeholder value creation principles.

The organization also remains committed to continuously strengthening renewable energy integration, climate-smart agricultural systems, sustainable land management practices, conservation forestry initiatives, ecosystem restoration activities, water stewardship programs, and circular economy implementation designed to support long-term environmental sustainability and low-carbon operational transformation.

Future sustainability priorities will additionally focus on strengthening sustainability governance frameworks, climate accountability systems, ESG disclosure practices, sustainability analytics, environmental monitoring systems, and evidence-based sustainability decision-making capabilities aligned with evolving international sustainability expectations and responsible business practices.

BTE further remains committed to supporting employee wellbeing, social inclusion, community resilience, education support, healthcare accessibility, women empowerment, and sustainable livelihood development initiatives across plantation communities as part of its broader commitment toward responsible social sustainability and inclusive development.

Through continuous sustainability advancement, innovation-driven operational transformation, and long-term strategic investment, Bogawantalawa Tea Estates PLC remains committed to building a resilient, regenerative, and future-ready plantation ecosystem capable of delivering sustainable environmental, social, and economic value while contributing meaningfully toward global climate action, responsible plantation management, and sustainable development priorities for future generations.





INVESTOR INFORMATION

1. STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are listed on the Colombo Stock Exchange in Sri Lanka

Ordinary Shares

Stated Capital Rs 586,250,010

2. 30 MAJOR SHAREHOLDERS OF THE COMPANY

	NAME	31ST MARCH 2026			31ST MARCH 2025		
			NO OF SHARES	(%)		NO OF SHARES	(%)
1	Metropolitan Resource Holdings Limited	53,889,067			53,889,067		
2	Commercial Bank Of Ceylon PLC/Metropolitan Resource Holdings PLC	11,812,500	65,701,567	78.45	11,812,500	65,701,567	78.45
3	Mr. D.A.De.S. Wickramanayake		9,485,580	11.33		9,485,580	11.33
4	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd		1,485,671	1.77		-	-
5	Seylan Bank PLC/Mohamed Mushtaq Fuad		204,363	0.24		133,369	0.16
6	Dr. R.D. Bandaranaike & Mrs. A.D.Bandaranaike		196,909	0.24		196,909	0.24
7	Macksons Holdings (Pvt) Ltd		102,500	0.12		32,907	0.04
8	J.B. Cocoshell (Pvt) Ltd		100,000	0.12		100,000	0.12
9	Mrs. K.G.M. Pieris		100,000	0.12		100,000	0.12
10	Hatton National Bank PLC/Mushtaq Mohamed Fuad		85,841	0.10		135,841	0.16
11	Mrs. F.F. Haniffa		76,384	0.09		256,007	0.31
12	Mr. D.S.A. Jayatileke		71,448	0.09		71,448	0.09
13	Senkadagala Finance PLC/M.M.Fuad		65,000	0.08		59,261	0.07
14	Miss. O.U.K. Jayasundara		64,544	0.08		27,010	0.03
15	Commercial Bank Of Ceylon PLC/Metrocorp (Pvt) Ltd		63,750	0.08		63,750	0.08
16	Kelmarsh Investments Limited		57,831	0.07		57,831	0.07
17	Katunayake Garments Limited.		56,575	0.07		56,575	0.07
18	Sampth Bank PLC/Mr.Ananda Samaranayake		50,997	0.06		5,419	0.01
19	Hatton National Bank PLC/Weththinge Jinadasa		50,116	0.06		-	-
20	People S Leasing And Finance PLC/M.M.Fuad		49,460	0.06		2,000	0.00
21	Mr. A.V.R. De Silva Jayatilleke		46,406	0.06		46,406	0.06
22	Mr. R.E. Rambukwelle		44,000	0.05		46,500	0.06
23	Mr. W.M.C. Boteju		39,999	0.05		20,000	0.02
24	Mr. K.P.A. Premalal		39,398	0.05		53,000	0.06
25	Seylan Bank PLC/Anuja Chamila Jayasinghe		34,993	0.04		51,325	0.06
26	Mr. R.D. De Silva		33,450	0.04		9,133	0.01
27	Hatton National Bank PLC/Hi Line Trading (Pvt) Ltd		32,600	0.04		1,500	0.00
28	Hatton National Bank PLC/Anuja Chamila Jayasinghe		29,906	0.04		-	-
29	Mrs. S.D. Fernando		28,600	0.03		28,600	0.03
30	Sandwave Limited		27,073	0.03		701,467	0.84
			78,424,961	93.64		77,443,405	92.47
	OTHERS		5,325,039	6.36		6,306,595	7.53
	Total		83,750,000	100.00		83,750,000	100.00

3. DISTRIBUTION OF ORDINARY SHAREHOLDERS

31ST MARCH 2026					31ST MARCH 2025				
From	To	No. of Holders	No. of Shares	%	From	To	No. of Holders	No. of Shares	%
1	- 1,000	17,973	3,995,877	4.77	1	- 1,000	17,912	3,989,917	4.76408
1,001	- 10,000	279	836,718	1.00	1,001	- 10,000	325	1,007,119	1.202530149
10,001	- 100,000	52	1,740,815	2.08	10,001	- 100,000	66	2,013,224	2.403849552
100,001	- 1,000,000	3	503,772	0.60	100,001	- 1,000,000	6	1,552,593	1.853842388
Over 1,000,000		4	76,672,818	91.55	Over 1,000,000		3	75,187,147	89.77569791
Total		**18,311**	**83,750,000**	**100.00**	**Total**		**18,312**	**83,750,000**	**100.00**

4. CATEGORIES OF SHAREHOLDERS

Category	31ST MARCH 2026			31ST MARCH 2025		
	No of Holders	No of Shares	%	No of Holders	No of Shares	%
Local Individuals	18,218	15,287,879	18.25	18,209	16,110,599	19.24
Local Institutions	79	68,317,221	81.57	88	66,842,916	79.81
Foreign Individuals	12	59,996	0.07	13	37,187	0.04
Foreign Institutions	2	84,904	0.10	2	759,298	0.91
Total	**18,311**	**83,750,000**	**100.00**	**18,312**	**83,750,000**	**100.00**

Category	As at March	
	2026	2025
5. Earning per share (Rs)	6.78	12.45
6. Dividend Per Share (Rs)	3.50	-
7. Net Assets per share (Rs)	51.25	48.77
8. Price earning ratio	9.58	4.18
9. Return on capital employed	0.14	0.18

10. MARKET VALUE OF SHARES

Category	As at March	
	2026	2025
Highest during the year	Rs. 94.90	Rs. 68.00
	30.09.2025	29.01.2025
Lowest during the year	Rs. 50.10	Rs. 32.00
	08.04.2025	28.08.2024
As at end of the year	Rs. 65.00	Rs. 52.10

Number of Transactions during the year	4,730	6,673
Number of Shares traded during the year	4,843,624	6,762,999
Value of shares traded during the year (Rs.)	352,783,376	337,283,711

INVESTOR INFORMATION

11. The Public Holding Percentage - 10.13%

12. Total number of shareholders who hold the Public Holdings as at 31st March 2026 - 18,305

13. The Float adjusted market capitalization as at 31st March 2026 – Rs. 551,652,075.00

14. The Ordinary Voting Shares of Bogawantalawa Tea Estates PLC were transferred from the Main Board to the Diri Savi Board with effect from 2nd July 2018. Subsequently, with effect from 7th August 2024, the Ordinary Voting Shares of the Company were transferred from the Diri Savi Board to the Second Board. Thereafter, with effect from 17th December 2024, the securities of the Company were transferred out of the Second Board of the CSE upon compliance with the minimum public holding requirement in terms of Rule 7.13.1 (i) of the CSE Listing Rules.

The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1(i) (b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

15. DEBENTURE

Company has issued 10,000,000 Debentures at Rs 85 (15% discounted from the par value) and raised Rs 850,000,000/-. Tenure of the debentures will be 5 , 6 and 7 years and the purpose of the issue was settlement of high cost debt, field development activities and factory development.

15.1. Interest rates of the debentures

	Tenor	Coupon interest rate	Annual effective rate	Interest rate of comparable government security
Type C	7 years	13.50%	16.85%	13.25%

15.2. Market prices & issue prices of debentures recorded during the period ended 31st March 2026 are as follows

	Issue Price	Highest Price	Lowest Price	Last Traded Price	Last Traded Date
Type C	85	Not Traded	Not Traded	Not Traded	N/A

15.3. Debt Security related ratios

Category	As at March 2026	As at March 2025
Current ratio	2.60	2.94
Quick ratio	2.04	2.09
Interest cover	4.62	5.97

BOARD OF DIRECTORS

MR. D J AMBANI

Mr. Dinesh Jamnadas Ambani is the present Chairman of the following companies:

- Metrocorp (Pvt) Ltd
- Metropolitan Group
- Eco Power Group of Companies
- Bogawantalawa Tea Ceylon (Pvt) Ltd
- Metropolitan Resource Holdings Limited
- Megatech (Pvt) Ltd
- Ceylon Bungalows (Pvt) Ltd
- Lush Agro (Pvt) Ltd

He is a Director of the following companies

- Ceylon Tea Trails
- BHS Norther Ventures (Pvt) Ltd
- Office Network (Pvt) Ltd
- Precision Composites (Pvt) Ltd
- Areva Investments (Pvt) Limited

MR. L J AMBANI

Mr. Lalithkumar Jamnadas Ambani is a fellow Member of the Chartered Institute of Management Accountants and an Associate member of the Sri Lanka Institute of Chartered Accountants. He is the Chairman of Office Network (Pvt) Ltd and he functions as Co-Chairman of Bogawantalawa Tea Estates PLC and Metropolitan Group.

He is a Director of the following companies:

- Metrocorp (Pvt) Ltd
- Metropolitan Group
- Metropolitan Resource Holdings Limited
- Areva Investments (Pvt) Limited
- Bogawantalawa Tea Ceylon (Pvt) Ltd
- Ceylon Bungalows (Pvt) Ltd
- Eco Power Group of Companies
- Lush Agro (Pvt) Ltd
- Megatech (Pvt) Ltd
- Office Network (Pvt) Ltd
- Precision Composites (Pvt) Ltd

MR. C M O HAGLIND

Mr. Carl Michael Oscarsson Haglind has a MSc from Stockholm School of Economics. He is Director of Eco Power, Bogawantalawa Tea Ceylon (Pvt) Ltd, Gourmet Teas and Compose Software. Prior to this he was the Vice President of Manpower in Sweden.

MR. D A DE S WICKRAMANAYAKE

Mr. Wickramanayake is an experienced industrialist with a diversified business portfolio spanning agriculture, dairy, marine engineering and manufacturing. As the Founder and Chairman/Managing Director of Master Divers (Pvt) Ltd, he has contributed to the development of Sri Lanka's marine engineering and offshore services sector.

As Chairman of Pelwatte Dairy Industries Ltd, he has played a significant role in strengthening the domestic dairy industry through value-added production and supply chain development. His leadership experience in state institutions, including the National Livestock Development Board, further demonstrates his contribution to the advancement of Sri Lanka's agricultural sector and national development.

MR. L H MUNASINGHE

Mr Lalith Hemantha Munasinghe holds a Diploma in Business Management at the World View Institute. Mr Munasinghe counts over 50 years of experience in the plantation sector and prior to joining Bogawantalawa Tea Estates PLC, held the position of Director / Deputy Chief Executive Officer at Talawakelle Tea Estates PLC a member of the Hayleys Group. He has followed a leadership development programme at the Indian School of Business (ISB).

MS. S H MUNASINGHE

Ms. Subhashini Munasinghe is a finance professional with over 16 years of experience and more than 10 years within leadership roles setting strategic direction, monitoring risk, driving financial reporting compliance and managing overall operations.

Ms. S. Munasinghe presently serves as an Independent Non-Executive Director on the board of directors of Central Finance PLC. She was also a Council Member, advising on risk management and internal controls at the University of Kelaniya until February 2025. She had previously been the Chief Executive

BOARD OF DIRECTORS

Officer of the Sri Lanka Institute of Directors and a Director within the Audit and Assurance practice at PricewaterhouseCoopers, Sri Lanka. Her experience includes working at Deloitte's London Office in the UK for almost 5 years.

Ms. S. Munasinghe is an Associate Member of the Institute of Chartered Accountants of England and Wales (ICAEW) as well as the Institute of Chartered Accountants in Sri Lanka (ICASL) and she holds a B.Sc. (Hons) in Economics and Accounting from the University of Bristol in the UK.

MR. K V N DE SILVA

Mr. K V N De Silva is a seasoned Coach, Trainer, and Mentor in Business Communication and Personal Development, currently Visiting Faculty at the Postgraduate Institute of Management (PIM) and Advisory Board Member of FireX. An Engineer by profession with a B.Sc. (Hons) from the UK and an MBA from PIM, he was honored with the "Achievers Award" for outstanding service to the profession, business, and society.

He has over 34 years' experience in ICT, including leadership roles as CEO of Metropolitan Computers and Head of HR and ICT at Metropolitan Group. A Past President of CSSL and Sri Lanka Computer Vendors Association, he has also contributed to national and regional ICT bodies like CINTEC and the Asian ICT Confederation. A Toastmasters leader, guest lecturer, and conference speaker in Sri Lanka and India, he has trained professionals from Dialog, WSO2, Seylan Bank and Chevron.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of the financial statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 of Sri Lanka and Sri Lanka Accounting Standards (SLFRS/LKAS), so as to give a true and fair view of the financial position of the Company as at the reporting date and of its financial performance and cash flows for the period then ended.

In preparing these financial statements, the Directors are required to ensure that:

- Appropriate accounting policies have been selected and applied consistently
- Reasonable and prudent judgments and estimates have been made.
- All applicable Sri Lanka Accounting Standards have been followed and any material departures have been disclosed and explained.
- The financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act No. 07 of 2007.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements for the year ended 31st March 2026.

By order of the Board
Bogawantalawa Tea Estates PLC

Sgd.
L J Ambani
Co-Chairman

28th August 2026

CHAIRMAN'S, EXECUTIVE DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

Chairman's, Executive Director's and Chief Financial Officer's Responsibility Statement

The Financial Statements of Bogawantalawa Tea Estates PLC as at 31st March 2026 are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka.
- Companies Act No. 07 of 2007.
- Sri Lanka Auditing and Assurance Standards Act No. 15 of 1995.
- Listing Rules of the Colombo Stock Exchange.
- Code of Best Practice on Corporate Governance – 2023 issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- Regulations of the Securities and Exchange Commission of Sri Lanka.

The accounting policies used in preparing the Financial Statements are appropriate, consistently applied, and in line with the prescribed Accounting Standards. There are no departures from such standards in their adoption. Significant accounting estimates and judgements, involving complexity and a high degree of subjectivity, were discussed with the External Auditors and the Audit Committee.

The Board of Directors and the Chief Financial Officer of the Company accept full responsibility for the integrity and objectivity of these Financial Statements. Estimates and judgements have been made on a prudent and reasonable basis to ensure that the Financial Statements give a true and fair view of the state of affairs, the form and substance of transactions, and the overall position of the Company.

The Company has established and maintained effective internal controls and accounting systems designed to safeguard assets, prevent and detect fraud and irregularities, and ensure the accuracy of financial records. These controls and systems are reviewed, evaluated, and updated on an ongoing basis. Internal Auditors carry out periodic audits to provide reasonable assurance that policies and procedures are consistently followed, subject to inherent limitations of any internal control system.

The Financial Statements of the Company have been audited by independent external auditors, Messrs BDO Partners, Chartered Accountants, whose report appears on pages 60 to 63 of this Annual Report.

The Audit Committee meets periodically with the Internal Audit Team and the External Auditors to review audit plans, assess the performance of auditors, and discuss reports on internal controls and financial reporting matters. Both the External and Internal Auditors have unrestricted access to the Audit Committee to discuss any matters of substance. The Audit Committee also reviews the independence of the External Auditors and ensures that non-audit services provided do not impair such independence.

We confirm that the Company have complied with all applicable laws, regulations, and guidelines and that there are no material litigations against the Company other than those disclosed in Note 42 to the Financial Statements in this Annual Report.

Sgd.
L J Ambani
Co-Chairman

Sgd.
L H Munasinghe
Executive Director

Sgd.
T N B Bogahalanda
Chief Financial Officer

28th August 2026

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

This statement is made in compliance with the requirement to publish the Directors' Statement on Internal Controls in accordance with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

The Board of Directors is responsible for establishing and maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board has implemented a comprehensive process to identify, evaluate, and manage significant risks faced by the Company. This process covers enhancing the internal control framework as necessary when there are changes in the Company's business environment, operations, or regulatory requirements. The system of internal controls is subject to regular review by the Board.

The Board believes that the existing system of internal controls is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with applicable accounting standards, regulatory requirements, and best practices.

To ensure the effective functioning of internal controls, the Board has implemented the following measures:

- Board Committees have been appointed to assist in evaluating the effectiveness of Company operations in line with corporate strategies and the annual budget.
- The Internal Audit & System Monitoring Division (MA & SRD) carries out reviews of internal controls across the Company and its subsidiaries based on an annual audit plan approved by the Audit Committee. Audit findings are submitted to the Audit Committee for discussion at periodic meetings.
- The Audit Committee reviews internal control issues identified by MA & SRD and management, evaluating their adequacy and effectiveness. The Committee also assesses risk management processes and internal control systems, with a focus on the scope and quality of internal audits. Minutes of Audit Committee meetings are tabled at Board meetings for discussion.

During the financial year under review:

The Company adopted new processes to comply with updated Sri Lanka Accounting Standards (LKAS and SLFRS), ensuring proper recognition, measurement, presentation, and disclosure. Continuous monitoring is in place to ensure accurate and effective reporting of these processes.

Observations made by the External Auditors on the Company's internal control system have been considered, and corrective actions have been implemented where necessary.

CONCLUSION

The Board acknowledges that the system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the Company's objectives, and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board confirms that the Company's financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external publication. This has been carried out in accordance with the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007, and the Listing Rules of the Colombo Stock Exchange.

By order of the Board,

Sgd.
L J Ambani
Co-Chairman

Sgd.
L H Munasinghe
Executive Director

Sgd.
S H Munasinghe
Chairperson – Audit Committee

28th August 2026

OUR PLANTATION SPREAD

Bogawantalawa Tea Estates PLC manages a diverse plantation portfolio spanning the Up Country and Low Country regions of Sri Lanka. Our estates are primarily engaged in the cultivation and production of high-grown Ceylon Tea, complemented by our growing Oil Palm operations. As part of our long-term diversification strategy, the Company is also developing Cinnamon, Pepper, Vanilla and cultivation in the Low Country, with commercial income expected from 2026/27 onwards. This diversified plantation network provides a strong foundation for operational resilience, sustainable growth and long-term value creation.

13
Estates

3,670
Revenue Extent (Ha)

12
No of Factories

3,310
Total No of Estates Employees

1160m - 1642m
Elevation Range

4.02 Mn Kg
Total Tea Production

KOTIYAGALLA ESTATE

Total Extent (Ha)	714.37
Revenue Extent (Ha)	453.00
Crop	Tea
No of Employees	463
Tea Production (Kg)	518,265
Factory Elevation (M)	1,390

BOGAWANA ESTATE

Total Extent (Ha)	522.75
Revenue Extent (Ha)	373.25
Crop	Tea
No of Employees	437
Tea Production (Kg)	482,415
Factory Elevation (M)	1,296

CAMPION ESTATE

Total Extent (Ha)	477.51
Revenue Extent (Ha)	322.23
Crop	Tea
No of Employees	296
Tea Production (Kg)	395,912
Factory Elevation (M)	1,455

NORWOOD ESTATE

Total Extent (Ha)	691.04
Revenue Extent (Ha)	364.03
Crop	Tea
No of Employees	294
Tea Production (Kg)	536,171
Factory Elevation (M)	1,432

WANARAJAH ESTATE

Total Extent (Ha)	568.36
Revenue Extent (Ha)	330.35
Crop	Tea
No of Employees	316
Tea Production (Kg)	454,034
Factory Elevation (M)	1,160

LETHENTY ESTATE

Total Extent (Ha)	532.50
Revenue Extent (Ha)	185.68
Crop	Tea
No of Employees	154
Tea Production (Kg)	242,002
Factory Elevation (M)	1,267

BOGAWANTALAWA ESTATE

Total Extent (Ha)	408.02
Revenue Extent (Ha)	291.92
Crop	Tea
No of Employees	266
Tea Production (Kg)	308,937
Factory Elevation (M)	1,415

FETTERESSO ESTATE

Total Extent (Ha)	354.72
Revenue Extent (Ha)	236.24
Crop	Tea
No of Employees	227
Tea Production (Kg)	240,843
Factory Elevation (M)	1,642

LOINORN ESTATE

Total Extent (Ha)	**437.25**
Revenue Extent (Ha)	**335.00**
Crop	**Tea**
No of Employees	**376**
Tea Production (Kg)	**380,751**
Factory Elevation (M)	**1,625**

OSBORN ESTATE

Total Extent (Ha)	**694.55**
Revenue Extent (Ha)	**233.50**
Crop	**Tea**
No of Employees	**167**
Tea Production (Kg)	**246,940**
Factory Elevation (M)	**-**

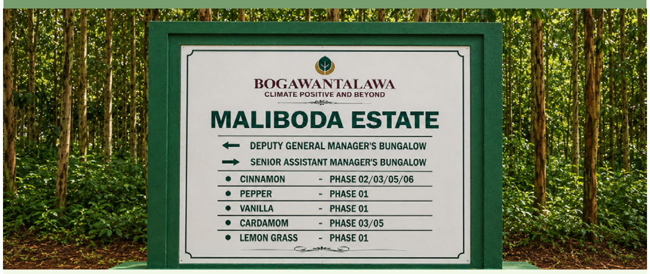
POYSTON ESTATE

Total Extent (Ha)	**302.32**
Revenue Extent (Ha)	**210.08**
Crop	**Tea**
No of Employees	**187**
Tea Production (Kg)	**213,583**
Factory Elevation (M)	**1,310**

ANHETTIGAMA ESTATE

Total Extent (Ha)	**651.79**
Revenue Extent (Ha)	**259.29**
Crops	**Oil Plam, Green Leaf, Rubber**
No of Employees	**114**
Oil Palm Production (Kg)	**2,639,102**
Factory Elevation (M)	**-**

MALIBODA ESTATE



Total Extent (Ha)	**846.87**
Revenue Extent (Ha)	**75.21**
Crops	**Cinnamon, Pepper, Vanilla**
No of Employees	**13**
Tea Production (Kg)	**-**
Factory Elevation (M)	**-**

MANAGEMENT TEAM

Executive Director	Mr. L.H. Munasinghe
Chief Executive Officer	Mr. M.F. Majeed
Director - Low Country Operations, Sustainability, Research & Development	Dr. Y.M.T.K. Bandara
Chief Financial Officer	Mr. R.K.W. D.M.R.T.N.B. Bogahalanda
General Manager - Marketing	Mr. R.A.J. Guneratne
General Manager - Auditing and System Monitoring	Mr. K.J. Jayabrendra
Senior Manager - Certification and Quality Assurance	Mr. U.S. Waidyatilleke
Manager - Human Resources	Mr. H.G. Augustus
Manager - Administration	Mr. A.S. Samuel
Assistant Manager - CSR	Mrs. T.H.D.T.N. Thirimanne

ESTATE LEVEL

General Manager - Kotiyagalla Estate	Mr. W.N.D. De Alwis
General Manager - Bogawana Estate	Mr. R. Winter
General Manger - Norwood Estate	Mr. G.L.C. De Silva
Deputy General Manager - Anhettigama Estate	Mr. H.I. Wijayasundara
Deputy General Manager - Wanarajah Estate	Mr. M.S.Z. Imthiaz
Deputy General Manager - Campion Estate	Mr. R.L. Manoj
Senior Manager - Loinorn Estate	Mr. K.G.M.N. Gamage
Senior Manager - Maliboda Estate	Mr. M.G.A. Nadeeshan
Manager - Bogawantalawa Estate	Mr. S.M.S.D. Seneviratne
Manager - Fetteresso Estate	Mr. S.N. Liyanage
Manager - Lethenty Estate	Mr. H.K.M. De Silva
Manager - Poyston Estate	Mr. K.P. Prabaharan
Acting Manager - Osborne Estate	Mr. Y. M. Chandrasekara

CORPORATE GOVERNANCE

The Board of Directors of Bogawantalawa Tea Estates PLC (BTE) are committed to the highest standards of corporate governance, transparency and business behavior to protect the interest of our stakeholders. The Directors confirm that the Company has already implemented action to comply with the Rules on Corporate Governance contained in the listing rules of the Colombo Stock Exchange.

THE BOARD OF DIRECTORS

The Directors of the Board are responsible for the formation of overall business strategies, policies and setting standards and ensuring the implementation of them, setting goals and targets in short, medium and long-term basis. The Directors review progress quarterly and during the year under review they met on four occasions.

Attendance at these meetings was as follows:

Mr. D J Ambani 4/4
Mr. L J Ambani 4/4
Mr. C M O Haglind 4/4
Mr. D A D S Wickramanayake 4/4
Mr L H Munasinghe 4/4
Ms S H Munasinghe 4/4
Mr K V N De Silva 4/4

The Board reviews and approves the Annual Budget, actual performance against the budget, grants approval for capital expenditure and any other project proposals. Separate sub committees are set up by the Board for Investment decisions and special projects. The recommendation from these sub committees are forwarded to the Board for the final approval at a Board meeting.

COMPOSITION OF THE BOARD

The Board comprises a well-balanced mix of individuals whose capabilities are aligned with the scale, complexity, and strategic positioning of the business. To ensure that no individual or group of individuals is able to dominate the decision-making process, the Board of Bogawantalawa Tea Estates PLC maintains an appropriate structure, consisting of 03 Executive Directors, 02 Non-Executive Directors and 02 Independent Non-Executive Directors, one of whom serves as the Senior Independent Director.

This composition ensures a robust balance of perspectives, enabling effective oversight and sound governance. Collectively, the Directors bring a diverse and in-depth mix of business skills, sectoral experience, and strategic insight, contributing meaningfully to Board deliberations and decisions. Complete profiles of the Board of Directors are available on pages 27 of the report.

DIRECTORSHIPS HELD BY DIRECTORS

The directorship status of each Director together with an analysis of other directorships and key positions held are presented below.

Name of Director	Directorship Status in the Company	Number of Board Seats held in Other Listed Companies		Number of Board Seats held in Unlisted Companies	
		Listed Companies Executive	Listed Companies Non-Executive	Unlisted Companies Executive	Unlisted Companies Non-Executive
Mr. D J Ambani	*ED	-	-	21	-
Mr. L J Ambani	*ED	-	-	19	-
Mr. C M O Haglind	NED	-	-	4	-
Mr. D A de S Wickramanayake	NED	-	1	4	7
Mr. L H Munasinghe	ED	-	-	-	-
Ms. S H Munasinghe	INED	-	1	-	1
Mr. K V N De Silva	**INED	-	-	-	-

ED — Executive Director
NED — Non-Executive Director
INED — Independent Non-Executive Director
*Co-Chairman
**Senior Independent Director

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

Independence of Directors is determined by the Board based on annual declarations submitted by the Non-Executive Directors in accordance with the Listing Rules of the Colombo Stock Exchange. Independent Non-Executive Directors are able to exercise their independent judgement as they do not participate in day-to-day management nor have any business relationships with the Company.

In accordance with Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company appointed Mr. K. V. N. De Silva, Independent Non-Executive Director, as the Senior Independent Director of the Company with effect from 1st January 2025, following the resignation of Mr. S.A.S. Jayasundara, who previously held the position, with effect from 31st December 2024.

The requirement to appoint a Senior Independent Director arose as the Co-Chairmen of the Company are Executive Directors, and the Board is committed to ensuring compliance with the Listing Rules and maintaining sound corporate governance practices.

In compliance with Rule 9.8.5(a) of the Colombo Stock Exchange Listing Rules, all Independent Directors have submitted a signed and dated declaration confirming their independence, in the format prescribed in Appendix 9A of the Listing Rules.

The Board of Directors has access to expert professional advice as and when required.

ANNUAL ASSESSMENT OF BOARD COMPOSITION / RE-ELECTION

An annual self-evaluation is carried out by the Board to ensure diversity of expertise and effectiveness of the Board composition.

One third (1/3) of the Directors, except the Managing Director retire by rotation and come up for re appointment by the shareholders at the AGM. Profiles of the Directors are provided to shareholders to make informed decisions.

Any resignations or new appointments to the Board are informed to the shareholders by the Company Secretaries through the Colombo Stock Exchange. In relation to appointments, a brief resume of the Director will also be included in the announcement. All newly appointed directors are subject to re-election by the Shareholders at the first AGM following their appointment.

NOMINATION AND SELECTION OF THE BOARD AND COMITTEES

The Board is constituted by the Shareholders to oversee the overall affairs and operations of BTE to ensure that the long-term interest of the shareholders are safeguarded and promoted. The Company established its own Nominations and Governance Committee in compliance with Rule 9.11 of the CSE Listing Rules on 23rd September 2024.

DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors, as the apex governing body of BTE is responsible for defining the Company's vision, mission, core values, and strategic direction. It exercises oversight and provides guidance to ensure that management and all employees operate in alignment with the Company's strategic objectives.

The Board is accountable for ensuring that all operations of the Company are conducted in strict compliance with applicable laws, regulations and internal policies. All Divisional Heads review the progress for the most recent quarter and assess performance against the approved budget and the corresponding period of the previous year. Further the next quarters forecast and the forecast for the year are discussed and agreed upon at each meeting. Estate wise details are analysed and recommendations are made to the Board. All capital expenditure, other project proposals, budgets are initially reviewed at this meeting and referred to the Board at the Board Meeting for formal approval and/or ratification wherever necessary. In addition there is also a Management Committee consisting the Chairman / Directors and the Senior Management Team which meets every month to review progress, approval for payments and recommendations to the Board for any Board papers.

AUDIT COMMITTEE

An Audit Committee is formed at the Company level and the members of the Audit Committee (AC) are as follows:

Ms S H Munasinghe
Chairperson AC (Independent Non-Executive Director)

Mr C M O Haglind
Member AC (Non-Executive Director)

Mr K V N De Silva
Member AC (Independent Non-Executive Director)

Attendance at the AC meetings was as follows:

Ms S H Munasinghe 4/4
Mr. C M O Haglind 4/4
Mr K V N De Silva 4/4

The Audit Committee, is responsible, for reviewing policies and procedures of Internal Control, Risk Review and Control reports, planning and audit completion reports from the Company's external auditors and ensuring that the Company has an embedded process of identifying risks, both financial and operational. The Committee ensures that risks, so identified, are managed via a well-defined action plan.

The Committee is also responsible for the consideration and appointment of external auditors, the maintenance of a professional relationship with them, reviewing accounting principles, policies and practices adopted in the preparation of public financial information and examining all documents representing the final financial statements.

The Chief Financial Officer, General Manager Auditing and System Monitoring and relevant operational divisional heads attend the meeting by invitation. The decisions of the Audit Committee are reported to the Directors at the Board Meetings.

The report from the Chairperson of the Audit Committee is on page no 45.

REMUNERATION COMMITTEE

The Remuneration Committee is set up at Company level and the members of the Remuneration Committee (RC) are as follows

Ms S H Munasinghe
Chairperson RC (Independent Non-Executive Director)

Mr C M O Haglind
Member RC (Non-Executive Director)

Mr K V N De Silva
Member RC (Independent Non-Executive Director)

Attendance at the RC meetings was as follows:

Ms S H Munasinghe 1/1
Mr. C M O Haglind 1/1
Mr K V N De Silva 1/1

The Remuneration Committee is responsible for the recommendation of the remuneration payable to the Chairman, Executive Directors and Chief Executive Officer and sets guidelines for the remuneration of the Senior Management within the Company, to the Board of BTE PLC. The Board makes the final determination upon consideration of such recommendations. The remuneration recommendations are based on the present market rates.

The gross amount paid as directors emoluments for the year is disclosed under note no. 12 to the financial statements on page 90.

The report from the Chairperson of the Remuneration Committee is on page no 48.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee is set up at Company level and the members of the Related Party Transactions Review Committee (RPTRC) are as follows:

Ms S H Munasinghe
Chairperson RPTRC (Independent Non-Executive Director)

Mr L H Munasinghe
Member RPTRC (Executive Director)

Mr K V N De Silva
Member RPTRC (Independent Non-Executive Director)

The Committee is entrusted with evaluating and considering all transactions with related parties of the company except the exempted transactions as per the Listing Rules of the CSE in order to ensure the related parties are treated on par with other shareholders and constituents of the Company and related party transactions are evaluated according to the applicable rules and regulations. To this end the Committee shall ensure that necessary processes are in place to identify, approve, disclose and monitor related party transactions according to the provisions contained in the Board approved Related Party Transactions Policy pertaining to the company and its subsidiaries.

Attendance at the RPTRC meetings was as follows:

Ms S H Munasinghe 4/4
Mr L H Munasinghe 4/4
Mr K V N De Silva 4/4

The report from the Chairperson of the Related Party Transactions Review Committee is on page no 46.

NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee is set up at Company level and the members of the Nominations and Governance Committee (NGC) are as follows:

Ms S H Munasinghe
Chairperson NGC (Independent Non-Executive Director)

Mr C M O Haglind
Member NGC (Non-Executive Director)

Mr K V N De Silva
Member NGC (Independent Non-Executive Director)

The Committee is entrusted with establishing and maintaining a formal procedure for the appointment of new Directors and re-election of Directors. To this end the Committee shall establish and maintain a set of criteria for selection of Directors, periodic evaluation of Directors and the CEO and develop succession plan for Board of Directors and Key Management Personnel. Further the Committee reviews and recommends the overall corporate governance framework of the Company.

Attendance at the NGC meetings was as:

Ms S H Munasinghe 1/1

Mr. C M O Haglind...1/1

Mr K V N De Silva...1/1

The report from the Chairperson of the Nominations and Governance Committee is on page no 49.

POLICIES

The Company has adopted the following policies with effect from 23rd September 2024 and has uploaded them to the Company's website

1. Policy on Matters Relating to The Board of Directors
2. Policy on Board Committees
3. Policy on Corporate Governance, Nominations and e-election
4. Policy on Remuneration
5. Policy on Internal Code of Business Conduct and Ethics
6. Policy on Risk Management and Internal Controls
7. Policy on Investor Relations
8. Policy on Environment, Social and Governance
9. Policy on Asset Management
10. Policy on Corporate Disclosure
11. Policy on Whistleblowing
12. Policy on Anti-Bribery and Corruption

COMPANY SECRETARY

The Company Secretary plays a crucial role in ensuring the effectiveness of the Board and its governance framework. As a trusted advisor to the Board, the Company Secretary is responsible for providing guidance on corporate governance practices, regulatory compliance, and Board procedures. Directors have unrestricted access to the Company Secretary.

INTERNAL CONTROL

Board has endeavored to ensure that control systems, designed to safeguard the Company's assets and maintain proper accounting records that facilitate the production and availability of reliable information, are in place and are functioning as planned.

An internal audit and monitoring division is set up to monitor whether all internal control systems, processes and procedures are followed Any issues relating to controls, productivity, efficiency, effectiveness are discussed at the monthly review meetings with respective operational managers. All operational and financial functions and approval levels are clearly defined and controlled by the officers with proper segregation of duties. All purchases for major inputs, capital expenditure and disposals are handled by a committee at Center Head Office and recommend to the Chief Executive Officer. Payments to major suppliers of estates are made from Head Office. All sales proceeds are collected at Head Office and the required funds are released for remuneration and local purchases to operational units. Actual utilization of funds released are monitored by obtaining certified statements from respective operational managers.

COMPLIANCE WITH LEGAL REQUIREMENTS

The Board is conscious of its responsibility to the Shareholders, the Government and the Society in which it operates and is unequivocally committed to upholding ethical behavior in conducting its business. The Board, through the Company's Administrative, Human Resource and Finance Divisions, strives to ensure that the businesses of the Company comply with the laws and regulations of the country. The Board of Directors ensure that all financial statements are prepared in accordance with the Sri Lanka Accounting Standards and conform to the requirements of the Colombo Stock Exchange.

RELATIONS WITH THE COMMUNITY

The Board is conscious of the principles of good citizenship and the operational dimensions of the BTE PLC's social programmes. The Human Resources division of the Company is set up at Head Office in Nugegoda with regional coordinating officers.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE Compliance Table (Colombo Stock Exchange – Listing Rules)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's Extent of Adoption
9.2.1	Policies	Compliant	The Company has adopted the following policies, and has uploaded them to the Company's website in accordance with the Corporate Governance Rules of the Colombo Stock Exchange; 1. Policy on Matters Relating to The Board of Directors 2. Policy on Board Committees 3. Policy on Corporate Governance, Nominations and e-election 4. Policy on Remuneration 5. Policy on Internal Code of Business Conduct and Ethics 6. Policy on Risk Management and Internal Controls 7. Policy on Investor Relations 8. Policy on Environment, Social and Governance 9. Policy on Asset Management 10. Policy on Corporate Disclosure 11. Policy on Whistleblowing 12. Policy on Anti-Bribery and Corruption The Company will provide any of the above policies to its shareholders upon a written Request.
9.3.1	Board Committees	Compliant	The Company has established Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee
9.3.2	Board sub committees' composition, responsibilities and disclosures	Compliant	All Committees comply with the required rules. Please refer the respective Committee Reports.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with shareholders	Compliant	The Company has a Shareholder and Investor Communication policy, which is published on its corporate website.
			The contact person is mentioned.
			The policy includes a process whereby Directors are informed of major issues and concerns of shareholders.
9.5	Policy on matters relating to the Board of Directors	Compliant	The Company maintains a Policy on Matters relating to the Board of Directors.
9.6.1	Chairperson and CEO	Compliant	The Chairperson and the CEO of the Company is not the same person.
9.6.3	Senior Independent Director	Compliant	The Company appointed a Senior Independent Director (SID) since the Co-Chairman are Executive Directors.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's Extent of Adoption
9.6.3 (b)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3 (c)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.
9.6.3 (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in the report of the SID on page 44.
9.6.4	Rationale for appointing Senior Independent Director	Compliant	The rationale is given in the Statement of the Senior Independent Director.
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfill the assessment criteria set out in the Listing Rules
9.7.2	Fitness of Directors and CEO	Compliant	
9.7.4	Fitness of Directors and CEO	Compliant	The Directors and the CEO has provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.7.5	Disclosures in the Annual Report	Compliant	Annual Report of the Board of Directors from pages 27 to 28 provide the relevant disclosure.
9.8.1	Minimum number of Directors	Compliant	The Board consists of 7 Directors.
9.8.2	Minimum No of Independent Directors	Compliant	Two Directors are Independent
9.8.3	Criteria for determining independence	Compliant	All NEDs have submitted their confirmations on Independence as per the criteria set by the company which is In line with the regulatory requirements.
9.8.5	Independent Directors' annual declaration on independence status	Compliant	Each ID signed and submitted a declaration regarding his/her independence. The Board assessed the Independence declared by the Director.
9.9	Alternate Directors	N/A	The Board does not have any Alternate Directors.
9.10.1	Disclosure relating to Directors	Compliant	The Policy on Matters Relating to the Board of Directors state that the maximum number of Directorships in listed companies which can be held by a director is Twenty (20).
9.10.2	Disclosure relating to Directors	Compliant	Disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board. Please refer pages 27 to 28 for the brief resume of each Director.

CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's Extent of Adoption
9.10.3	Immediate Market Announcement on changes to board and committee	Compliant	All changes to the composition of the Board of Directors and Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Pages 27 to 28 of the Annual Report contains the relevant information.
9.11.3	Nominations and Governance Committee	Compliant	The Company has its own Nominations and Governance Committee which has clearly defined Terms of Reference. Refer the Nominations and Governance Committee Report on page 49.
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 2 Independent Non-Executive Directors and 1 Non-Executive Director. The Chairperson is an Independent Director.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 49.
9.11.6	Disclosure in the Annual Report	Compliant	Refer the Nominations and Governance Committee Report on page 49.
9.12.1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 48.
9.12.5	Remuneration Committee	Compliant	The Remuneration Committee has written Terms of Reference.
9.12.6	Composition of the Remuneration Committee	Compliant	The Remuneration Committee of the Company comprises two Independent Non-Executive Directors and one Non-Executive Director. The Chairperson is an Independent Director.
9.12.7	Functions of Remuneration Committee	Compliant	The remuneration Committee recommends the remuneration payable to the Executive Directors and the CEO. The aggregate remuneration paid to Directors is given in note 12 to the financial statements on page 90. Refer Remuneration Committee Report on page 48.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	
9.13.1	Composition of Audit Committee	Compliant	The Audit Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The Committee has well defined Terms of Reference defining its scope, authority and duties. Refer Audit Committee Report on page 45.
9.13.4	Audit Committee Functions	Compliant	
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	
9.14.1	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	RPTRC comprises three Directors out of which two Directors are Independent. The Chairperson is an Independent Director.
9.14.2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	Please see the Report of the Related Party Transactions Review Committee in page 46.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's Extent of Adoption
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the Related Party Transaction Review Committee in page 46.
9.14.4	RPTRC Meetings	Compliant	The Committee meets on a quarterly basis. During the financial year 2025/26, The Committee met four times to review the related party transactions.
9.14.5	Review of all proposed Related Party Transactions in advance and Review material changes to previously reviewed Related Party Transaction	Compliant	The Related Party Transactions Review Committee, reviews all related party transactions, while also considering any material changes to previously reviewed transactions under Rule 9.14.5. They assess transaction details, and Director independence, and may establish guidelines for ongoing deals, conducting annual compliance reviews. Refer the Related Party Transaction Review Committee Report on Page 46.
9.14.6	Shareholders approval for Related Party Transactions and Immediate Market Announcement of Related Party Transactions	Compliant	There were no such transactions that required shareholder approval or immediate disclosure to the CSE.
9.14.7		Compliant	
9.14.8	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transaction Review Committee on page 46.
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance on pages 111 to 113.
9.14.9	Acquisition and Disposal of Assets from/to related parties	Compliant	There were no such transactions that required shareholder approval
9.17	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 53 to 59.

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

[Profile of Mr. K V N De Silva is given on page 28 of this report.]

In compliance with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of Bogawantalawa Tea Estates PLC appointed me as the Senior Independent Director (SID) with effect from 01 January 2025, and I continue to serve in this capacity.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka require the appointment of a Senior Independent Director where the Chairman and CEO are the same person or where the Chairman is not an Independent Director. Although the Chairman of Bogawantalawa Tea Estates PLC is not the CEO, he is not an Independent Director.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director provides guidance to the Chairman on matters relating to corporate governance and promotes transparency and effective Board deliberations.

The SID also serves as an additional point of contact for shareholders and other stakeholders where normal communication channels may not be appropriate. The SID is available to Directors and employees for confidential discussions on matters concerning the Company, where required.

ACTIVITIES DURING THE YEAR

In line with the regulatory requirements, I presided over meetings and exercised independent judgement on matters requiring my consideration.

Meetings were conducted with Non-Executive Directors without the presence of Executive Directors, during which the performance of the Chairman and Executive Directors was reviewed. Separate discussions were also held with Independent Directors on matters relating to the governance and effectiveness of the Board.

The outcomes and key observations arising from these discussions were communicated to the Chairman and the Board for consideration and appropriate action.

COMPLIANCE

I am satisfied that I have diligently discharged the responsibilities entrusted to me as the Senior Independent Director in accordance with the applicable Listing Rules and the Corporate Governance guidelines.

Sgd.
K.V.N. De Silva
Senior Independent Director

28th August 2026

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bogawantalawa Tea Estates PLC consists of the following Non-Executive Directors.

Ms. S H Munasinghe
Chairperson AC (Independent Non-Executive Director)

Mr C M O Haglind
Member AC (Non-Executive Director)

Mr. K V N De Silva-
Member AC (Independent Non-Executive Director)

The audit committee's role and duties include;

- the review of internal control systems,
- assist the board of directors in its oversight of the preparation of the financial statements in conformity with SLFRS, Companies Act No. 7 of 2007, rules and regulations of CSE and SEC,
- overview of the company's processes for monitoring compliance with laws & regulations and risk assessments,
- make recommendations to the board on the appointment of external auditors and recommend their remuneration and terms of engagement.

The Audit Committee met four times during the year under review. The Chief Financial Officer, General Manager Audit and System Monitoring, sector senior management personnel, Executive Director, Chief Executive Officer were invited and attended to deliberate proceedings.

The Audit Committee reviewed the management letter issued by the external auditors at the audit committee meeting and also considered and verified the independence of the external auditors Messers BDO partners, Chartered Accountants. The Audit Committee reviewed the nature of the non-audit function related to tax that external auditors have undertaken to ensure that it did not compromise their independence.

The audit committee is strongly supported by the internal audit reports and external audit segment wise management letters. The internal audits have been carried out for the financial year covering estates, other administrative units and specific areas of attention are decided by the Executive Director based on the audit committee proposals and board directions. Audit supervisory committee has been set up consisting senior management team to scrutinize the audit reports and exceptional reports generated by the computerized management information system. The exceptional reports and the alerts are generated by the management information system and automatically emailed to the respective management levels copy to the General Manager Audit and System Monitoring regularly. Matters arising from such reports, where attentions required toward internal control aspects are scrutinized by the General Manager – Audit and System Monitoring and get the clarification from the management where necessary and send required guidelines to improve system & control. The deliberations are reported to the Audit Committee. Audit Supervisory Committee had discussed report findings and implemented the recommendations with the respective sector managers and estate managers. These reports have been reviewed by the audit committee along with the explanations given by the estate management and members of the senior management who participated at these audit committee meetings. At the meetings, the Committee reviewed the effectiveness of the internal control systems and the Group's approach to its exposure to the business and financial risks.

The committee studied the processes that are in place to safeguard the assets of the company.

The committee noted that a comprehensive set of Management accounts and progress reports are produced on a monthly basis highlighting all key performance indications and reviewed by the Senior Management. The Directors review the performance at the pre- Board meetings followed by the Board Meetings held quarterly on a pre-determined dates agreed.

The committee reviewed the audited financial statements including the annual report for the year 2025/26 The audit committee has recommended to the Board of Directors that Messers BDO partners, Chartered Accountants be continued as the external auditors for the year ending 31st March 2027 as well.

Sgd.
S H Munasinghe
Chairperson-Audit Committee

28th August 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Related Party Transactions Review Committee comprises of three (3) Board members. The Chairperson of the Committee is also the Chairperson of the Audit Committee and an Independent Director. The composition of the Committee is as follows:

Ms. S H Munasinghe
Chairperson RPTRC (Independent Non-Executive Director)

Mr. C M O Haglind
Member RPTRC (Non-Executive Director)

Mr. K V N de Silva
Member RPTRC (Independent Non-Executive Director)

CHARTER OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee was formed by the Board of Directors as per the provisions contained in Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE), so that the Company shall follow the rules pertaining to related party transactions as set out in the Listing Rules of the CSE. The composition and the scope of work of the Committee are in conformity with the provisions of the said Section in the Listing Rules.

The Terms of Reference of the Related Party Transactions Review Committee is reviewed annually by the Board of Directors.

The primary purpose of the Committee is to evaluate and consider all transactions with related parties of the company, in order to ensure that related parties are treated on par with other shareholders and constituents of the company.

The Committee carries out the following duties and responsibilities:

- Reviewing to evaluate and to determine the advisability of any Related Party Transactions except for transactions set out in Rule 9.5 of the Listing Rules of the CSE, that require consideration by the Committee under the Related Party Policy of the Company.

- Approving or rejecting the Related Party Transaction upon the required internal approvals being obtained.

- Determining whether the relevant Related Party Transaction is fair to, and in the best interests of, the company and its stakeholders; and

- Recommending to the Board what action, if any, should be taken by the Board with respect to any Related Party Transaction.

- Recommending to the Board where necessary, that the approval of the shareholders of the company be obtained by way of a Special Resolution, prior to the concerned transaction being entered into as specified in Section 9.1 and 9.4 of the Listing Rules.

COMMITTEE GUIDING PRINCIPLES

The Committee is entrusted with evaluating and considering all transactions with related parties of the company except the exempted transactions as per the Listing Rules of the CSE in order to ensure the related parties are treated on par with other shareholders and constituents of the company and related party transactions are evaluated according to the applicable rules and regulations. To this end the Committee shall ensure that necessary processes are in place to identify, approve, disclose and monitor related party transactions according to the provisions contained in the Board approved Related Party Transactions Policy pertaining to the company and its subsidiaries.

The Committee is required to carry out the aforementioned approval of the related parties and related party transactions in line with the Colombo Stock Exchange and/or Securities and Exchange Commission of Sri Lanka, the Companies Act requirements and the Sri Lanka Accounting Standards.

COMMITTEE MEETINGS

The Committee met Four (4) times during the year under review, and all members attended for the meetings. The quorum for a meeting is two (2) members.

The proceedings of the Committee meetings have been regularly reported to the Board of Directors.

METHODOLOGY USED BY THE COMMITTEE

In carrying out the duties of the Committee, the Committee is required to avoid 'conflicts of interest', which may arise from any transaction of the company with any person, particularly with related parties, ensure arm's length dealings with related parties whilst also ensuring adherence to the corporate governance directions which requires the company to avoid engaging in transactions with related parties, in a manner that would grant such parties 'more favorable treatment' than accorded to other constituents of the company.

The Committee will also be guided by the Listing Rules of the CSE pertaining to related party transactions, the Board approved Related Party Transactions Policy and the Terms of Reference of the Committee.

RELATED PARTY TRANSACTIONS DURING THE YEAR 2025/26

During the year 2025/26 there were recurrent and related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange.

Details of other related party transactions entered into by the Company during the above period is disclosed in note 42 to the financial statements.

DECLARATION

A declaration by the Board of Directors in the Annual Report as a negative statement that no related party transaction falling within the ambit of the Listing Rules was entered into by the Company during 2025/26 is given on page 43 of the Annual Report.

Sgd

S H Munasinghe

Chairperson - Related Party Transactions Review Committee

28th August 2026

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee of the Company is formed in compliance with the CSE Listing Rules.

COMPOSITION

The Committee comprises a combination of Independent Non-Executive Directors and a Non-Executive Director.

The composition of the Committee is as follows:

Ms S H Munasinghe
Chairperson RC (Independent Non-Executive Director)

Mr C M O Haglind
Member RC (Non-Executive Director)

Mr K V N De Silva
Member RC (Independent Non-Executive Director)

ROLE OF THE COMMITTEE

The Remuneration Committee is responsible for the recommendation of the remuneration payable to the Chairman, Executive Directors and Chief Executive Officer and sets guidelines for the remuneration of the Senior Management within the Company, to the Board of BTE PLC. The Board makes the final determination upon consideration of such recommendations. The gross amount paid as directors emoluments for the year is disclosed under note to the financial statements on page 90.

REMUNERATION POLICY

The Remuneration Policy is to attract and retain experienced and highly qualified work force. The remuneration recommendations are based on the present market rates and performance evaluation criteria of the Company.

COMMITTEE MEETINGS

The Committee held its meeting for the year on 23rd February 2026.

Sgd.
S H Munasinghe
Chairperson - Remuneration Committee

28th August 2026

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

COMPOSITION

The Nominations and Governance Committee ("the Committee") of Bogawantalawa Tea Estates PLC was established in accordance with the requirements of the Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The Committee is appointed by and reports directly to the Board of Directors.

The Committee comprises two Independent Non-Executive Directors and a Non-Executive Director, ensuring independence and objectivity in discharging its duties.

The members who served on the Committee during the financial year are as follows,

Name of Member	Date of appointment to the Committee	Nature of Directorship
Ms S H Munasinghe (Chairperson)	23rd September 2024	Independent Non-Executive Director
Mr C M O Haglind	23rd September 2024	Non-Executive Director
Mr K V N De Silva	01st January 2025	Independent Non-Executive Director

DUTIES OF THE COMMITTEE

The Committee operates under a formal Terms of Reference approved by the Board, and its key duties include:

- To evaluate and recommend the appointment of Directors to the Board and Committees, considering the required skills, experience and qualifications necessary.
- To consider and recommend (or not recommend) the re-election of current directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- To establish and maintain a formal and transparent procedure to evaluate, select and appoint/ re appoint Directors of the Company.
- To establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- To establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the CEO of the Company to ensure their responsibilities are satisfactorily discharged.
- To consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking in to consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- To review the succession plans for the Board of Directors and key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices.
- To review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- To receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

DISCLOSURE OF ACTIVITIES

The Board performance evaluation was carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Co-chairman. Special Board meetings are called if the need arises to discuss any important or critical matters.

Newly appointed Directors were given an induction to the Company prior to their first Board meeting. The orientation program includes inviting the Directors to the factories and estates to gain an understanding of the operations of the Company and its subsidiaries.

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

All Non-Executive Directors have submitted declarations regarding their independence or non-independence and the committee confirmed their independence.

All Directors completed a declaration of fitness and propriety as required by the Listing Rules of the CSE and the committee made a determination as to their fitness and propriety.

The Committee continued to oversee and review the composition of the Board during the year, taking into consideration the qualifications, experience, fit and proper requirements and, where applicable, the independence criteria of the existing Directors. No new Director appointments were recommended during the year.

RE-ELECTION OF DIRECTORS

One Third (1/3) of all the directors except the Managing Director and those who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee recommended to the Board that Ms. S H Munasinghe, Independent Non-Executive Director, be proposed for re-election by the shareholders at the forthcoming Annual General Meeting, in accordance with Articles 89 and 90 of the Articles of Association of the Company, having considered her continued contribution, performance and commitment towards the achievement of the objectives of the Board and the Company. Ms. S H Munasinghe was appointed to the Board on 1st April 2024 and last re-elected was on 27th September 2024. Her directorships and other principal commitments are given in the profile on page 27.

The Committee also recommended to the Board that Mr. C. M. O. Haglind be proposed for re-election by the shareholders at the forthcoming Annual General Meeting, in accordance with Articles 89 and 90 of the Articles of Association of the Company. Mr. C.M.O. Haglind was appointed to the Board on 24th February 2000, and last re-elected on 30th September 2025. His directorships and other principal commitments are given in the profile on page 27.

Due to the invaluable contribution made to the Board as a result of his experience, industry knowledge and business acumen, the Committee has recommended to re-appoint Mr. D.J. Ambani – Executive Director who is over seventy years and who will retire in terms of Section 210 of the Companies Act No. 7 of 2007 to the Board at the Annual General Meeting to be held on 30th September 2026 subject to shareholder approval. Mr. D.J. Ambani was appointed to the Board on 4th December 1995 and his last re-appointment was on 30th September 2025. His directorships and other principal commitments are given in the profile on page 27. Mr. D. J. Ambani is the brother of Mr. L. J. Ambani.

The Committee also considered the reappointment of Mr. D. A. De S. Wickramanayake, Non-Executive Director who is over seventy years and is required to retire in terms of Section 210 of the Companies Act. Having considered his qualifications, experience, contribution and continued suitability, the Committee recommended his reappointment to the Board, subject to shareholder approval at the forthcoming Annual General Meeting. Mr. Wickramanayake was appointed to the Board on 9th July 2002 and his last re-appointment was on 30th September 2025. His directorships and other commitments are set out in his profile on page 27 of this Annual Report.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in pages 40 to 43.

Sgd.
S H Munasinghe
Chairman – Nominations and Governance Committee

28th August 2026

RISK MANAGEMENT

RISK MANAGEMENT PROCESS & APPROACH

The process of risk management consists of identification, analysis, assessment, prioritization, monitoring of risk and either acceptance or mitigation of uncertainty in Business decision-making.

Our approach to risk management is to have built in internal control systems to business processes, outcome of regular discussions, review meetings and comprehensive reporting.

Responsibilities for the Risk

The Board of Directors of Bogawantlawa Tea estates PLC:

- bears overall responsibility to exercise prudent risk management mechanisms.
- identifies principal risks faced by the company and ensure implementation of appropriate system to manage such risks.
- designates key management personnel and defines their areas of responsibility to manage risks
- reviews risk management strategy periodically and formulate mitigating actions considering internal and external environmental changes.

Company Audit Committee review probable risk elements at its meeting and report to the Board of Directors.

Area of Risk	Our main concern over	Impact to the Company performance	Key Mitigating Actions
Climate Change & Environmental Factors	Increased frequency of extreme weather events such as droughts and high rainfall, more number of wet days leading to unpredictable agricultural conditions.	• Fluctuations in crop yields and quality, impacting revenue stability • Long-term sustainability risks due to climatic uncertainty	• Adopt sustainable agricultural practices • Diversify into climate-resilient crops • Invest in research and development for climate adaptation strategies
Labour Costs	Rising wage demands, including government-mandated increases (e.g., a 35% wage hike), significantly increasing operational expenses.	Increased production costs, reduced competitiveness in global markets, and pressure on profit margins.	• Implement productivity-based incentive schemes • Improve operational efficiency to offset cost increases • Invest in automation to reduce dependence on manual labour
Labour Availability in Tea Plantations	Maintaining sufficient labour for critical field and factory operations remains a concern due to migration trends and waning interest in estate work	Shortages lead to delays in plucking, resulting in overgrown leaf, compromised quality, and reduced production volumes. Long-term bush health and yield also face adverse impacts.	• Introduced productivity-linked incentives to attract and retain workers • Invested in mechanisation to reduce manual labour dependency • Launched training programs for machinery handling • Improved compliance and welfare standards • Extended Revenue Share Model coverage

RISK MANAGEMENT

Area of Risk	Our main concern over	Impact to the Company performance	Key Mitigating Actions
Scarcity of Quality Firewood for Manufacture	Limited availability of good-quality firewood required for consistent and efficient tea drying operations.	• Increased production costs due to reliance on alternative sources • Reduced efficiency in the drying process, potentially affecting tea quality • Extended manufacturing hours	• Engage in reforestation and sustainable firewood cultivation initiatives • Invest in R&D to explore alternative, energy-efficient drying technologies • Outsource drier operations where feasible to manage resource use effectively
Changes in government policy	Government restrictions such as the ban on oil palm cultivation can directly affect estate crop strategies.	• Increased regulatory compliance costs • Uncertainty in long-term planning and investment	• Diversify raw material sourcing to reduce dependency on restricted crops • Engage in policy dialogue through industry associations • Explore viable alternative crops or revenue-generating activities
Lack of In-House Oil Palm Processing Facility	Although BTE has mature oil palm plantations, it lacks an in house oil mill, resulting in total dependence on external mills located in the southern region.	• Significant transport costs to down south oil mills • Arbitrary deductions in quantity and quality by external buyers • Lower bargaining power and vulnerability to reduced purchase prices • Limited control over processing timelines and output quality	• BTE has initiated the construction of an in-house oil mill within the region to reduce transport costs and improve quality and pricing control
Changes in Taxation Policy & Increased Tax Burden	Frequent changes in government taxation policies and the imposition of higher corporate and sector-specific taxes may significantly increase the Company's tax burden and reduce profitability.	• Reduction in net profit and shareholder returns- Increased pressure on cash flows and reinvestment capacity- Reduced competitiveness and constraints on long-term expansion plans- Greater uncertainty in financial planning and budgeting	• Maintain proactive tax planning and compliance monitoring- Engage with industry bodies and policymakers on sector-related tax matters- Improve operational efficiency and cost optimisation to offset tax impacts- Diversify revenue streams and strengthen financial planning mechanisms

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

The Directors of Bogawantalawa Tea Estates PLC have pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company for the financial year ended 31st March 2026 conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act, No.07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended Best Practices.

GENERAL

Bogawantalawa Tea Estates PLC was incorporated as a public limited Company under the Companies Act No. 17 of 1982 on 22nd June 1992 under the name Bogawantalawa Plantations Limited. The Company was listed on the Colombo Stock Exchange on 8th December 1995. The name of the Company was changed to Bogawantalawa Tea Estates Limited on 26th August 2004. Pursuant to the requirements of the Companies Act No. 7 of 2007, the Company was re-registered on 8th April 2008 under registration number PQ 124, following which the name of the Company became Bogawantalawa Tea Estates PLC.

The ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange.

The Company had also issued 10 Mn Rated Senior Unsecured Redeemable Debentures at a par value of Rs. 100/- each, which were listed on the Main Board of the Colombo Stock Exchange. The Debentures were fully redeemed on 24th July 2026 upon the final redemption.

The Registered Office of the Company is situated at Metrocorp Building, 1st Floor, No. 150A, Nawala Road, Nawala, Nugegoda,

PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

The principal activity of the company, which is the cultivation and processing of Tea, Rubber and Oil Palm, remained unchanged.

There were no significant changes in the nature of the business or principal activities of the Company and its subsidiaries during the financial year under review.

REVIEW OF BUSINESS

A review of the business operations and performance of the Company during the financial year, together with comments on the financial results, future strategies, and prospects, is set out in the Chairman's Review on pages 5 to 7.

This Report, together with the Audited Financial Statements, reflects a true and fair view of the state of affairs of the Company as at the reporting date.

FINANCIAL STATEMENTS`

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards, comprising the Sri Lanka Financial Reporting Standards (SLFRSs) and the Sri Lanka Accounting Standards (LKASs), as issued by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements also comply with the requirements of the Companies Act, No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The aforesaid Financial Statements, duly approved by the Board of Directors and signed on its behalf by two Directors and the Chief Financial Officer, are included in this Annual Report and form an integral part of the Annual Report of the Board of Directors.

Summarized Financial Results

Year ended	2026 Rs.'000	2025 Rs.'000
Revenue	5,665,951	5,150,007
Net Profit / (Loss) for the year	568,158	1,042,940
Carried forward Profit / (Loss)	3,680,208	3,448,350

INDEPENDENT AUDITORS' REPORT

The Report of the Independent Auditors on the Financial Statements is on pages 60 to 63.

ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Financial Statements are set out on pages 68 to 88. There were no significant changes to the accounting policies adopted by the Company during the financial year under review compared to those applied in the previous financial year.

DIRECTORS

The names of the Directors who held office during the financial year and as at the end of the accounting period are set out below. Brief profiles of the Directors are provided on pages 27 to 28 of this Annual Report.

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

Executive Directors
Mr. D J Ambani - Co-Chairman
Mr. L J Ambani - Co-Chairman
Mr. L H Munasinghe

Non - Executive Directors
Mr. C M O Haglind
Mr. D A De S Wickramanayake
*Ms. S H Munasinghe
*Mr. K V N De Silva

* Independent Non-Executive Director

RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS / ANNUAL ASSESSMENT OF CONTINUING DIRECTORS

In terms of Articles 89 and 90 of the Articles of Association of the Company, Ms. S. H. Munasinghe and Mr. C. M. O. Haglind retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. The Board of Directors recommends their re-election.

RE-APPOINTMENT OF DIRECTORS ABOVE THE AGE OF 70 YEARS

Mr. D. J. Ambani, who is 73 years of age, vacates office at the conclusion of the forthcoming Annual General Meeting in terms of Section 210(2)(b) of the Companies Act, No. 7 of 2007. Being eligible, he offers himself for re-appointment, and the Board of Directors recommends that he be re-appointed as a Director in terms of Section 211 of the Companies Act, with a declaration that the age limit prescribed under Section 210 of the Companies Act shall not apply to him.

Mr. D. A. de S. Wickramanayake, who is 76 years of age, vacates office at the conclusion of the forthcoming Annual General Meeting in terms of Section 210(2)(b) of the Companies Act, No. 7 of 2007. Being eligible, he offers himself for re-appointment, and the Board of Directors recommends that he be re-appointed as a Director in terms of Section 211 of the Companies Act, with a declaration that the age limit prescribed under Section 210 of the Companies Act shall not apply to him.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 and Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors confirming that they have continuously satisfied the Fit and Proper Assessment Criteria stipulated in the Listing Rules throughout the financial year under review and as at the date of such declarations.

INDEPENDENCE OF DIRECTORS

The Board, based on the declarations submitted by the Independent Directors confirming their independence against the criteria specified in the Listing Rules, together with such other information available to the Board that could reasonably be construed as having a bearing on the independence of such Directors, determined that the two (2) Independent Directors, namely Ms. S. H. Munasinghe and Mr. K. V. N. De Silva, are 'Independent' in terms of the Listing Rules.

In view of both Co-Chairmen of the Company serving as Executive Directors, Mr. K. V. N. De Silva was appointed as the Senior Independent Director of the Company with effect from 1st January 2025 and continued to hold this position during the financial year ended 31st March 2026.

ADDITIONAL DISCLOSURES PERTAINING TO DIRECTORS

(i) Material Interests in Contracts involving the Company

The Directors declare that all material interests in contracts involving the Company have been disclosed to the Board and whenever any Director was materially interested in a contract or a proposed contract with the Company, they have refrained from voting on such contracts. It is further declared that during the year under review, the Company did not enter into any contracts in which any Director was materially interested.

(ii) Material Business relationships

None of the Directors or close family members have any material business relationships with other Directors of the Company.

(iii) Other directorships held by the Directors

Other directorships held by Directors are disclosed on pages 27 and 28.

(iv) Review of Internal Controls

The Directors have through the Audit Committee, conducted a review of the internal controls covering financial, operational and compliance control, risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

(v) Applicable Laws Rules and Regulations

The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

BOARD MEETINGS

Four (4) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings is set out on page 36.

BOARD SUB COMMITTEES

The Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committee function as Sub-Committees of the Board. The members of these Committees possess the requisite qualifications, expertise and experience necessary to effectively discharge their respective responsibilities. The composition of these Committees is as follows:

Audit Committee

Ms. S. H. Munasinghe - Chairperson
Mr. K. V. N. De Silva - Member
Mr. C. M. O. Haglind - Member

Remuneration Committee

Ms. S. H. Munasinghe - Chairperson
Mr. K. V. N. De Silva - Member
Mr. C. M. O. Haglind - Member

Related Party Transactions Review Committee

Ms. S. H. Munasinghe - Chairperson
Mr. K. V. N. De Silva - Member
Mr. L. H. Munasinghe - Member

Nominations and Governance Committee

Ms. S. H. Munasinghe - Chairperson
Mr. K. V. N. De Silva - Member
Mr. C. M. O. Haglind - Member

DECLARATION UNDER THE LISTING RULES, ON RELATED PARTY TRANSACTIONS

The Directors confirm that the Company has complied with the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2026.

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed under key management personnel compensation in Note 12 to the Financial Statements on page 90.

DIRECTORS' INTERESTS IN CONTRACTS AND INTERESTS REGISTER

The Company maintains an Interests Register in terms of the Companies Act No. 07 of 2007, which is deemed to form part and parcel of this Annual Report and is available for inspection upon request.

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the provisions of the Companies Act.

MATERIAL FORESEEABLE RISK FACTORS

The Board of Directors recognises that the Company operates in a dynamic business environment and is exposed to a range of foreseeable risks that may have an impact on its financial performance, operational efficiency and long-term sustainability. The Board, together with Management, continuously monitors these risks and implements appropriate strategies and internal controls to mitigate their potential impact.

The principal foreseeable risks affecting the Company include, but are not limited to:

1. Climate Change and Extreme Weather
2. Labour Availability, Wage Escalation and Productivity
3. Tea Price and Market Volatility
4. Agricultural Input Cost and Availability
5. Crop Yield, Land Productivity, Pest and Disease
6. Geopolitical, Export Market and Supply Chain Disruptions
7. Product Quality, Food Safety and Certification
8. Regulatory, Environmental and Sustainability Transition
9. Crop Diversification and Commodity/Policy Risk
10. Operational, Asset and Business Continuity Risk

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

The Board, through the Board Audit Committee, regularly reviews the adequacy and effectiveness of the Company's internal control systems, including financial, operational and compliance controls, as well as its risk management framework. Based on these reviews and the assurances received from Management, the Board is satisfied that the Company's internal controls and risk management processes are operating effectively and have been adhered to throughout the financial year.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation and presentation of the Financial Statements of the Company, which give a true and fair view of the financial position, financial performance and cash flows of the Company.

The Directors are satisfied that the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Financial Statements appearing on pages 64 to 117 have been prepared in accordance with the Sri Lanka Accounting Standards, the Companies Act, No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 (as amended), and the Listing Rules of the Colombo Stock Exchange.

The Statement of Directors' Responsibility for Financial Reporting is set out on page 29.

INDEPENDENT AUDITORS

Messrs BDO Partners, Chartered Accountants served as the Auditors during the year under review. Based on the written representations made by the Auditors, they do not have any interest in the Company other than that of Auditors and provider of tax related services.

A total amount of Rs. 3,225,620 is payable by the Company to the Auditors for the year under review.

Based on the recommendations of the Audit Committee a resolution to re-appoint the Auditors and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

STATED CAPITAL

The stated capital of the Company as at 31st March 2026 was Rs. 586,250,010/- represented by 83,750,000 fully paid ordinary shares and one (1) Golden Share.

There were no changes to the stated capital of the Company during the financial year ended 31st March 2026.

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company as at 31st March 2026 and 31st March 2025 are as follows.

Year ended	Shareholding as at 31/03/2026	Shareholding as at 31/03/2025
Mr. D J Ambani	-	-
Mr. L J Ambani		-
Mr. C M O Haglind	-	-
Mr. D A de S Wickramanayake	9,485,580	9,485,580
Mr. L H Munasinghe	-	
Ms. S H Munasinghe		
Mr. K V N De Silva		

SHAREHOLDERS

There were 18,311 shareholders registered as at 31st March 2026 (18,312 shareholders as at 31st March 2025).

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company and the public holding as per the Listing Rules of the Colombo Stock Exchange is provided on page 24 to 26 under Share Information.

RESERVES

The movement of reserves during the year are given under the Statement of Changes in Equity on page 66.

PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

The book value of property, plant and equipment amounted to Rs. 1,798,032,386/- (2025 – Rs. 1,725,603,229/-)

The extents, locations, valuations and the number of buildings of the Company's land holdings are given in Note 17.

The movement of fixed assets during the year is given in Note 17 to the financial statements.

INVESTMENTS

Information on investments held by the Company are given in Notes 21, 22 and 27 on pages 100, 101 and 103 respectively.

DIVIDENDS

An Interim Dividend of Rs. 1.50 per share was paid to the shareholders on 31st December 2025 for the year under review. A second Interim Dividend of Rs. 4.50 per share was subsequently declared, payable on 4th September 2026.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government, regulatory authorities and employees have been paid when due or, where applicable, have been adequately provided for in the Financial Statements.

MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS

The Directors are pleased to report that employee relations remained cordial throughout the financial year. There were no material issues relating to employees or industrial relations that had, or were likely to have, a material impact on the operations or financial performance of the Company during the year under review.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge and belief, the Company complied with all applicable laws and regulations during the financial year under review. There were no material instances of non-compliance, nor were any material fines or penalties imposed on the Company by any governmental or regulatory authority.

DONATIONS

The Company made charitable donations amounting to Rs. 1,169,822 during the financial year under review (2025 – Rs. 210,000).

EVENTS OCCURRING AFTER THE REPORTING DATE

No events of material significance that require adjustments to the Financial Statements have occurred subsequent to the reporting period, other than those disclosed in Note 44 to the Financial Statements on page 114.

CORPORATE GOVERNANCE

The Directors confirm that the Company has complied with the Rules on Corporate Governance contained in the Listing Rules of the Colombo Stock Exchange.

The Corporate Governance Statement set out on pages 40 to 43 provides details of the corporate governance practices and measures adopted by the Company during the year under review.

POLICIES IN TERMS OF RULE 9.2 OF THE LISTING RULES

In terms of Rule 9.2.1 of the Listing Rules, the Company has established, adopted and published the following policies on its website (www.bogawantalawa.com), thereby ensuring adherence to best practices in corporate governance, ethical conduct and regulatory compliance:

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

POLICY ON EFFECTIVE COMMUNICATION AND RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognizes the importance of maintaining transparent, timely and effective communication with shareholders and investors. The Company provides shareholders and investors with relevant information through the Annual Report, financial statements, announcements to the Colombo Stock Exchange, disclosures made in accordance with applicable laws and regulations, and the Company's website.

Shareholders and investors may communicate with the Company through P W Corporate Secretarial (Pvt) Ltd, Company Secretaries, the designated contact point for facilitating communication and providing necessary clarifications on matters relating to the Company, subject to applicable laws, regulations and confidentiality requirements.

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

The Company ensures that shareholders have appropriate access to information and opportunities to communicate their views and seek clarifications, in line with principles of good corporate governance.

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

CORPORATE SOCIAL RESPONSIBILITY

The Company continued its Corporate Social Responsibility initiatives during the year under review, details of which are set out on pages 14 to 23 of this Report.

ENVIRONMENTAL PROTECTION

After making appropriate enquiries from Management, the Directors are satisfied that the Company conducts its operations in a manner that minimizes adverse impacts on the environment and provides products and services that create value for its customers and the communities in which it operates.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis. After making appropriate enquiries from Management, the Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held by electronic means at 10.30 a.m. on 30th September 2026.

The Notice of the Annual General Meeting appears on page 03.

ACKNOWLEDGEMENT

The Board of Directors have approved the Audited Financial Statements together with the Annual Report of the Board of Directors and the Reviews which form part of the Annual Report.

This Annual Report is signed for and on behalf of the Board of Directors by

Sgd.
L J Ambani
Co-Chairman

Sgd.
L H Munasinghe
Executive Director

Sgd.
P W Corporate Secretarial (Pvt) Ltd
Secretaries

28th August 2026

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOGAWANTALAWA TEA ESTATES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Bogawantalawa Tea Estates PLC ("the Company"), which comprise the statement of financial position as at 31st March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 68 to 117.

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

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters

1 VALUATION OF CONSUMABLE BIOLOGICAL ASSETS

The Company has consumable biological assets carried at fair value amounting to Rs.1,699 Mn (31st March 2025, Rs. 1,591 Mn). The biological assets, Eucalyptus Grandis Mature and Immature Timber Trees of the Company, were inspected and valued by an independent external valuer as at 31st March 2026.

The valuation of consumable biological assets requires significant levels of judgment and technical expertise, including the use of discounted cash flow models and selecting appropriate assumptions. Changes in the key assumptions used such as discount rate and available timber quantity to value the Company's consumable biological assets could have a material impact on the statement of profit or loss and the value of consumable biological assets. Accordingly, the valuation of consumable biological assets has been considered as a Key Audit Matter.

Related Disclosures

Refer to Note 19 of the accompanying the Financial Statements.

How Our Audit Addressed the Key Audit Matter

Our audit procedures included the following:

- Assessed the key assumptions and methodology used in the valuation, in particular the discount rate, average market price and yield per hectare;
- Verified the mathematical accuracy of the consumable biological assets valuation;
- Assessed the objectivity of the external valuation expert and the competence and qualification of the external expert, and
- Assessed the adequacy of the disclosures in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and the key assumptions.

2 MEASUREMENT OF BEARER BIOLOGICAL ASSETS

The bearer biological assets are a significant non-current asset of the Company representing 27% of the total assets consisting of Rs. 2,664 Mn as mature and immature plantations as at 31st March 2026.

Assessing the valuation of the bearer biological assets in the Financial Statements is a key audit matter due to the magnitude of the balance and its significance to total assets. Further, the identification of costs to be capitalised as immature plantations, involves the management's judgment, regarding the point at which transfers should be made from immature plantations to mature plantations and for the identification of triggers of impairment (if any).

Related Disclosures

Refer to Note 18 of the accompanying Financial Statements.

How Our Audit Addressed the Key Audit Matter

Our audit procedures included the following:

- Assessed the processes and controls in place to ensure proper identification of the expenses incurred relating to immature plantations;
- Verified the significant amounts capitalised (including labour and other acceptable costs) by examining related invoices, capital expenditure authorisations and other corroborative evidences;
- Assessed the timely transfer of matured plants to respective matured plantation categories by examining the ageing profile of immature plantations;
- Reviewed the reasonableness of depreciation provided on the matured plantations by performing independent computations, and
- Assessed the adequacy of the disclosures in the Financial Statements.

3 VALUATION OF RETIREMENT BENEFIT OBLIGATION

The Company has recognised the retirement benefit obligation of Rs. 1,448 Mn as at 31st March 2026. The retirement benefit obligation of the Company is significant in the context of the total liabilities of the Company. The valuation of the Company's retirement benefit obligation requires significant judgment and estimation to be applied across numerous assumptions, including salary increases and discount rate. Small changes in those assumptions could have a significant impact on the financial performance and financial position of the Company. Management engaged an independent actuary to assist them in the computation of the retirement benefit obligation. We considered the computation of the retirement benefit obligation to be a key audit matter due to the magnitude of the amounts recognised in the Financial Statements as well as estimation uncertainty involved in the assessment of the obligation.

Related Disclosures

Refer to Note 33 of the accompanying Financial Statements.

How Our Audit Addressed the Key Audit Matter

Our audit procedures included the following:

- Assessed the competency, objectivity and capabilities of an independent actuary engaged by the management;
- Assessed the appropriateness of the key assumptions used in the valuation, in particular, the discount rate, inflation rate, future salary increases and mortality rates;
- Assessed the accuracy, completeness and reasonableness of the employee data used for the calculation of retirement benefit obligation, and
- Assessed the adequacy of the disclosures made in the Financial Statements in accordance with the relevant accounting standards.

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 the Auditor's Report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially consistent with the Financial Statements or our knowledge obtained during the audit, or otherwise whether it appears to be materially misstated. If, based upon the work we have performed, we conclude that there

INDEPENDENT AUDITOR'S REPORT

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is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Financial Statements, management is responsible for assessing the 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 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.
- 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 the 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 it 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 4639.

Sgd.
CHARTERED ACCOUNTANTS

Colombo
28th August 2026

NV/cc

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Note	2025/2026 Rs.	2024/2025 Rs.
Revenue	7	**5,665,951,001**	5,150,007,295
Cost of sales	8	**(4,578,615,890)**	(3,954,934,906)
Gross profit		**1,087,335,111**	1,195,072,389
Gain on fair value of biological assets	19	**184,605,902**	259,580,936
Other income	9	**285,303,923**	316,938,717
		1,557,244,936	1,771,592,042
Administration and other expenses		**(322,322,387)**	(246,134,203)
Management fee expenses	10	**(45,120,787)**	(36,013,493)
Net finance expense	11	**(257,670,281)**	(249,408,465)
		(625,113,455)	(531,556,161)
Profit before taxation	12	**932,131,481**	1,240,035,881
Income tax expenses	13	**(363,973,579)**	(197,096,085)
Profit for the year		**568,157,902**	1,042,939,796
Items that will be re-classified to profit or loss		**-**	-
Items that will not be re-classified to profit or loss			
Valuation gains on equity instruments at fair value through other comprehensive income	22	**(24,612,502)**	(337,537)
Remeasurement of retirement benefit obligation	33.1	**(61,679,016)**	(388,304,940)
Deferred tax impact on retirement benefit obligation	37	**18,503,705**	116,491,482
Total other comprehensive income for the year, net of tax		**(67,787,813)**	(272,150,995)
Total comprehensive income for the year		**500,370,089**	770,788,801
Basic earnings per share	14.1	**6.78**	12.45

Figures in brackets indicate deductions.

The material accounting policy information and notes on pages 68 to 117 form an integral part of these financial statements.

Colombo
28th August 2026

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	2026 Rs.	2025 Rs.
ASSETS			
Non-current assets			
Right-of-use assets	16	**1,821,362,731**	1,776,684,832
Tangible assets other than bearer biological assets	17	**506,481,872**	490,883,965
Bearer biological assets	18	**2,664,563,309**	2,573,622,885
Consumable biological assets	19	**1,699,841,542**	1,590,849,869
Capital work-in-progress	20	**13,353,356**	12,721,927
Financial assets - FVTPL	21	**29,271,843**	-
Financial assets - FVTOCI	22	**40,344,617**	64,957,119
Total non-current assets		**6,775,219,270**	6,509,720,597
Current assets			
Produce on bearer plants	23	**28,402,177**	38,402,824
Inventories	24	**615,178,627**	782,566,882
Trade and other receivables	25	**561,741,391**	506,407,910
Amounts due from related parties	26	**1,387,718**	7,334,489
Financial assets - FVTPL	21	**1,150,769,576**	891,356,358
Financial assets - amortised cost	27	**480,276,157**	409,750,620
Cash and cash equivalents	28	**167,060,558**	199,696,558
Total current assets		**3,004,816,204**	2,835,515,641
Total assets		**9,780,035,474**	9,345,236,238
EQUITY AND LIABILITIES			
Equity			
Stated capital	29	**586,250,010**	586,250,010
Retained earnings		**3,680,207,984**	3,448,350,393
Fair value reserve of financial assets at FVTOCI		**25,344,617**	49,957,119
Total equity		**4,291,802,611**	4,084,557,522
Non-current liabilities			
Interest bearing borrowings - Non-current	30	**7,000,000**	26,859,922
Debentures	31	**-**	223,685,581
Retirement benefit obligation	33	**1,448,473,003**	1,349,386,819
Grants and subsidies	34	**38,571,458**	49,354,393
Deferred income	35	**178,244,931**	187,626,242
Lease liabilities	36	**2,455,664,153**	2,303,885,178
Deferred tax liability	37	**203,055,300**	157,038,084
Total non-current liabilities		**4,331,008,845**	4,297,836,219
Current liabilities			
Trade and other payables	38	**641,815,113**	595,387,127
Debentures	31	**232,182,497**	231,803,318
Amounts due to related parties	39	**1,454,681**	4,449,914
Interest bearing borrowings - Current	30	**18,867,827**	19,943,559
Income tax payable	32	**225,081,565**	111,258,579
Bank Overdraft	28	**37,822,335**	-
Total current liabilities		**1,157,224,018**	962,842,497
Total liabilities		**5,488,232,863**	5,260,678,716
Total equity and liabilities		**9,780,035,474**	9,345,236,238
Contingencies and commitments	40 & 41		

Figures in brackets indicate deductions.
The material accounting policy information and notes on pages 68 to 117 form an integral part of these financial statements.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Sgd.
Mr. T. N. B. Bogahalanda
Chief Financial Officer

The Board of Directors is responsible for the preparation of these Financial Statements, approved and signed for and on behalf of the Board of Directors of Bogawantalawa Tea Estates PLC.

Sgd.
Mr. L. J. Ambani
Co-Chairman

Sgd.
Mr. L.H. Munasinghe
Executive Director

Colombo
28th August 2026

NV/cc

STATEMENT OF CHANGES IN EQUITY

Description	Note	Stated capital Rs.	Fair value reserve of financial assets at FVTOCI* Rs.	Retained earnings** Rs.	Total Rs.
Balance as at 1st April 2024	29	586,250,010	50,294,656	2,677,224,055	3,313,768,721
Comprehensive income for the year					
Profit for the year		-	-	1,042,939,796	1,042,939,796
Other comprehensive income		-	(337,537)	(271,813,458)	(272,150,995)
Total comprehensive income for the year		-	(337,537)	771,126,338	770,788,801
Balance as at 31st March 2025		586,250,010	49,957,119	3,448,350,393	4,084,557,522
Comprehensive income for the year					
Profit for the year		-	-	568,157,902	568,157,902
Other comprehensive income		-	(24,612,502)	(43,175,311)	(67,787,813)
Dividend paid during the year		-	-	(293,125,000)	(293,125,000)
Total comprehensive income for the year		-	(24,612,502)	231,857,591	207,245,089
Balance as at 31st March 2026		586,250,010	25,344,617	3,680,207,984	4,291,802,611

* Fair value reserve of financial assets at fair value through other comprehensive income (FVTOCI) relates to the changes in investment in equity shares.

** Retained earnings are the cumulative net earnings of a company after accounting for dividend payments.

Figures in brackets indicate deductions.

The material accounting policy information and notes on pages 68 to 117 form an integral part of these financial statements.

Colombo
28th August 2026

STATEMENT OF CASH FLOWS

For the year ended 31st March	Note	2025/2026 Rs.	2024/2025 Rs.
Cash flows from operating activities			
Net profit before taxation		**932,131,481**	1,240,035,881
Adjustments for:			
Depreciation/amortisation	17	**244,558,737**	227,837,757
Interest income	11	**(141,798,091)**	(127,687,566)
Interest expense	31	**52,383,982**	91,947,731
Lease interest to JEDB/SLSPC	36.1	**271,434,237**	212,101,866
Provision for retirement benefit obligation - gratuity	33.1	**231,479,605**	185,863,417
Provision for retirement benefit obligation - gratuity for deserters (workers)	38.1	**70,208,030**	16,236,810
Amortisation of grants and subsidies	34	**(10,782,935)**	(8,095,980)
Gain on fair value of consumable biological assets	19	**(184,605,902)**	(259,580,936)
Loss on financial assets measured at FVTPL		**1,922,243**	-
Loss/(Gain) on produce - biological assets - Tea	23	**10,000,647**	(15,955,947)
Amortisation of net income from operating rights given to LRL	9	**(9,381,311)**	(9,381,311)
Bearer biological asset written off	18.1	**13,788,143**	-
		1,481,338,866	1,553,321,722
Operating income before working capital changes			
Decrease/(increase) in inventories		**167,388,255**	(251,593,979)
Increase in trade and other receivables		**(55,333,478)**	(73,687,208)
Decrease/(increase) in due from related parties		**5,946,771**	(4,387,066)
Increase in trade and other payables		**40,719,778**	118,246,948
(Decrease)/increase in due to related parties		**(2,995,233)**	3,661,676
Cash generated from operations		**1,637,064,959**	1,345,562,093
Interest paid	31	**(46,083,384)**	(77,196,357)
WHT setoff		**2,676,132**	(16,586,598)
Tax paid		**(188,305,804)**	-
Gratuity paid	33	**(194,072,437)**	(158,894,317)
Gratuity paid - deserters (workers)	38.1	**(64,499,823)**	(50,864,903)
Net cash generated from operating activities		**1,146,779,643**	1,042,019,918
Cash flows from investment activities			
Investment in bearer biological assets - immature plantations	18.1	**(201,542,530)**	(202,492,467)
Growing crop nurseries	18.3	**(2,077,387)**	1,139,686
Harvesting of timber plantations	19	**85,355,102**	114,620,891
Additions to biological assets - nursery	19	**(9,740,873)**	(2,290,791)
Acquisition of property, plant and equipment	17.1.1	**(72,429,157)**	(46,452,217)
Net capital expenditure incurred	20	**(631,429)**	2,700
Proceeds in financial assets at amortised cost	27	**27,281,578**	-
Investment in financial assets at FVTPL	21.2	**(246,616,330)**	(388,288,043)
Net cash used in investing activities		**(420,401,026)**	(523,760,241)
Cash flows from financing activities			
Payments made to lessor of JEDB/SLSPC estates	36.1	**(253,169,298)**	(160,491,023)
Receipts from interest bearing borrowings Payments of long-term borrowings	30	**(20,935,654)**	(82,799,222)
Payments of debentures	31	**(229,607,000)**	(240,790,505)
Dividend payment		**(293,125,000)**	-
Net cash used in financing activities		**(796,836,952)**	(484,080,750)
Net decrease/(Increase) in cash and cash equivalents		**(70,458,335)**	34,178,927
Cash and cash equivalents at the beginning of the year		**199,696,558**	165,517,631
Cash and cash equivalents at the end of the year (Note A)		**129,238,223**	199,696,558
Cash and cash equivalents at the end of the year			Note A
Cash and bank balances	28	**129,238,223**	199,696,558
		129,238,223	199,696,558

Figures in brackets indicate deductions.

The material accounting policy information and notes on pages 68 to 117 form an integral part of these financial statements.

Colombo
28th August 2026

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Domicile and legal form

Bogawantalawa Tea Estates PLC (BTE PLC) formerly known as Bogawantalawa Plantations Limited (BPL), is a public limited liability company, listed in the Colombo Stock Exchange, incorporated and domiciled in Sri Lanka, under the Companies Act No.17 of 1982 which later was replaced with the Companies Act No. 07 of 2007, in terms of the provisions of the Conversion of Corporations and Government Owned Business Undertakings into Public Companies Act No.23 of 1987. The registered office of the Company is located at No.150A, Nawala Road, Nawala, Nugegoda, and the plantations are situated in the planting regions of Bogawantalawa and Deraniyagala.

1.2. Principal activities and nature of operations

The Company is primarily engaged in the cultivation, manufacture and sale of tea, rubber, palm oil and forestry.

1.3. Name of immediate and ultimate parent enterprise

The Company's immediate parent undertaking is Metropolitan Resource Holdings Limited, and the ultimate parent undertaking is Metrocorp (Pvt) Ltd.

Management contract

The Company is managed by Metropolitan Resource Holdings Limited. The management's agreement which came into effect from 01st January 1996 was initially for a period of five years with provision to extend by a further period on the mutual consent of both parties.

1.4. Date of authorisation for issue

The Financial Statements of Bogawantalawa Tea Estates PLC, for the year ended 31st March 2026 were authorised for issue by the Board of Directors on 28th August 2026.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The Financial Statements of the Company have been prepared and presented in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Accounting Standards (LKASs/SLFRs), relevant interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which are collectively referred to as SLASs and are in compliance with the requirements of the Companies Act No. 07 of 2007 and the amendments thereto, and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

The Company has not adopted any inappropriate accounting treatments which are not in compliance with the requirements of the SLASs, and regulations governing the preparation and presentation of the Financial Statements.

2.2. Basis of measurement

The Financial Statements of the Company have been prepared on the historical cost basis except for the following material items in the statement of financial position.

Items	Measurements basis	Note No.
Consumable biological assets	Stated at valuation	19
Produce on bearer plants	Stated at valuation	23
Right-of-use of assets	Stated at valuation	16
Retirement benefit obligation	Liability for defined benefit obligations is recognised as the present value of the defined benefit obligation plus unrecognised actuarial gains, less unrecognised past service cost and unrecognised actuarial losses.	33

2.3. Use of estimates and judgments

The preparation of Financial Statements in conformity with LKASs/SLFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

2.4. Comparative information

Previous period's figures and notes have been re-classified wherever necessary to conform to the current year's presentation.

2.5. 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 LKAS 1: 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 legally an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

2.6. Offsetting

Assets and liabilities, and income and expenses, are not offset unless it is required or permitted by SLFRSs/ LKASs.

2.7. Going concern

Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.8. Responsibility for Financial Statements

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

2.9. Changes in accounting standards and standards issued but not yet effective

2.9.1. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's Financial Statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles. The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

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

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

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

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

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

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

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

Early application is permitted. The amendments are not expected to have a material impact on the financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1. Foreign currencies

3.1.1. Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The Financial Statements have been presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

3.1.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when the items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'net finance income/expenses'.

3.2. Property, plant and equipment

3.2.1. Measurement

Items of property, plant and equipment other than bare land are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Company elected the exemption to measure land and buildings recognised previously at revalued amounts as deemed cost with effect from 01st April 2011 in accordance with the provisions of SLFRS 1. Accordingly, land and buildings are stated at deemed cost less accumulated depreciation.

The cost of property, plant and equipment comprises expenditure directly attributable to the acquisition of the item. These costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling, removing and restorating, and the obligation which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

3.2.2. Depreciation

Depreciation of assets begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Land is not depreciated.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have the ownership by the end of the lease term. The estimated useful lives for the current and comparative periods are as follows:

Freehold assets

Buildings	Over 40 years
Water projects and sanitation	Over 20 years
Plant and machinery	Over 13 and 1/3 years
Motor vehicles	Over 05 years
Equipment	Over 08 years
Furniture and fittings	Over 10 years

Bearer biological assets (replanting and new planting)

Tea	Over 33 and 1/3 years
Rubber	Over 20 years
Coconut	Over 08 years
Palm oil	Over 30 years

Right-of-use assets

Plant and machinery	Over 13 and 1/3 years
Motor vehicles	Over 05 years
Equipment	Over 08 years

The useful life, residual values and depreciation method of assets are reviewed and adjusted, if required, at the end of each financial year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' in the statement of comprehensive income.

Identifiable interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

3.2.3. Amortisation of leasehold right

The leasehold rights over assets taken over from JEDB/SLSPC are being amortised in equal amounts over the following years. (Lower of lease period and economic useful life)

Right-of-use asset - Land	Over 22.25 years (remaining lease period)
Buildings	Over 25 years
Plant and machinery	Over 15 years
Water supply scheme	Over 20 years
Mature plantation (both tea and rubber)	Over 30 years

3.2.4. Leases

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

3.2.4.1. Right-of-use assets

The Company recognises the right-of-use assets at the commencement date of a lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at, or before, the commencement date less any lease incentive received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If the ownership of the leased asset is transferred to the Company at the end of the lease period or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3.2.4.2. Lease liabilities

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payment to be made over the lease term. The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentive receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payment also includes the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease terms reflect the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

3.2.5. Permanent land development costs

Permanent land development costs are those costs incurred making major infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period.

Permanent impairment to land development costs is charged to the statement of comprehensive income in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.2.6. Repairs and maintenance

Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. This cost is depreciated over the remaining useful life of the related asset.

3.3. Non-current assets held for sale and discontinued operations

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale only when the sale is highly probable, and the asset is available for immediate sale in its present condition. In the statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3.4. Biological assets

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

Biological assets are 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. Tea, rubber, palm oil, other plantations and nurseries are classified as biological assets.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), is classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (tea, rubber fields) which come into bearing during the year, is transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter, at fair value at the end of each reporting period.

Biological assets are further classified as bearer biological assets and consumable biological assets.

3.4.1. Bearer biological assets

Bearer biological assets include tea, rubber and palm oil trees that are not intended to be sold or harvested but are grown for harvesting agricultural produce from such biological assets. 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.

3.4.2. Harvestable agricultural produce on bearer biological assets

In accordance with LKAS 41, the Company recognises agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce is recognised in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce are ascertained based on the harvesting cycle of each crop category by limiting to one harvesting cycle based on last day of the harvest in the immediately preceding cycle. Further, 50% of the crop in that harvesting cycle is considered for the valuation.

For the valuation of the harvestable agricultural produce, the Company uses the following price formulas.

- Tea – bought leaf rate (current month) less cost of harvesting and transport
- Rubber – latex price (95% of current RSS1 price) less cost of tapping and transport

3.4.3. Consumable biological assets

Consumable biological assets include managed timber trees that are to be sold as biological assets. The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial.

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell off consumable biological assets is included in the statement of comprehensive income for the period in which it arises.

Consumable biological assets represent Eucalyptus Grandis timber trees that the Company grows and manages in its plantations. The Eucalyptus Grandis timber tree matures after 17 years and as per best harvesting practices, the trees can be harvested when they are 20 years old.

Eucalyptus Grandis trees at their initial stage (i.e., up to five years from the date of planting) are measured at cost.

The fair value of timber trees is measured using the Discounted cash flow (DCF) method taking into consideration the current market prices of timber, applied to expected timber content of trees at maturity by an independent professional valuation surveyor T.M.H. Mutaliph, incorporated valuer A.I.V. (Sri Lanka).

Grandis trees are measured at the directors' assessment of their fair value at each reporting date, after considering and making necessary adjustments to the independent valuer's report to reflect the requirements of the Sri Lanka Accounting Standard with respect to valuation. In the absence of market-based valuation measures, the fair value of biological assets is determined using the net present value of the expected future cash flows (discounted at a risk adjusted rate).

All other assumptions and sensitivity analysis are given in Note 19 to the Financial Statements.

The main variables in the DCF model are:

Variable	Comments
Currency	Sri Lankan Rupees
Timber content	Estimate based on physical verification of girth, height and consideration of the growth of each species in different geographical regions
Economic useful life	Estimate based on the normal life span of each spice by factoring the forestry plan of the Company
Selling price	Estimates based on price quotation extracted from timber corporation net of all the direct expenses, incurred in bringing the trees into saleable condition (Stumpage value)
Discount rate	Discount rate reflecting the possible variations in the cash flows and the risk related to the biological assets

3.4.4. 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.

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

3.4.5. Infilling cost on bearer biological assets

Where infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance, the costs are capitalised and depreciated over the useful life at rates applicable to mature plantations. Infilling costs that are not capitalised have been charged to the statement of comprehensive income in the year in which they are incurred.

3.5. Borrowing costs

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.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the statement of comprehensive income.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 – "Borrowing costs".

3.6. Stated capital

Ordinary shares are classified as an equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.7. Intangible assets

3.7.1. Licenses

Separately acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives which is 10 years.

3.7.2. Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 02 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These directly attributable costs include the software development and employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 02 years.

Costs relating to development of software are carried in capital work-in-progress until the software is available for use.

Other development expenditures that do not meet the above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3.8. Capital work–in–progress

The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon.

Expenditure incurred on capital work-in-progress of permanent nature or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Capital work-in-progress is transferred to the respective asset accounts at the time of first utilisation or at the time the asset is commissioned.

3.9. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or a company of assets (the "cash generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10. Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Manufactured inventories cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

Inventory element	Valuation method
Input material	At average cost
Growing crop-nurseries	At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads
Agricultural produce harvested from biological assets	Agricultural produce harvested from biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agricultural produce are valued by adding the cost of conversion to the fair value of agricultural produce.
Spares and consumables	At average cost

3.11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.11.1. Financial assets

3.11.1.1. Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, investments and trade and other receivables.

3.11.1.2. Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

a) Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met.

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Financial instruments at amortised cost comprise trade receivables, amounts due from related parties, deposits, advances and other receivables.

b) Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met.

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Company does not have any debt instruments at fair value through OCI.

c) Financial assets at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of a part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely the payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

3.11.1.3. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired,
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing the involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.11.1.4. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.11.1.5. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is legally an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.12. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

3.13. Stated capital

3.13.1. Classification

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity or liability according to the economic substance of the particular instrument. Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

3.13.2. Share issue expenses

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

3.13.3. Dividend to shareholders of the Company

Dividend distribution to the shareholders is recognised as a liability in the Financial Statements in the period in which the dividends are approved by the shareholders.

3.14. Financial liabilities

3.14.1. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, bank overdrafts, debentures and loans and borrowings.

3.14.1.1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below.

(a) Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

(b) Financial liabilities at amortised cost after initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables, income tax payables and amounts due to related parties.

3.14.1.2. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.15. Debenture

Financial Liabilities at amortised cost financial instruments issued by the Company that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares at amortised cost using the EIR method.

After initial recognition, such financial liabilities are substantially measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The EIR amortisation is included in “interest expenses” in the income statement. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Currently, the Company has recorded debenture issued as financial liabilities at amortised cost.

3.16. Employee benefits

3.16.1. Defined benefit plan – gratuity

A defined benefit plan defines an amount of benefits that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The defined benefit plan comprises the gratuity provided under the payment of Gratuity Act No. 12 of 1983.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the date of the statement of financial position together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated every year by independent actuaries, Messrs. Actuarial and Management Consultants (Private) Limited using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using appropriate interest rates by the actuarial valuer.

Past-service costs are recognised immediately in the statement of comprehensive income unless the changes to the defined benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The following assumptions based on which the results of the actuarial valuation was determined, are included in Note No. 33 to the Financial Statements.

The key assumptions used by the actuary include the following:

a.	Average rate of interest		- 10.5% (Per annum)	(Previous year 12.00% Per annum)
b.	Average rate of salary increases	- Worker	- 10.00% (Once in two years)	(Previous year 10.00%)
		- Staff	- 8.00% (Per annum)	(Previous year 8.00%)
c.	Average retirement age	- Workers	- 60 years	(Previous year 60 years)
		- Staff	- 60 years	(Previous year 60 years)
d.	Daily wage rate		- Rs.1,550/-	(Previous year Rs. 1,350/-)

e. The Company will continue in business as a going concern.

3.16.2. Defined contribution plans

For defined contribution plans, such as Ceylon Plantation Provident Society (CPPS) / Estate Staff Provident Society (ESPS), Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF), the Company contributes 12% or 15% and 3% respectively, of the employees' basic or consolidated wage or salary. The Company has no further payment obligation once the contributions have been paid. The Company and the employees are members of these defined contribution plans.

3.16.3. Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

3.16.4. Termination benefits

Termination benefits are payable whenever an employee's service is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

3.17. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events when it is more probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions for the asset retirement obligations are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision by passage of time is recognised as finance cost.

3.18. Contingent liabilities and contingent assets

The Company does not recognise a contingent liability but discloses 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 recognised 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 recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

3.19. Deferred revenue

3.19.1. 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 compiled with. When the grant relates 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. 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 asset.

Where the Company receives non-monitory grants, the asset and the grant are recorded at gross nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. Where loans or similar assistance is provided by the government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as an additional government grant.

Grants related to property, plant and equipment other than grants received for biological assets are initially deferred and allocated to the statement of comprehensive income on a systematic basis over the useful life of the related property, plant and equipment.

Assets are amortised over their useful lives or unexpired lease period, whichever is lower.

Government grant related to the biological assets which are measured at fair value less cost to sell is directly charged to the carrying value of such assets in accordance with the applicable financial framework.

3.19.2. Net income from operating rights given

The net income raised on giving up of operating rights to Lalan Rubbers (Pvt) Ltd is recognised as income in the statement of comprehensive income over a period of 42 years respectively, which is the period of operating lease in the agreement.

3.20. Tax expense

Income tax expense comprises current, deferred tax and other statutory taxes. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in the statement of changes in equity.

a) Current tax

Current tax is the expected tax payable or receivable 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. Current tax payable also includes any tax liability arising from the tax on dividend income.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act. No. 24 of 2017 and subsequent amendments thereto.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to the Commissioner General of Inland Revenue.

b) Deferred tax

Deferred tax is recognised 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 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.

Deferred tax assets and liabilities are offset if legally there is enforceable right to offset the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 benefits will be realised.

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely, any net decrease is recognised as reversal to deferred tax expense, in the statement of comprehensive income.

c) Tax on dividends

Dividends distributed out of taxable profit of the local companies are subject to 15% final withholding tax.

d) Sales taxes

Revenues, expenses and assets are recognised net of the amount of sales tax except for the following.

- sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the statement of financial position.

e) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation requires the following.

- the Company to determine whether uncertain tax treatments should be considered separately, or together, based on which approach provides better predictions of the resolution
- the Company to determine if it is probable that the tax authorities will accept the uncertain tax treatment
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty

This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

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

The Company applies significant judgment in identifying uncertainties over income tax treatments. The Company assessed whether the Interpretation had an impact on its Financial Statements. Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities.

3.21. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation.

The Company is in the business of cultivation, manufacture and sale of black tea, rubber and other crops (Plantation produce). Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

3.21.1. Sale of goods

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

3.21.2. Interest income

Interest income is recognised based on the effective interest method.

Interest income on financial assets at FVTPL is recognised as part of net gains or losses on these financial instruments.

Interest income of financial assets at amortised cost is calculated by using the effective interest method and is recognised as finance income.

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3.21.3. Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

3.21.4. Gains 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 comprehensive income.

3.21.5. Amortisation of Government grants received

An unconditional government grant related to a biological asset is recognised in the statement of comprehensive income as other income when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is a reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are then recognised in the statement of comprehensive income as other income on a systematic basis over the useful life of the asset.

Grants that compensate for expenses incurred are recognised in the statement of comprehensive income as other income on a systematic basis in the same periods in which the expenses are recognised.

3.21.6. Gains arising from changes in fair value of biological assets

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs are recognised in the statement of comprehensive income. Gains or losses arising on change in fair value due to subsequent measurements are recognised in the statement of comprehensive income in the period in which they arise.

3.21.7. Dividend income

Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payment is established.

3.22. Expenditure recognition

Expenses are recognised in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presenting the statement of comprehensive income, the directors are of the opinion that the function of expenses method presents fairly the elements of the Company's performance, and hence, this presentation method is adopted.

3.23. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.24. Comparatives

Where necessary, comparative figures have been adjusted to conform to the changes in presentation of the Financial Statements for the current year.

3.25. Related party disclosures

3.25.1. Transactions with related parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24. 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.

3.25.2. Transactions with key management personnel

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 (including executive and non-executive directors), personnel holding designation of general manager and above positions and their immediate family members have been classified as key management personnel of the Company.

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

3.26. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Accordingly, the segment comprises tea, rubber, palm oil and others as described in Note No. 48 to the Financial Statements.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible.

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. Unallocated items comprise mainly the interest bearing borrowings, finance lease liability to the government and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

3.27. Events after the reporting date

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures, have been made in the respective notes to the Financial Statements.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effect on the financial performance of the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the risk management policies, which cover the management of these risks.

Market risk consists of the following:

- fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates.
- cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.
- price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet the commitments associated with financial instruments.

4.1. Cash flow and fair value interest rate risk

The Company has cash and bank balances including deposits placed with creditworthy licensed banks and financial institutions. The Company manages the interest rate risks by actively monitoring the yield curve trend and interest rate movement for the various cash and bank balances.

The Company's borrowings comprise borrowings from financial and non-financial institutions and debentures. The Company's interest rate risk objective is to manage an acceptable level of rate fluctuation on the interest expense. In order to achieve this objective, the Company targets a composition of fixed and floating borrowings based on assessment of its existing exposure and desirable interest rate profile. The Company analyses the interest rate exposure on a dynamic basis.

4.2. Credit risk

Credit risk is the risk that the 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 for trade receivables) and from its financing activities. Individual risk limits are set, based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The Company places its cash and cash equivalents with a number of creditworthy financial institutions. The Company's policy limits the concentration of financial exposure to any single financial institution. The maximum credit risk exposure of the financial assets of the Company is approximately their carrying amounts as at the date of the statement of financial position.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

As at 31 March	2026 Rs.	2025 Rs.
Trade receivables	**221,210,990**	156,882,219
Financial assets - FVTPL	**1,180,041,419**	640,578,151
Financial assets - Amortised cost	**480,276,157**	660,528,827
Amounts due from related parties	**1,387,718**	7,334,488
Cash and cash equivalents	**167,060,558**	199,696,558
Bank overdraft	**(37,822,335)**	-
	2,012,154,507	1,665,020,243

4.2.1. Trade and other receivables

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31st March 2026.

As at 31st March 2026	Weighted average loss rate %	Gross carrying amount Rs.	Impairment loss allowance	Credit Impaired
Past due 1 to 30 days	-	221,210,990	-	No
Past due 31 to 180 days	-	-	-	No
Past due more than 180 days	100	-	-	No
		221,210,990		
As at 31st March 2025				
Past due 1 to 30 days	-	156,882,219	-	No
Past due 31 to 180 days	-	-	-	No
Past due more than 180 days	100	-	-	No
		156,882,219		

4.2.2. Investments

Credit risks from invested balance are managed by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to them. The limits are set to minimise the concentration of risks and therefore, mitigate financial loss through the potential counterparty's failure.

The Company held short-term investments of Rs.1,631 Mn as at 31st March 2026 (2025 - Rs. 1,301 Mn) which represent the maximum credit exposure on these assets.

4.2.3. Amount due from related parties

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each related company and the Company does not require a provision for impairment in respect of the amount due from related companies.

The Company held amounts due from related parties of Rs.1.4 Mn as at 31st March 2026 (2025 - Rs.7.3 Mn) which represent its maximum credit exposure on these balances.

4.2.4. Cash and cash equivalents

The Company held cash and cash equivalents of Rs.167 Mn as at 31st March 2026 (2025 - Rs. 200 Mn) which represent its maximum credit exposure on these assets.

The following table shows the credit ratings of the main banks with whom the Company has invested.

Bank	Credit rating
Sampath Bank PLC	AA-
Hatton National Bank PLC	AA-
Commercial Bank of Ceylon PLC	AA-
Bank of Ceylon	AA-
National Development Bank PLC	A
Seylan Bank PLC	A+
Nations Trust Bank PLC	A

4.3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. Lease liability and debentures were disclosed as undiscounted cash flows.

As at 31st March 2026	0 - 1 month	2 - 3 Months	4 - 12 months	1 - 5 Years	More than 5 Years	Total
Trade and other payables	**215,580,632**	**317,513,891**	**108,720,590**	**-**	**-**	**641,815,113**
Amount due to related parties	**1,454,681**	**-**	**-**	**-**	**-**	**1,454,681**
Interest bearing borrowings	**1,662,539**	**3,325,078**	**13,880,210**	**7,000,000**	**-**	**25,867,827**
Lease liability	**-**	**52,680,497**	**185,698,752**	**1,090,667,733**	**5,793,310,416**	**7,122,357,398**
Debenture	**7,643,082**	**-**	**237,335,005**	**-**	**-**	**244,978,087**
Bank overdraft	**37,822,335**	**-**	**-**	**-**	**-**	**37,822,335**
Total	**264,163,269**	**73,519,466**	**545,634,558**	**1,097,667,733**	**5,793,310,416**	**8,074,295,441**

As at 31st March 2025	0 - 1 month	2 - 3 Months	4 - 12 months	1 - 5 Years	More than 5 Years	Total
Trade and other payables	123,367,342	369,007,402	103,012,383	-	-	595,387,127
Amount due to related parties	4,449,914	-	-	-	-	4,449,914
Interest bearing borrowings	1,744,638	3,489,276	14,709,645	26,859,922		46,803,481
Lease liability	-	52,680,497	185,698,752	1,059,165,913	5,408,195,344	6,705,740,505
Debenture	15,144,626	-	260,545,757	244,978,088		520,668,471
Total	144,706,520	425,177,175	563,966,537	1,331,003,922	5,408,195,344	7,873,049,498

4.4. 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 optimising the return.

This is addressed through a policy of geographical diversification of export sales. Separate managers are allocated to the business hubs based on the positioning of the global tea buyers of the Company. Such managers keep in close touch with foreign agents/buyers. Further, the Company operates in domestic markets through local distributors, supermarkets, and the tea shop. Constant and active awareness of changing market conditions is the key to mitigating such risks.

Capital expenditure and working capital expenditure requirements of the Company are financed through internally generated cash flows as well as external financing arrangements. Management has arranged financial facilities with several financial institutions to support future financial requirements.

4.4.1. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the 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 Company's borrowings. The fluctuation in the Average Weighted Prime Lending Rate (AWPLR) results in the effective interest rate of the borrowings usually without a corresponding change in the fair value.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

As at 31 March	2026	2025
Financial liabilities		
Interest bearing borrowings	**25,867,827**	46,803,481
Debenture	**232,182,497**	455,488,899
	258,050,324	502,292,380

Interest Rate Sensitivity

A reasonably possible change in interest rates as at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. When all other variables are held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

Company	Increase/ decrease in Interest rate	Effect on profit before tax
2026	**+ 1%**	**(5,252,013)**
	- 1%	**5,252,013**
2025	+ 1%	(8,079,959)
	- 1%	8,079,959

5. CAPITAL MANAGEMENT RISK

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

The Company manages its capital structure and makes adjustments to it in the 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 divided by total equity. Total borrowings include non-current and current interest bearing borrowings and debentures as shown in the statement of financial position. Total equity is calculated as 'total equity' in the statement of financial position.

As at 31 March	2026 Rs.	2025 Rs.	2024 Rs.
Borrowings	**258,050,324**	502,292,380	811,130,734
Total equity	**4,291,802,611**	4,084,557,522	3,313,768,721
Gearing Ratio	**6%**	12%	24%

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

6.1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

6.1.1. Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation charge and decrease the property, plant and equipment's carrying value.

6.1.2. Taxation

i. Income taxes

Judgment is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for tax matters based on the estimates of whether additional taxes will be due. If the final outcome of these tax matters results in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

ii. Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

iii. IFRIC Interpretation 23 Uncertainty over income tax treatment

The Company applies significant judgment in identifying uncertainties over income tax treatments. The Company assessed whether the Interpretation had an impact on its Financial Statements. Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities.

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

6.1.3. Fair valuation of consumable biological assets - timber

The fair value of timber trees is measured using the DCF method taking into consideration the available log and tree prices in city centers less point-of-sale-costs applied to expected timber content of a tree at maturity and changes in fair value reflected in the statement of comprehensive income.

6.1.4. Fair value of derivatives and other financial instruments

Certain financial instruments such as investments, derivative financial instruments and certain elements of borrowings are carried on the statement of financial position at fair value, with changes in fair value reflected in the statement of comprehensive income.

Fair values are estimated by reference in part to published price quotations and in part by using valuation techniques. The fair value of financial instruments that are not traded in an active market is determined by using the valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each financial reporting period.

6.1.5. Impairment of non-current assets

The Company tests annually the indicators to ascertain whether non-current assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in Note No. 3.9. These calculations require the use of estimates.

6.1.6. Defined benefit plan – gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate, future salary increase rate, mortality rate, withdrawal and disability rates and retirement age. Any changes in these assumptions will impact the carrying amount of the defined benefit plan. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows, expected to be required to settle the defined benefit plan. In determining the appropriate discount rate, the Company considers the interest yield of long-term government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related defined benefit plan. Other key assumptions for the defined benefit plan are based in part on current market conditions (Note No. 3.16.1).

6.1.7. Provisions

The Company recognises provisions when they have a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each statement of financial position date and adjusted to reflect the Company's current best estimate.

6.1.8. Contingent liabilities

Determination of the treatment of contingent liabilities in the Financial Statements is based on the management's view of the expected outcome of the applicable contingency. The Company consults with legal counsel on matters related to litigation and other experts both within and outside the Company with respect to matters in the ordinary course of business.

6.1.9. Impairment of trade receivables

The Company applies the SLFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers.

NOTES TO THE FINANCIAL STATEMENTS

7. REVENUE

	2025/2026 Rs.	2024/2025 Rs.
7.1 Industry segment		
Tea proceeds - Auction sales	**5,420,855,900**	5,008,878,470
Palm oil	**245,095,101**	141,128,825
	5,665,951,001	5,150,007,295

8. COST OF SALES

	2025/2026 Rs.	2024/2025 Rs.
Tea proceeds - Auction sales	**4,438,604,946**	3,825,771,241
Palm oil	**140,010,944**	129,163,665
	4,578,615,890	3,954,934,906

9. OTHER INCOME

	Note	2025/2026 Rs.	2024/2025 Rs.
Income from leasing of bungalows and renting land for communication towers and hydro power project		**38,125,621**	41,983,829
Revenue share from Eco Power (Pvt) Ltd		**2,444,988**	3,094,128
Income from Sapumalkande tea factory		**8,800,000**	4,550,000
Income received from sale of redundant items		**2,573,100**	3,161,085
Amortisation of grants	34.1	**10,782,935**	8,095,980
Income from operating rights given to LRL	35.1	**9,381,311**	9,381,311
Income from Noori and Maliboda tea factories		**8,939,663**	17,922,363
Estimation changes in useful life of machineries		**-**	-
Profit on sale of refuse tea		**140,527,391**	127,631,639
Revenue share of Tea Trails (Pvt) Ltd		**29,015,339**	10,773,153
Gain/(loss)on fair value of produce on bearer plants - Tea	23	**(10,000,647)**	15,955,947
Net income from solar project		**2,092,742**	9,826,957
Sundry income		**9,354,927**	8,162,325
Dividend		**29,366,553**	54,000,000
Income from Illuktanne tea factory		**3,900,000**	2,400,000
		285,303,923	316,938,717

10. MANAGEMENT FEE EXPENSES

	2025/2026 Rs.	2024/2025 Rs.
Previous year's total comprehensive income net of tax	**770,788,801**	556,066,273
Less: Gain on fair value of biological assets	**(259,580,936)**	(135,931,345)
	511,207,865	420,134,928
Management fee to managing agent including applicable taxes	**45,120,787**	36,013,493

As per the agreement entered into with the managing agent Metropolitan Resource Holdings Limited, the management fee is computed based on the total comprehensive income net of tax, less the gain/(loss) on fair valuation as given below.

- 6% of the previous year's total comprehensive income for the year net of tax, less the gain/(loss) on fair valuation, up to Rs.100 Mn.
- 8% of the previous year's total comprehensive income for the year net of tax, less the gain/(loss) on fair valuation slabs over and above Rs.100 Mn up to Rs.200 Mn.
- 10% of the previous year's total comprehensive income for the year, net of tax less the gain/(loss) on fair valuation over Rs.200 Mn and above.

11. NET FINANCE EXPENSE

	2025/2026 Rs.	2024/2025 Rs.
Finance income		
Interest income	**141,798,091**	127,687,566
Finance expenses		
Loss on financial assets measured at FVTPL	**(1,922,243)**	-
Interest on bank overdrafts	**(4,052,517)**	(3,766,539)
Lease interest to JEDB/SLSPC	**(336,679,671)**	(280,015,323)
Interest on long-term loans	**(4,429,959)**	(10,664,145)
Interest on debentures	**(52,383,982)**	(82,650,024)
Net finance expense	**(257,670,281)**	(249,408,465)

12. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging all expenses including the followings:

	2025/2026 Rs.	2024/2025 Rs.
Directors' emoluments	**46,046,868**	39,516,668
Auditor's remuneration - Audit services	**3,225,620**	2,665,855
Depreciation/amortisation on:		
- Right of use assets - land	**(88,830,161)**	(69,388,960)
- Immovable (JEDB/SLSPC) estate assets on finance lease (other than right-of-use land)	**5,976**	5,976
- Property, plant and equipment	**56,831,250**	54,210,748
- Bearer biological assets	**104,232,074**	105,669,096
Staff costs		
- Retirement benefit obligations (including provision for bolted workers)	**301,687,635**	197,817,652
- Salaries and wages	**2,425,378,379**	2,186,624,732
- EPF and ETF	**12,560,197**	11,691,676

13. INCOME TAX EXPENSES

	Note	2025/2026 Rs.	2024/2025 Rs.
13.1 Current income tax expense			
Current income tax on profit for the year		**265,296,914**	127,845,177
Under provision in respect of previous year		**34,155,744**	-
		299,452,658	127,845,177
13.2 Deferred tax expense			
Origination of temporary differences	37	**64,520,921**	69,250,908
		64,520,921	69,250,908
Total tax expense		**363,973,579**	197,096,085

13.3 Reconciliation of accounting profit to current income tax expense

Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate disclosing also the basis on which the applicable tax rate is computed, are given below:

	2025/2026 Rs.	2024/2025 Rs.
Statutory tax rate	**30%**	30%
Accounting profit	**932,131,481**	1,240,035,881
Tax expense on accounting profit @ 30%	**279,639,444**	372,010,764
Less : Income considered separately and exempt amount	**(83,597,040)**	-
Add : Tax effect of disallowable expenses in determining taxable income	**255,758,726**	146,851,240
Less : Tax effect of allowable expenses in determining taxable income	**(229,043,644)**	(582,598,944)
Add : Tax on interest income	**42,539,427**	38,306,270
Less : Tax effect of tax loss set off in determining taxable income	**-**	153,275,846
Current income tax expense charge to the statement of comprehensive income	**265,296,914**	127,845,177

14. EARNINGS PER ORDINARY SHARE

14.1 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share has been done based on net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue as at the reporting date and calculated as follows:

	2025/2026 Rs.	2024/2025 Rs.
Net profit attributable to ordinary shareholders (Rs.)	**568,157,902**	1,042,939,796
Weighted average number of ordinary shares in issue (Nos.)	**83,750,001**	83,750,001
Basic earnings per ordinary share (Rs.)	**6.78**	12.45

14.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is based on net profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the year/previous year. Therefore, basic earnings per share and diluted earnings per share are the same for the current and previous years.

15. DIVIDEND PER SHARE

	2025/2026 Rs.	2024/2025 Rs.
Dividend paid (Rs.)	**293,125,000**	-
No. of ordinary shares in issue (Nos.)	**83,750,001**	83,750,001
Dividend per ordinary share (Rs.)	**3.50**	-

16. RIGHT-OF-USE ASSETS

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Right-of-use asset - land	16.1	**1,821,287,093**	1,776,603,218
Right-of-use asset - JEDB/SLSPC estate assets	16.2	**75,638**	81,614
Written down value		**1,821,362,731**	1,776,684,832

16. RIGHT-OF-USE ASSETS (CONTD.)

16.1 Right-of-use asset - land

JEDB/SLSPC estates allocated to the Company have been handed over to, and are being operated by the Company. Lease deeds of all estates have been executed. All leases signed are retroactive to 22nd June 1992, the date of formation of the Company. The leasehold rights to use of bare land on all estates have been taken into the books of the Company on 22nd June 1992 immediately after the formation of the Company in terms of the ruling on this matter obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose, the Board decided at its meeting on 08th March 1995 that the values attached to the right-of-use land would be those determined by Valuation Specialist, Mr. D. R.Wickramasinghe, just prior to the formation of the Company. The valuation report referred to above was not subjected to a land survey.

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Capitalised value		
Revaluation as at 22nd June 1992	**2,106,016,825**	1,717,192,800
Re-measurement of lease liability	**133,514,036**	388,824,025
Balance as at the end of the year	**2,239,530,861**	2,106,016,825
Amortisation		
Balance as at the beginning of the year	**(329,413,607)**	(260,024,647)
Amortisation for the year	**(88,830,161)**	(69,388,960)
Balance as at the end of the year	**(418,243,768)**	(329,413,607)
Written down value	**1,821,287,093**	1,776,603,218

The leasehold right to use of bare land is being amortised by equal amounts over a 53 year period and the unexpired period of the lease, as at the date of the statement of financial position is, 19.25 years.

16.2 Right of use asset JEDB/SLSPC estate assets

As more fully explained in Note 16.1, all JEDB/SLSPC estate lease deeds have been executed to date. In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka which prevailed at the time of privatisation of plantation estates, all immovable assets in the JEDP/SLSPC estates under finance leases have been taken into the books of the Company retroactive to 22nd June 1992. For this purpose, the Board decided at its meeting on 08th March 1995, that these assets be revalued at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of the Company being formed. These assets are taken into the statement of financial position as at 22nd June 1992 and amortised as follows:

16.2.1 Capitalised value

	Buildings Rs.	Plant and machinery Rs.	Total Rs.
Revaluation as at 22nd June 1992	64,948,134	13,272,826	78,220,960
Balance as at 31st March 2025	64,948,134	13,272,826	78,220,960
Balance as at 31st March 2026	64,948,134	13,272,826	78,220,960

16. RIGHT-OF-USE ASSETS (CONTD.)

16.2.2 Amortisation

	Buildings Rs.	Plant and machinery Rs.	Total Rs.
Balance at the beginning of the year	(64,866,520)	(13,272,826)	(78,139,346)
Amortisation for the year	(5,976)	-	(5,976)
Balance at the end of the year	(64,872,496)	(13,272,826)	(78,145,322)
16.2.3 Written down value as at 31st March 2026	75,638	-	75,638
16.2.4 Written down value as at 31st March 2025	81,614	-	81,614

16.2.5 Assets are amortised in equal annual amounts over the following periods:

Mature plantations/improvements to land (Note 18)	- 30 years
Buildings	- 25 years
Plant and machinery	- 15 years

As per the JEDB/SLSPC lease agreement entered into with the Government in 1992, lease rentals were payable on right-of-use asset - land and other depreciable assets. As the lease rentals applicable to other depreciable assets have been fully settled considering the values of those assets, Management believes that the remaining lease rental payables are purely applicable to right-of-use asset – land.

16.3 Right-of-use assets - motor vehicle

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Cost		
Balance at the beginning of the year	**27,099,745**	27,099,745
Balance at the end of the year	**27,099,745**	27,099,745
Amortisation		
Balance at the beginning of the year	**27,099,745**	27,099,745
Balance at the end of the year	**27,099,745**	27,099,745
Written down value	**-**	-

17 TANGIBLE ASSETS OTHER THAN BEARER BIOLOGICAL ASSETS

	Buildings	Plant and machinery	Motor vehicles	Water sanitation	Equipment	Furniture and fittings	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
17.1.1 Cost								
Balance at the beginning of the year	356,955,906	861,180,288	92,874,438	180,173,784	95,677,940	26,593,739	112,147,134	1,725,603,229
Additions during the year	31,048,442	9,514,829	6,054,000	634,919	15,698,477	5,109,066	4,369,424	72,429,157
Balance at the end of the year	388,004,348	870,695,117	98,928,438	180,808,703	111,376,417	31,702,805	116,516,558	1,798,032,386
17.1.2 Accumulated depreciation								
Balance at the beginning of the year	149,506,280	657,558,712	84,827,091	146,477,444	81,304,762	10,435,169	104,609,806	1,234,719,264
Charge for the year	9,169,097	27,034,429	3,169,430	5,955,563	6,966,260	1,376,986	3,159,485	56,831,250
Balance at the end of the year	158,675,377	684,593,141	87,996,521	152,433,007	88,271,022	11,812,155	107,769,291	1,291,550,514
17.1.3 Written down value as at 31st March 2026	229,328,971	186,101,976	10,931,917	28,375,696	23,105,395	19,890,650	8,747,267	506,481,872
17.1.4 Written down value as at 31st March 2025	207,449,626	203,621,576	8,047,347	33,696,340	14,373,178	16,158,570	7,537,328	490,883,965

17.1.5 The residual values and useful lives of the above assets have been evaluated at the end of the year and changes in any of those estimations have not been recognised. The Company has evaluated both internal and external indicators of impairment of long lived assets and has not identified the presence of any such indicators at the end of the financial year. The management is confident that there is no estimation uncertainty at the date of the statement of financial position that would have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the financial year.

17.1.6 The assets shown above are those movable and immovable assets vested in the Company by Gazette Notification on the date of formation of the Company (22nd June 1992) and all investments in tangible assets by the Company since its formation. The assets taken over by way of estate leases are set out in Note 16 above.

17.1.7 Cost of property, plant and equipment of the Company as at the reporting date includes the fully depreciated assets amounting to Rs. 691,162,520/-.

17 TANGIBLE ASSETS OTHER THAN BEARER BIOLOGICAL ASSETS (CONTD.)

17.1.8 Information of the freehold building of the Company is disclosed below as required under Rule 7.6 (VIII) of the Colombo Stock Exchange listing rules.

Location/Estate	Square feet	No. of buildings	Cost as at 31.03.2026 Rs.	Net book value as at 31.03.2026 Rs.
Kotiyagala	10,422	218	28,923,420	12,816,704
Bogawana	10,201	144	18,612,128	12,381,207
Campion	25,536	192	22,772,297	11,203,423
Norwood	35,689	156	46,471,274	30,435,246
Wanarajah	36,624	218	26,820,570	18,714,409
Lethenty	8,231	188	40,178,649	27,046,872
Bogawantalawa	25,292	139	20,721,088	12,705,631
Fetteresso	3,545	126	12,693,317	7,196,792
Loinorn	31,391	103	14,762,241	9,438,405
Osborne	2,323	128	25,888,044	19,758,283
Poyston	31,203	90	4,194,439	1,440,502
Maliboda	658	2	2,608,994	2,600,253

During the year, the Company incurred Rs. 31,048,442/- on building improvements at the Bogawana, Bogawantalawa, Campion, Norwood, Wanarajah, Loinorn, and Maliboda Estates. These expenditures resulted in an increase in the carrying amount of the respective buildings. In addition, two new buildings were constructed at the Maliboda Estate at a total cost of Rs. 2,608,994/- Apart from these additions, there were no changes to the total square footage or the number of buildings during the year.

18. BEARER BIOLOGICAL ASSETS

	Immature plantations		Mature plantations: Before formation of the Company		Mature plantations: After formation of the Company		Total	
	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
18.1 Cost								
Balance at the beginning of the year	**718,482,513**	525,357,164	**555,387,492**	555,387,492	**2,748,047,829**	2,738,680,711	**4,021,917,834**	3,819,425,367
Additions during the year	**201,542,530**	202,492,467	**-**	-	**-**	-	**201,542,530**	202,492,467
Less: Written off	**(13,788,143)**	-	**-**	-	**-**	-	**(13,788,143)**	-
Transfers in/(out)	**(30,129,023)**	(9,367,118)	**-**	-	**30,129,023**	9,367,118	**-**	-
Balance at the end of the year	**876,107,877**	718,482,513	**555,387,492**	555,387,492	**2,778,176,852**	2,748,047,829	**4,209,672,221**	4,021,917,834
18.2 Depreciation								
Balance at the beginning of the year	**-**	-	**548,438,357**	539,120,173	**903,393,633**	808,479,743	**1,451,831,990**	1,347,599,916
Charge for the year	**-**	-	**2,918,768**	9,318,184	**95,972,582**	94,913,890	**98,891,350**	104,232,074
Balance at the end of the year	**-**	-	**551,357,125**	548,438,357	**999,366,215**	903,393,633	**1,550,723,340**	1,451,831,990
18.3 Written down value	**876,107,877**	718,482,513	**4,030,367**	6,949,135	**1,778,810,637**	1,844,654,196	**2,658,948,881**	2,570,085,844
Growing crop nurseries							**5,614,428**	3,537,041
Total written down value							**2,664,563,309**	2,573,622,885

There are investments in immature/mature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Note 16. Investment in mature plantations taken over by way of these leases is also shown in the above note.

The Company has decided to measure the bearer biological assets at cost using LKAS 16 - Property, plant and equipment.

19. CONSUMABLE BIOLOGICAL ASSETS - MANAGED TIMBER PLANTATIONS

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance at the beginning of the year		**1,566,490,026**	1,421,529,981
Decrease due to harvesting		**(85,355,102)**	(114,620,891)
Gain on fair valuation		**184,605,902**	259,580,936
		1,665,740,826	1,566,490,026
Increase due to new planting	19.1	**23,134,897**	13,943,295
Growing crop nurseries		**10,965,819**	10,416,548
Balance at the end of the year		**1,699,841,542**	1,590,849,869
19.1 Biological assets at initial stage			
Cost			
Balance at the beginning of the year		**13,943,295**	13,760,688
Add : Additions during the year		**9,191,602**	182,607
Balance at the end of the year		**23,134,897**	13,943,295

19.2 The biological assets, Eucalyptus Grandis mature and immature timber trees of the Company were inspected and valued by Mr. T.M.H. Mutaliph, Independent Valuer as at 31st March 2026. Accordingly, the fair value of these trees has been determined as being Rs.2,042,413,676/- as at 31st March 2026.

The fair value is determined as being the net present value of expected future cash flows (discounted at a risk adjusted rate level 3). Significant assumptions used for the calculation are as follows:

a) Trees will reach maturity, 20 years after planting and further 35% of the existing inventory of trees will be thinned out during the next 02 to 05 years with clear fell at 20 years.

b) Trees have been valued as per the current timber prices in the domestic market based on the price list of the State Timber Corporation and prices of timber trees sold by estates and prices of logs and sawn timber sold by popular timber traders in Sri Lanka.

c) Future cash flows are determined by references to current timber prices without considering the inflationary effect.

d) The ongoing costs of growing the trees which are deducted in determining the net cash flows are constant in real terms.

e) A discounting rate of 10.50% per annum is applied to the estimated cash flows. The rate was determined in regard to the following:

(i) The weighted average long-term bond rate

(ii) The adjusted risk premium by considering

- Specific provision made in the "FMP" and the valuation schedule
- The illiquid nature of the plantations prior to maturity
- A lack of market evidence as to the value of biological assets through their life cycle
- Risk relations to diseases and fire affecting the biological assets
- Adoption of conservative valuation approach

19. CONSUMABLE BIOLOGICAL ASSETS - MANAGED TIMBER PLANTATIONS (CONTD.)

f) Biological assets at initial stage

The Company has separately identified biological assets at their initial stage (that is Eucalyptus Grandis below 5 years from the date of planting) and has valued them at cost due to the fact that the fair value of those assets cannot be measured reliably.

19.2.1 Changes in fair value of biological assets

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Changes in fair value of consumer biological assets (Note 19)	**184,605,902**	259,580,936
Changes in fair value of produce on bearer biological assets (Note 23)	**(10,000,647)**	15,955,947
	174,605,255	275,536,883

19.2.2 Information about fair value measurements using significant unobservable inputs (Level 3)

Non Financial Assets	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average) 2026	2025	Relationship of Unobservable Inputs to Fair Value
Consumable Biological Assets - Managed Timber Plantations	Discounted cash flows	- Discounting rate	**10.50%**	11.50%	The higher the discount rate, the lesser the fair value
		- Maturity for Harvesting	**20 Years**	20 Years	Lower the rotation period, the higher the fair value
		- Volume at rotation	**25-190 cu.ft**	25-190 cu.ft	The higher the volume, the higher the fair value
		- Price per cu.ft.	**Rs. 60/- to Rs. 2,300/-**	Rs. 60/- to Rs. 2,300/-	Higher the price per cu. ft., the higher the fair value

19.3 Potential risks - timber plantations

The Company is exposed to the following risks in relation to timber plantations.

a) Supply and demand risk

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. 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.

b) 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 laws 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.

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 industrial pest and disease surveys. The Company also insures itself against natural disasters such as floods, land slides and hurricanes.

19. CONSUMABLE BIOLOGICAL ASSETS - MANAGED TIMBER PLANTATIONS (CONTD.)

19.4 Sensitivity analysis

19.4.1 Sensitivity variation on sales price

Net present value of the biological assets as appearing in the statement of financial position are very sensitive to the changes in the average sales prices applied. Simulations made for timber show an increase or decrease by 10% of the estimated future selling price while other variables remained unchanged, and has the following effect on the net present value of biological assets:

	+10% Rs.	0% Rs.	-10% Rs.
Managed timber	1,833,382,581	1,665,740,826	1,499,863,749

19.4.2 Sensitivity variation on discount rate

Net present value of the biological assets as appearing in the statement of financial position are very sensitive to changes if the discount rate is 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:

	9.50% Rs.	10.50% Rs.	11.50% Rs.
Managed timber	1,679,491,716	1,665,740,826	1,653,780,207

20. CAPITAL WORK-IN-PROGRESS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	**12,721,927**	12,724,627
Add: Additions during the Year	**631,429**	-
	13,353,356	12,724,627
Less: Capitalised during the year	**-**	(2,700)
Balance at the end of the year	**13,353,356**	12,721,927

Capital working progress balance shows factory roof improvements cost for solar panel project. As per agreement, the Company did not receive ownership of the solar project. Until the operation period, the Company will categorise this improvement cost as CWIP.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL ASSETS - MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Investments in dealing with securities	21.1	**29,271,843**	-
Investments in unit trusts	21.2	**1,150,769,576**	891,356,358
		1,180,041,419	891,356,358

21.1 Investments in dealing with securities

	No of Shares	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
DFCC Bank PLC	199,723	**27,511,843**	-
HNB Finance PLC	200,000	**1,760,000**	-
		29,271,843	-

21.2 Investments in unit trusts

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
First Capital Holdings PLC	**128,390,445**	640,578,151
JB Financials (Pvt) Ltd	**625,443**	250,778,207
Capital Alliance PLC	**1,021,753,688**	-
	1,150,769,576	891,356,358

22. FINANCIAL ASSETS - MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Percentage holding	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Tea Trails (Pvt) Ltd	11%		
Balance at the beginning of the year		**64,957,119**	65,294,656
Changes in fair value recognised in other comprehensive income		**(24,612,502)**	(337,537)
Balance at the end of the year		**40,344,617**	64,957,119

The Company has received 1,500,000 ordinary shares of Rs.10/- each free of charge from Tea Trails (Pvt) Ltd, as promoter shares. A corresponding entry has been credited to the income statement in the year 2005/2006. The Company has measured the fair value using level 3 inputs.

22. FINANCIAL ASSETS - MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTD.)

22.1 Recognised fair value measurements

a. Fair value hierarchy

The fair value measurement of equity investments have been categorised as level 3 fair value based on the inputs to the valuation technique used.

This note explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

	Level I	Level II Rs.	Level III Rs.	Total Rs.
As at March 2026				
Equity Investment at FVOCI	-	-	40,344,617	40,344,617
As at March 2025				
Equity Investment at FVOCI	-	-	64,957,119	64,957,119

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements see above.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

b. Valuation techniques used to determine fair values

This valuation method is used to compare the Company's net assets available to common shareholders relative to the sale price of stock. The stock price per share can be found as the amount listed as such through the secondary market.

c. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the fair value measurements of equity investments at FVOCI.

Non Financial Assets	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average)		Relationship of Unobservable Inputs to Fair Value
		2025/2026	2024/2025	
Equity investment at FVOCI Tea Trails (Pvt) Ltd	Adjusted average price to book value ratio of listed comparable peer companies	**1.42**	0.78	The higher the price to book value ratio, the higher the fair value

d. Sensitivity variation unobservable input (using 1% estimated variation)

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Unobservable input - increase by 1%	**40,748,063**	65,606,690
Unobservable input - value as stands	**40,344,617**	64,957,119
Unobservable input - decrease by 1%	**39,941,171**	64,307,548

NOTES TO THE FINANCIAL STATEMENTS

23. PRODUCE ON BEARER PLANTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	**38,402,824**	22,446,877
Changes in fair value less cost to sell	**(10,000,647)**	15,955,947
Balance as at end of the year	**28,402,177**	38,402,824

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

Tea - Four days crop (50% of 8 days cycle), Oil palm - five days crop (50% of 10 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 the value of unharvested fresh fruit bunches (FFB) of Oil Palm is measured using the actual price used to purchase FFB from outside growers.

24. INVENTORIES

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Input materials		**218,361,481**	199,550,796
Harvested crops	24.1	**396,817,146**	583,016,086
		615,178,627	782,566,882
24.1 Harvested crops			
Tea Stocks		**384,906,676**	570,116,447
Refuse Tea		**11,910,470**	12,899,639
		396,817,146	583,016,086

25. TRADE AND OTHER RECEIVABLES

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Trade		**221,210,990**	156,882,219
Deposits and prepayments		**16,274,644**	16,836,425
Other receivables	25.1	**342,182,002**	332,689,266
(-) Provision for doubtful debts		**(17,926,245)**	-
		561,741,391	506,407,910
25.1 Other receivables			
Tax receivables		**120,911,919**	55,944,473
Employee related receivables		**54,398,933**	57,926,695
Others		**166,871,150**	218,818,098
		342,182,002	332,689,266

26. AMOUNTS DUE FROM RELATED PARTIES

Name of the related party	Relationship	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Bogawantalawa Tea Ceylon (Pvt) Ltd	Related entity	-	86,769
Lanka Mother and Child Support Foundation	Related entity	292,456	38,684
Eco Power (Pvt) Ltd	Related entity	1,020,348	939,016
Tea Trails (Pvt) Ltd	Related entity	-	1,803,225
Office Networks (Pvt) Ltd	Related entity	-	343,304
Lush Agro (Pvt) Ltd	Related entity	-	1,900,779
Metrocorp (Pvt) Ltd	Ultimate parent	74,914	2,222,712
		1,387,718	7,334,489

27. FINANCIAL ASSETS - AMORTISED COST

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Investments in commercial papers	27.1	380,276,157	409,750,620
Investments in debt securities		100,000,000	-
		480,276,157	409,750,620
Breakdown of Investment by Institution			
LOLC Holdings PLC		300,276,157	329,750,620
Vallibel Finance PLC		80,000,000	80,000,000
		380,276,157	409,750,620

28. CASH AND CASH EQUIVALENTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
28.1 Favourable balances		
Cash in hand	470,154	771,900
Cash at bank	166,590,404	198,924,658
	167,060,558	199,696,558

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
28.2 Unfavourable balances		
Cash at bank	37,822,335	-
	37,822,335	-

NOTES TO THE FINANCIAL STATEMENTS

29. STATED CAPITAL

	As at 31.03.2026	As at 31.03.2025
29.1 Number of shares		
No. of ordinary shares including one golden share held by the Treasury which has special rights	**83,750,001**	83,750,001
29.2 Value of shares		
Value of ordinary shares including the value of one golden share held by the Treasury which has special rights (Rs.)	**586,250,010**	586,250,010

29.3 The golden shareholder

The golden share is currently held by the Secretary to the Treasury and should be owned either directly by the Government of Sri Lanka or by a 100% Government owned public company. In addition to the rights of the normal ordinary shareholders, in terms of the articles of the Company, the following special rights are vested with the golden shareholder.

a) The Company shall obtain the written consent of the golden shareholder prior to sub-leasing, ceding or assigning its rights in part or all of the land leased/to be leased to the Company by the JEDB/SLSPC.

b) The golden shareholder shall be entitled to call upon the Board of Directors once in three months to meet him or his nominee to discuss matters of the Company to the state.

c) The golden shareholder and his nominee shall be entitled to inspect the books of accounts of the Company after giving two weeks written notice to the Company.

d) The Company should submit to the golden shareholder, within 60 days of the end of each quarter, a quarterly report relating to the performance of the Company during the said quarter in a pre-specified format agreed to by the golden shareholder and the Company.

e) The Company shall submit to the golden shareholder, within 90 days of the end of each fiscal year, information related to the Company in a pre-specified format agreed to by the golden shareholder and the Company.

30. INTEREST BEARING BORROWINGS

	Note	2025/2026 Amount repayable within 1 year Rs.	2025/2026 Amount repayable within 2 - 5 years Rs.	2025/2026 Amount repayable after 5 years Rs.	2025/2026 Amount repayable after 1 year Rs.	2025/2026 Balance as at 31.03.2026 Rs.	2024/2025 Amount repayable within 1 year Rs.	2024/2025 Amount repayable within 2 - 5 years Rs.	2024/2025 Amount repayable after 5 years Rs.	2024/2025 Amount repayable after 1 year Rs.	2024/2025 Balance as at 31.03.2025 Rs.
Term loans	30.1	**18,867,827**	**7,000,000**	**-**	**7,000,000**	**25,867,827**	19,943,559	26,859,922	-	26,859,922	46,803,481
Total		**18,867,827**	**7,000,000**	**-**	**7,000,000**	**25,867,827**	19,943,559	26,859,922	-	26,859,922	46,803,481

30.1 Term loans

	Note	Balance as at 01.04.2025 Rs.	New loans obtained Rs.	Repayments Rs.	Balance as at 31.03.2026 Rs.
Nations Trust Bank PLC	30.1.1	46,803,481	-	(20,935,654)	**25,867,827**
		46,803,481	-	(20,935,654)	**25,867,827**

	Interest rate (p.a)	Loan No.	Amount of repayments per month Rs.	Total facility Rs.	Balance as at 01.04.2025 Rs.	New loans obtained Rs.	Repayments Rs.	Balance as at 31.03.2026 Rs.
30.1.1 Nations Trust Bank PLC								
NTB short-term loan	AWPLR+2%	30157	-	156,000,000	6,203,481	-	(4,135,654)	**2,067,827**
Term loan 2	AWPLR+2%	29930	1,400,000	84,000,000	40,600,000	-	(16,800,000)	**23,800,000**
				240,000,000	46,803,481	-	(20,935,654)	**25,867,827**

Details of the assets pledged are disclosed in Note No. 47 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

31. DEBENTURES

The Company has issued 10,000,000 Debentures at Rs. 85 (15% discounted from the par value) and raised Rs.850,000,000/-. Tenure of the debentures will be 5, 6 and 7 years and the purpose of the issue was settlement of high cost debt, field development activities and factory development.

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance at the beginning of the year	**455,488,899**	681,528,030
Accrual of interest	**52,383,982**	91,947,731
	507,872,881	773,475,761
Less: Settlement of interest (Coupon)	**(46,083,384)**	(77,196,357)
Less: Settlement of capital	**(229,607,000)**	(240,790,505)
Balance at the end of the year	**232,182,497**	455,488,899

Type	Tenor	coupon interest rate	Annual effective rate	No of debenture allocated	Face value	Value of issued	Fair Value as at 31.03.2026
Type A	5 Years	13%	16.19%	2,407,860	24,078,600	204,668,100	**-**
Type B	6 Years	13.25%	16.52%	2,296,070	22,960,700	195,165,950	**-**
Type C	7 years	13.50%	16.85%	2,296,070	22,960,700	195,165,950	**232,182,497**
				7,000,000	70,000,000	595,000,000	**232,182,497**

Financial liabilities at amortised cost and financial instruments issued by the Company that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares at amortised cost using the EIR method.

After initial recognition, such financial liabilities are substantially measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The EIR amortisation is included in “interest expenses” in the statement of comprehensive income. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Currently, the Company has recorded debentures issued as financial liabilities at amortised cost.

32. INCOME TAX PAYABLE

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance at the beginning of the year	**111,258,579**	-
Provision for the year	**265,296,914**	127,845,177
Previous year’s under provision	**34,155,744**	-
	410,711,237	127,845,177
Self assessed tax payments	**(188,305,804)**	-
WHT set off against income tax	**2,676,132**	(16,586,598)
Balance at the end of the year	**225,081,565**	111,258,579

33. RETIREMENT BENEFIT OBLIGATION

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year		**1,349,386,819**	934,112,779
Provision for the year	33.1	**293,158,621**	574,168,357
		1,642,545,440	1,508,281,136
Payments made during the year		**(194,072,437)**	(158,894,317)
Balance as at the end of the year		**1,448,473,003**	1,349,386,819

33.1 Expenses recognised in the statement of comprehensive income and other comprehensive income for the year ended 31st March 2026.

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Recognised in the statement of comprehensive income		
Current service cost	**76,300,121**	64,428,756
Interest cost	**155,179,484**	121,434,661
	231,479,605	185,863,417
Recognised in the other comprehensive income		
Actuarial gain	**61,679,016**	388,304,940
Total net defined benefit obligation as at end of the year	**293,158,621**	574,168,357

33.2 Provision for gratuity for the financial year 2025/2026 has been determined based on the latest actuarial valuation report issued on 04th June 2026 which was done by Actuarial & Management Consultants (Pvt) Ltd. The provision in respect of gratuity liabilities of existing employees as at 31st March 2026 is Rs. 1,448,473,003/-. If the Company had provided for gratuity on the basis of fourteen days wages and half month salary for each completed year of service in line with the payment of Gratuities Act No. 12 of 1983, the liability would have been Rs.1,448,622,361/-. Hence, there is a contingent liability of Rs. 149,358/- which would crystallise only if the Company ceases to be a going concern.

33.3 The key assumptions used by the actuary are disclosed in Note No. 3.16.1 to the Financial Statements.

33.4 Sensitivity analysis

In order to illustrate the significance of the salary/wage escalation and discount rate used in the actuarial valuation as at 31st March 2025, the sensitivity analysis has been carried out as follows:

Discount rate	Salary escalation rate	Present value of defined benefit obligation Rs. 2025/2026	2024/2025
1% increase	As given in the report	**1,332,346,736**	1,243,308,556
1% decrease	As given in the report	**1,581,445,066**	1,470,866,749
As given in the report	1% increase	**1,588,324,680**	1,477,865,917
As given in the report	1% decrease	**1,324,555,489**	1,235,617,398

34. GRANTS AND SUBSIDIES

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance at the beginning of the year	**49,354,393**	57,450,373
Total grants and subsidies available for amortisation	**-**	57,450,373
Amortisation for the year	**(10,782,935)**	(8,095,980)
Balance at the end of the year	**38,571,458**	49,354,393

34.1 The following is a detailed explanation of the above grants and subsidies.

a) Asian Development Bank - Plantation development project

The funds received are utilised for rehabilitation (tarring and concreting) of internal roads and minor upgrading of tea factories.

b) Plantation human development project

The funds are utilised for reroofing of worker houses, development of workers welfare facilities and improvement of institutional facilities.

c) The funds received from the Tea Board are for the construction of CTC tea factory at Wanarajah and Kotiyagala grounds

The amounts spent are capitalised under the relevant classification of property, plant and equipment and the corresponding grant component is reflected under deferred grants and subsidies and is amortised over the useful life span of the asset.

35. DEFERRED INCOME

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Net income from operating rights given to Lalan Rubbers (Pvt) Ltd	35.1	**178,244,931**	187,626,242
		178,244,931	187,626,242
35.1 Net income from operating rights given to Lalan Rubbers (Pvt) Ltd			
Gross carrying amount at the beginning of the year		**187,626,242**	197,007,553
Amortisation for the year		**(9,381,311)**	(9,381,311)
Net carrying amount at the end of the year		**178,244,931**	187,626,242

36. LEASE LIABILITIES

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Lease liability on right-of-use asset - Land	36.1	**2,455,664,153**	2,303,885,178
		2,455,664,153	2,303,885,178
36.1 Lease liability on right-of-use asset - Land			
Gross liability			
Balance at the beginning of the year		**2,303,885,178**	1,863,450,310
Accretion of interest		**271,434,237**	212,101,866
Less : Repayments during the year		**(253,169,298)**	(160,491,023)
Remeasurement of lease liability		**133,514,036**	388,824,025
Balance at the end of the year		**2,455,664,153**	2,303,885,178
36.1.1 Maturity analysis			
Amount payable within one year			
Gross liability		**238,379,249**	238,379,249
Finance costs allocated to future years		**(287,267,553)**	(268,746,153)
Accretion of interest		**48,888,304**	30,366,904
Net liability shown under current liabilities		**-**	-
Amount payable after one year and within five years			
Gross liability		**1,059,165,913**	1,059,165,913
Finance costs allocated to future years		**(1,094,077,058)**	(1,094,077,058)
Accretion of interest		**34,911,145**	34,911,145
Net liability		**-**	-
Amount payable after five years			
Gross liability		**5,408,195,345**	5,408,195,345
Finance costs allocated to future years		**(3,104,310,167)**	(3,104,310,167)
Net liability		**2,303,885,178**	2,303,885,178
Net liability payable after one year shown under non-current liabilities		**2,303,885,178**	2,303,885,178
Total net liability		**2,303,885,178**	2,303,885,178

Lease instalment for the year 2025/2026 is less than the interest in the amortisation schedule within the next twelve months. Therefore, no payment would be made out of the ROU liability within the next twelve months. Hence, no current liability is recognised regarding the lease liability.

37. DEFERRED TAX LIABILITY

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance at the beginning of the year	**157,038,084**	204,278,658
Recognised in the statement of comprehensive income	**64,520,921**	69,250,908
Recognised in the statement of other comprehensive income	**(18,503,705)**	(116,491,482)
Balance at the end of the year	**203,055,300**	157,038,084
On temporary difference of property, plant and equipment	**357,341,249**	378,843,000
On retirement benefit obligation gratuity	**(1,557,193,593)**	(1,452,399,202)
On biological assets	**2,745,747,399**	2,173,571,219
On grants	**(38,571,458)**	(49,354,393)
On deferred income	**(178,244,931)**	-
On provision for bad debt	**(17,926,245)**	-
On net lease liability	**(634,301,421)**	(527,200,345)
	676,851,001	523,460,279
Deferred tax liability	**203,055,300**	157,038,084

Deferred tax liability is measured based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. The effective tax rate used to calculate deferred tax liability for all the temporary differences as at 31st March 2026 is 30% (2024/25 - 30%).

38. TRADE AND OTHER PAYABLES

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Trade creditors		**317,513,891**	369,007,402
Payable to deserters workers	38.1	**108,720,590**	103,012,383
Accruals and other payables		**215,580,632**	123,367,342
		641,815,113	595,387,127
38.1 Payable to deserters workers			
Balance at the beginning of the year		**103,012,383**	137,640,476
Provision made during the year		**70,208,030**	11,954,235
Transfer from RBO			4,282,575
Payment made during the year		**(64,499,823)**	(50,864,903)
Balance at the end of the year		**108,720,590**	103,012,383

39. AMOUNT DUE TO RELATED PARTIES

Name of the related party	Relationship	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Ceylon Bungalows	Related entity	**-**	18,734
Bogawantalawa Tea Ceylon (Pvt) Ltd	Related entity	**800,844**	4,419,798
Lush Agro (Pvt) Ltd	Related entity	**653,837**	-
Ceylon Tea Gardens Limited	Related entity	**-**	11,382
		1,454,681	4,449,914

40. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

40.1 Contingent liabilities

There were no known contingent liabilities existing as at the reporting date.

40.2 Contingent assets

There were no contingent assets as at the reporting date.

41. UNRECOGNISED CONTRACTUAL COMMITMENTS

There have been no capital commitments contracted but not provided for, or authorised by the Board but not contracted for, outstanding as at the date of the statement of financial position.

42. RELATED PARTY DISCLOSURES

42.1 Substantial shareholding and ultimate parent company

The Company is a subsidiary of Metropolitan Resource Holdings Limited, which holds 78.45% of ordinary shares of the Company. In the opinion of the directors, the Company's ultimate parent company as at the date of the statement of financial position is Metrocorp (Pvt) Ltd.

42.2 Key management personnel information

The Directors of the Company have interests in the transactions detailed below and some Directors held the post of Director of these related companies during the year. The transactions listed below have been carried out under normal commercial terms.

Mr. D. J. Ambani, Mr. C. M. O. Haglind, and Mr. L. J. Ambani, the Directors of the Company are also Directors of related companies and have had transactions as disclosed in Notes 42.3.1.1 and 42.3.1.2 given below.

42.3 Related party transactions

The Company has a related party relationship with its related group of companies as disclosed below. The following transactions have been carried out with related parties during the year ended 31st March 2026 under normal commercial terms.

42.3.1 Transactions with companies in which Directors of the Company hold other directorships

The Company has carried out transactions with entities where the Chairman or a Director of the Company is the Chairman or a Director of such entities as detailed below:

42.3.1.1 Transactions with immediate parent company and ultimate parent company

Name of parent Company	Name of directors	Nature of transaction	Amount 2025/2026 Rs.	Amount 2024/2025 Rs.
Ultimate parent				
Metrocorp (Pvt) Ltd (MPL)	Mr. D. J. Ambani	Expenses incurred by MPL	**2,191,989**	6,971,795
		Funds received against the expenses incurred by the Company	**4,339,787**	5,530,514
Immediate parent				
Metropolitan Resource Holdings Limited (MRH)	Mr. D.J. Ambani Mr. L.J.Ambani	Settlements of outstanding by MRH	**1,501,440**	-
	Mr. C.M.O.Haglind	Expenses incurred by the Company on behalf of MRH.	**1,501,440**	-

NOTES TO THE FINANCIAL STATEMENTS

42. RELATED PARTY DISCLOSURES (CONTD.)

42.3 Related party transactions (Contd.)

42.3.1 Transactions with companies in which Directors of the Company hold other directorships (Contd.)

42.3.1.2 Transactions with other related companies

Name of parent Company	Name of directors	Nature of transaction	Amount 2025/2026 Rs.	Amount 2024/2025 Rs.
Bogawantalawa Tea Ceylon (Pvt) Limited (BTC)	Mr. D. J. Ambani Mr. C.M.O. Haglind	Funds received as reimbursement of expenses made by the Company	**4,264,970**	9,368,805
	Mr. L. J. Ambani	Expenses incurred by the Company	**7,797,156**	5,663,876
Office Network (Pvt) Ltd (ONL)	Mr. L. J. Ambani	Expenses incurred by the Company on behalf of ONL	**318,516**	505,248
		Settlement made by ONL	**661,821**	520,238
Tea Trails (Pvt) Ltd (TTPL)	Mr. D. J. Ambani	Income received for renting out bungalows (including VAT and NBT)	**53,119,462**	20,993,699
		Settlements made by TTPL	**54,922,686**	19,190,474
Eco Power (Pvt) Ltd (EPPL)	Mr. D. J. Ambani	Settlements made by EPPL	**1,342,193**	11,416,973
	Mr. L. J. Ambani	Expenses incurred by the Company on behalf of EPPL	**1,423,526**	11,223,874
Ceylon Bungalows (CB)	Mr. D. J. Ambani	Expenses incurred by the Company on behalf of CB		26,134
		Settlement made by CB		33,534
Lanka Mother & Child (LMCF)	Mr. D. J. Ambani Mr. L. J. Ambani	Expenses incurred by the Company on behalf of LMCF	**1,941,567**	496,637
		Settlement made by LMCF	**1,687,795**	996,456
Lush Agro (Pvt) Ltd	Mr. D. J. Ambani Mr. L. J. Ambani	Expenses incurred by the Company on behalf of Lush	**447,367**	2,264,087
		Settlement made by Lush	**3,031,983**	363,267
		Purchase and payment from Lush	**370,293,336**	474,290,689

42. RELATED PARTY DISCLOSURES (CONTD.)

42.3 Related party transactions (Contd.)

42.3.2 Transactions with key management personnel (KMP) of the Company or parent

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as well as its related parties, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

a) Loans to Directors

No loans have been given to the directors of the Company or its parent company.

b) Compensation to key management personnel

	2025/2026 Rs.	2024/2025 Rs.
Short-term employment benefits	**46,046,868**	39,516,668

c) The Company has not incurred any amount as termination benefits or post employment benefits on account of the key managerial personnel during the year.

42.3.3 Amounts receivable and payable to related parties are disclosed in Notes 26 and 39 to the Financial Statements.

43. OPERATING AGREEMENT WITH LALAN RUBBERS (PVT) LTD

The Company had entered into an operating agreement (OA) with Lalan Rubbers (Pvt) Ltd., (LRL) effective from 19th March 2003 whereby LRL would operate and manage the rubber division of the Company from 01st April 2003. Consequently, LRL would meet all capital and operating costs of the rubber division from 01st April 2003 and would be entitled to keep all revenues obtained by the division from that date.

As per the terms of the operating agreement, a payment of approximately Rs.278.25 million was made by LRL to Bogawantalawa Tea Estates PLC (BTE PLC) in consideration for the operating rights obtained and of which Rs.120 million was received in the year 2002/2003. Balance payment was received in three instalments of Rs.52.75 million each during the years, 2004, 2005 and 2006 respectively.

LRL also took over the retiring gratuity liability of employees of the rubber division estimated at Rs.46.8 million (at actuarial value), the capital and future interest payments of the long-term loans of Rs.105.3 million payable to the Commercial Bank of Sri Lanka and 48.21 % of the future annual land lease payments that would be required to be made by BTE PLC to Janatha Estate Development Board (JEDB) and Sri Lanka State Plantations Corporation (SLSPC) until the terms of these leases expire. Accordingly, the retiring gratuity liability of Rs.46.8 million and the long-term loans of Rs.105.3 million have been treated as amounts due from LRL and recognised as income during the year 2002/2003 as LRL had agreed to pay these liabilities on behalf of the Company.

The Secretary, Ministry of Plantation Industries (letter Ref. MP1/9/2/6/9 BPL/SL dated 10th February 2010 addressed to the Company) informed the Company that the golden shareholder had granted covering approval to sublease the 13 rubber estates which had been transferred to Lalan Rubbers (Pvt) Ltd under the operating agreement in 2003 without prior approval of the golden shareholder. Accordingly, the Company entered into a sublease agreement with Lalan Rubbers (Pvt) Ltd on 12th February 2010, and a further payment of Rs. 110 million was made by Lalan Rubbers (Pvt) Ltd to the Company. However, all the assets and liabilities pertaining to those estates subleased to Lalan Rubbers (Pvt) Ltd continue to be reflected in the books of the Company (other than gratuity liability) as this is considered an operating lease.

In addition to the above subleasing transaction, the Company entered into a joint venture (JV) transaction with LRL based on a MOU during the financial year of 2012/2013 as described below. However, the approval from the golden shareholder has not yet been received in this regard as at the date of the statement of financial position.

The Company entered into a Memorandum of Understanding (MOU) with Lalan Rubbers (Pvt) Ltd, (LRL) effective from 01st October 2012 to 21st June 2045 whereby LRL would operate and manage a total area of approximately 973 hectares comprising Anhettigama, Miyanawita and Maliboda estates. Consequently, LRL would be responsible for all day to day operations of the properties. However, all the movable assets in the properties would remain the property of BTE PLC.

As per the terms of the MOU, during the initial period of 5 years of this MOU, LRL invested a sum equivalent to rupees three hundred and sixty six million (Rs. 366,000,000/-) for the purpose of developing the properties by tea/rubber replanting, tea/rubber new planting and undertaking agricultural programmes according to the initial plan. For and in consideration of the rights-of-use granted to LRL in respect of the properties, LRL had to pay to BTE a sum calculated by reckoning the amount payable in respect of the extent of land comprising the properties as a fraction of the total sum of money payable by BTE in terms of the said Indenture bearing No. 1524, as rental for the entirety of the extent of land leased to the BTE by the lessor viz. nine hundred and seventy three (973) hectares out of sixteen thousand two hundred and twenty (16,220) hectares viz:- 973/16,220;

A further sum calculated in the following manner was to be paid by LRL to BTE PLC:

Having deducted the lease rental as aforesaid, if the use of the properties by LRL yielded a profit to LRL calculated in accordance with Sri Lanka Accounting Standards and applicable law, a sum equivalent to 45% of the said profit after deducting any previous losses incurred through the use of the properties and a sum equivalent to 25% of the effective tax benefits would be received by LRL with regard to the capital allowances connected to the project.

44. EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

44.1 Authorization of second interim dividend

The Board of Directors of the Company has authorised a second interim dividend of Four rupees and Fifty cents (Rs.4.50/-) per ordinary share amounting to Rs.376,875,004.50/- on 05th August 2026.

44.2 Type C debenture settlement

On 24 July 2026, the Company settled the outstanding debenture issue amounting to LKR 229,607,000, which was outstanding as at 31 March 2026. The settlement was made in accordance with the terms and conditions of the debenture issue, and the debentures were redeemed at par. Following the settlement, the Company's long-term borrowings decreased by LKR 229,607,000. With this settlement, all outstanding debenture issues of the Company have been fully settled. The impact of the settlement on the Company's financial position and results of operations for the current financial year is not considered material.

There have been no other material events occurring after the statement of financial position date that require adjustment or disclosure in the Financial Statements.

45. PRICING POLICY

Sales and purchases of goods and services to/from related parties were made at normal trading terms on an arm's length basis. Management fee provisions were made as per contractual arrangements.

46. COMPARATIVE INFORMATION

Comparative information of the Company has been re-classified wherever necessary to conform with the current year's presentation/ classification.

47. ASSETS PLEDGED

The following assets of the Company have been pledged as collaterals to the respective financial institutions concerned for interest bearing loans obtained by the Company.

Name of the financial institution/purpose of facility	Nature of the facility	Facility granted Rs.	Balance outstanding as at 31.03.2026 Rs.	Securities pledged
Nations Trust Bank				
a) To meet working capital requirements	Term Loan	156,000,000	**2,067,827**	Mortgage over the income generated through Asia Siyaka Tea broker.
b) To meet working capital requirements	Term Loan	84,000,000	**23,800,000**	

48. SEGMENTAL ANALYSIS BY PRINCIPAL BUSINESS ACTIVITIES

	Tea		Rubber		Palm Oil		Unallocated		Total	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
48.1.1 Segmental results										
Revenue	**5,420,855,900**	5,008,878,470	**-**	-	**245,095,101**	141,128,825	**-**	-	**5,665,951,001**	5,150,007,295
Cost of sales	**(4,438,604,946)**	(3,825,771,241)	**-**	-	**(140,010,944)**	(129,163,665)	**-**	-	**(4,578,615,890)**	(3,954,934,906)
Gross profit	**982,250,954**	1,183,107,229	**-**	-	**105,084,157**	11,965,160	**-**	-	**1,087,335,111**	1,195,072,389
Add : Gain on fair value of consumable biological assets	**-**	-	**-**	-	**-**	-	**184,605,902**	259,580,936	**184,605,902**	259,580,936
Other income	**140,527,391**	127,631,639	**-**	-	**-**	-	**144,776,532**	189,307,078	**285,303,923**	316,938,717
Less: Unallocated expenses	**-**	-	**-**	-	**-**	-	**(625,113,455)**	(531,556,161)	**(625,113,455)**	(531,556,161)
Profit before taxation	**1,122,778,345**	1,310,738,868	**-**	-	**105,084,157**	11,965,160	**(295,731,021)**	(82,668,147)	**932,131,481**	1,240,035,881
Less : Taxation	**-**	-	**-**	-	**-**	-	**(363,973,579)**	(197,096,085)	**(363,973,579)**	(197,096,085)
Net profit for the year	**1,122,778,345**	1,310,738,868	**-**	-	**105,084,157**	11,965,160	**(659,704,600)**	(279,764,232)	**568,157,902**	1,042,939,796
48.1.2 Segmental assets										
Non-current assets	**3,599,564,114**	3,420,768,129	**822,008,176**	828,177,653	**441,544,862**	457,272,067	**1,912,102,118**	1,803,502,747	**6,775,219,270**	6,509,720,596
Current assets	**955,651,939**	1,074,620,124	**-**	-	**29,043,983**	19,626,693	**2,020,120,282**	1,741,268,824	**3,004,816,204**	2,835,515,641
	4,555,216,053	4,495,388,253	**822,008,176**	828,177,653	**470,588,845**	476,898,760	**3,932,222,400**	3,544,771,571	**9,780,035,474**	9,345,236,237
48.1.3 Segmental liabilities										
Non-current liabilities	**1,468,939,365**	1,372,936,838	**-**	-	**-**	-	**2,862,069,480**	2,924,899,380	**4,331,008,845**	4,297,836,218
Current liabilities	**257,207,969**	366,789,218	**-**	-	**-**	-	**900,016,049**	596,053,279	**1,157,224,018**	962,842,497
	1,726,147,334	1,739,726,056	**-**	-	**-**	-	**3,762,085,529**	3,520,952,659	**5,488,232,863**	5,260,678,715
48.1.4 Segmental expenses										
48.1.4.1 Capital expenditure	**77,133,560**	56,091,635	**-**	-	**-**	6,027,029	**196,838,127**	186,826,020	**273,971,687**	248,944,684
48.1.4.2 Depreciation/ Amortization	**158,926,076**	146,509,502	**58,859,129**	56,028,593	**16,740,110**	15,775,469	**10,033,422**	9,524,195	**244,558,737**	227,837,759

49. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

As at March 2026	Total Carrying Amount Rs.	Level I Rs.	Level II Rs.	Level III Rs.	Total Fair Value Rs.
Financial assets					
Financial assets - FVTPL	**1,180,041,419**	**1,180,041,419**	**-**	**-**	**1,180,041,419**
Financial assets - FVTOCI	**40,344,617**	**-**	**-**	**40,344,617**	**40,344,617**
Trade and other receivables	**561,741,391**	**-**	**-**	**561,741,391**	**561,741,391**
Amounts due from related parties	**1,387,718**	**-**	**-**	**1,387,718**	**1,387,718**
Cash and cash equivalents	**167,060,558**	**-**	**167,060,558**	**-**	**167,060,558**
	1,950,575,703	**1,180,041,419**	**167,060,558**	**603,473,726**	**1,950,575,703**
Financial liabilities					
Trade and other payables	**641,815,113**	**-**	**-**	**641,815,113**	**641,815,113**
Amounts due to related parties	**1,454,681**	**-**	**-**	**1,454,681**	**1,454,681**
Interest bearing borrowings	**25,867,827**	**-**	**25,867,827**	**-**	**25,867,827**
Debenture	**232,182,497**	**-**	**232,182,497**	**-**	**232,182,497**
	901,320,118	**-**	**258,050,324**	**643,269,794**	**901,320,118**

As at 31st March 2025	Total Carrying Amount Rs.	Level I Rs.	Level II Rs.	Level III Rs.	Total Fair Value Rs.
Financial assets					
Financial assets - FVTPL	891,356,358	891,356,358	-	-	891,356,358
Financial assets - FVTOCI	64,957,119	-	-	64,957,119	64,957,119
Trade and other receivables	506,407,910	-	-	506,407,910	506,407,910
Amounts due from related parties	7,334,489	-	-	7,334,489	7,334,489
Cash and cash equivalents	199,696,558	-	199,696,558	-	199,696,558
	1,669,752,434	891,356,358	199,696,558	578,699,518	1,669,752,434
Financial liabilities					
Trade and other payables	595,387,127	-	-	595,387,127	595,387,127
Bank overdrafts	4,449,914	-	-	4,449,914	4,449,914
Interest bearing borrowings	46,803,481	-	46,803,481	-	46,803,481
Debenture	455,488,899	-	455,488,899	-	455,488,899
	1,102,129,421	-	502,292,380	599,837,041	1,102,129,421

TEN YEAR SUMMARY

Period	2016/17 Rs .000	2017/18 Rs .000	2018/19 Rs .000
Profit & Loss			
Turnover	2,809,814	3,436,635	3,055,841
Gross Profit	158,861	438,082	68,818
Financing Cost	(113,604)	(117,965)	(138,390)
Profit before interest & tax (PBIT)	212,263	484,727	138,237
Profit before tax	94,298	366,763	(154)
Profit after tax	94,163	163,564	17,364
Profit & (Loss) for the Period / Total Comprehensive income for the year, net of tax	207,592	220,502	(132,817)
Assets & Liabilities			
Property plant & Equipment	3,522,054	3,798,988	4,128,656
Investment	78,300	78,300	108,786
Current Assets	613,277	709,523	782,091
Creditors - Falling Due within one year	(993,874)	(1,092,337)	(1,301,788)
Non Current & Deferred Liabilities	(1,155,614)	(1,240,792)	(1,351,227)
Provision for terminal benefits	(662,201)	(631,237)	(819,325)
Working Capital	(380,597)	(382,815)	(519,697)
Total Assets	4,135,332	4,565,965	4,982,474
Total Liabilities	(2,811,691)	(2,964,367)	(3,472,341)
Equity			
Stated Capital	586,250	586,250	586,250
Retained Earning	737,391	1,015,348	893,396
Other Reserves			30,487
Total Equity	1,323,641	1,601,598	1,510,133
Operating Ratios			
Operating Profit Margin %	5.65	12.75	2.25
Return on Share Holders Funds %	17.05	15.08	(8.54)
Fixed Asset Turnover Ratio	0.82	0.94	0.77
Production (In '000 Kgs./ Nuts)			
Tea	5,207	5,459	5,172
Palm Oil			
Liquidity ratio			
Current Ratio	0.62	0.65	0.60
Quick Ratio	0.25	0.22	0.26
Fixed Assets to Current Assets (times)	5.74	5.35	5.28
Interest Cover	1.87	4.11	1.00
Investors Ratios			
Earnings per Share	1.12	1.95	0.21
Price Earnings Ratio	7.03	8.19	52.57
Net Asset Value per Share (Rs.)	15.80	19.12	18.03
Equity to Assets %	32.01	35.08	30.31
Market Price	7.90	16.00	10.90
Market Capitalization (Rs. '000)	661,625	1,340,000	912,875

2019/20 Rs .000	2020/21 Rs .000	2021/22 Rs .000	2022/23 Rs .000	2023/24 Rs .000	2024/25 Rs .000	2025/26 Rs .000
2,979,757	3,525,090	3,377,524	5,427,130	4,970,425	5,150,007	**5,665,951**
(253,122)	302,984	224,715	1,595,220	552,663	1,195,072	**1,087,335**
(334,275)	(347,592)	(261,548)	(257,442)	(116,863)	(249,408)	**(257,670)**
(170,249)	501,009	304,265	1,691,582	600,372	1,489,444	**1,189,802**
(505,822)	153,417	42,717	1,434,139	483,509	1,240,036	**932,131**
(412,668)	124,482	99,715	1,227,782	580,666	1,042,940	**568,158**
(474,101)	127,813	200,301	1,272,580	556,066	770,789	**500,370**
5,635,498	5,140,162	5,269,575	5,424,495	5,888,724	6,444,763	**6,705,603**
204,571	42,941	37,875	61,097	65,295	64,957	**69,616**
1,187,759	1,153,275	1,059,116	1,921,148	1,939,737	2,835,516	**3,004,816**
(1,405,038)	(1,349,787)	(1,153,728)	(727,550)	(836,647)	(962,842)	**(1,157,224)**
(3,203,114)	(2,594,148)	(2,690,953)	(2,918,937)	(2,809,227)	(2,948,449)	**(2,882,536)**
(932,471)	(981,996)	(911,137)	(876,926)	(934,113)	(1,349,387)	**(1,448,473)**
(217,279)	(196,512)	(94,613)	1,193,598	1,103,090	1,872,673	**1,847,592**
6,823,258	6,336,379	6,366,566	7,406,741	7,893,756	9,345,236	**9,780,035**
(5,540,624)	(4,925,931)	(4,755,818)	(4,523,413)	(4,579,987)	(5,260,679)	**(5,488,233)**
586,250	586,250	586,250	586,250	586,250	586,250	**586,250**
658,913	796,256	1,001,623	2,250,980	2,677,224	3,448,350	**3,680,208**
37,471	27,941	22,875	46,097	50,295	49,957	**25,345**
1,282,634	1,410,447	1,610,748	2,883,327	3,313,769	4,084,558	**4,291,803**
(8.49)	8.60	6.65	29.39	11.12	23.21	**19.19**
(33.95)	9.49	13.26	56.63	17.95	20.84	**11.95**
0.61	0.65	0.65	1.01	0.88	0.84	**0.86**
5,228	5,462	4,920	3,813	4,050	3,900	**4,020**
		1,344	1,561	1,971	1,924	**2,639**
0.85	0.85	0.92	2.64	2.32	2.94	**2.60**
0.60	0.57	0.61	1.78	1.66	2.09	**2.04**
4.74	4.46	4.98	2.82	3.04	2.27	**2.23**
(0.51)	1.44	1.16	6.57	5.14	5.97	**4.62**
(4.93)	1.49	1.19	14.66	6.93	12.45	**6.78**
(1.81)	7.94	8.40	3.07	5.34	4.18	**9.58**
15.32	16.84	19.23	34.43	39.57	48.77	**51.25**
18.80	22.26	25.30	38.93	41.98	43.71	**43.88**
8.90	11.80	10.00	45.00	37.00	52.10	**65.00**
745,375	988,250	837,500	3,768,750	3,098,750	4,363,375	**5,443,750**

CORPORATE INFORMATION

Name of the Company

Bogawantalawa Tea Estates PLC

Date of incorporation

22nd June 1992

Company Registration No.

PQ 124

Legal Form

Quoted Public Company

Stock Exchange Listing

The ordinary shares of the company are listed on the Colombo Stock Exchange

Directors

Mr. D J Ambani (Co-Chairman)

Mr L J Ambani (Co-Chairman)

Mr. C M O Haglind

Mr. D A D S Wickramanayake

Mr L H Munasinghe

Ms S H Munasinghe

Mr K V N De Silva

Secretaries

P W Corporate Secretarial (Pvt) Ltd
No 3/17, Kynsey Road, Colombo 08.
Telephone : 4 897 711 / 4 897 722
Fax : 4 740 588 E mail : pwcs@pwcs.lk

Registered Office

Metrocorp Building, 1st Floor, No. 150 A, Nawala Road,
Nawala, Nugegoda, Sri Lanka.
Telephone: 2 510 000
E-mail: info@bpl.lk

Auditors

BDO Partners
Chartered Accountants
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 2.

Bankers

Commercial Bank of Ceylon PLC
Hatton National Bank
Nations Trust Bank
Bank of Ceylon
National Development Bank
Sampath Bank
Seylan Bank

FORM OF PROXY

I/We*……

(NIC / Passport / Company Reg. No. ……………………………………) of……………………………………………………

…………………………………………………………………………… being a shareholder/s* of Bogawantalawa

Tea Estates PLC hereby appoint ……………………………………………………………………………………

(NIC/Passport No……………………………………) of…………………………………………………… or failing him/her*:

Mr. Dinesh Jamnadas Ambani	or failing him*
Mr. Lalithkumar Jamnadas Ambani	or failing him*
Mr. Carl Michael Oscarsson Haglind	or failing him*
Mr. Don Ariyaseela De Silva Wickramanayake	or failing him*
Mr. Lalith Hemantha Munasinghe	or failing him*
Ms. Subhashini Harshi Munasinghe	or failing her*
Mr. Kuda Vidanage Niranjan De Silva	

as my/our* Proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Thirty Third (33rd) Annual General Meeting of the Company to be held by electronic means on Wednesday, 30th September 2026 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof:

	For	Against
Resolution 1 To re-elect Ms. S. H. Munasinghe as a Director of the Company.		
Resolution 2 To re-elect Mr. C. M. O. Haglind as a Director of the Company.		
Resolution 3 To pass the ordinary resolution as set out under item 4 of the Notice of Meeting to re-appoint Mr. D. J. Ambani as a Director of the Company.		
Resolution 4 To pass the ordinary resolution as set out under item 5 of the Notice of Meeting to re-appoint Mr. D. A. de S. Wickramanayake as a Director of the Company.		
Resolution 5 To authorize the Directors to determine donations for the ensuing year.		
Resolution 6 To re-appoint Messrs. BDO Partners, Chartered Accountants, as Auditors of the Company and to authorize the Directors to determine their remuneration.		

In witness my/our* hands this ……………………… day of ……………………… Two Thousand and Twenty Six.

…………………………………………

Signature of Shareholder/s

* Please delete the inappropriate words.
Instructions as to completion appear on the reverse.

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Form of Proxy should be deposited at the Registered Office of the Company, Metrocorp Building, 1st Floor, No. 150A, Nawala Road, Nawala, Nugegoda not less than Thirty Six (36) hours before the time fixed for the Meeting.
3. The Proxy shall –
   (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
   (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.

Metrocorp Building, 1st Floor, No. 150 A, Nawala Road, Nawala,
Nugegoda, Sri Lanka.
Telephone: 2 510 000
E-mail: info@bpl.lk | Web: www.bogawantalawa.com

LK- BIO-149
Non-EU Agriculture