

KEGALLE

PLANTATIONS PLC

ANNUAL REPORT 2024/25





Rooted in Strength, Growing for Tomorrow



"KPPLC, as a company with deep roots in Sri Lanka's plantation heritage, draws strength from our legacy, our land, and our people. Despite facing a challenging operating environment this year, we have managed to remain profitable and maintain our commitment to delivering consistent value to our stakeholders. Our solid foundation has enabled us to navigate short-term cash flow and investment capacity constraints. However, we recognize that evolution is essential for building resilience; relying solely on tradition is not enough. We are taking intentional steps to enhance operational effectiveness, adopt sustainable practices, and establish a framework for technological adaptability as we move into the future. This report reflects our performance over the past year and outlines our goal to become stronger, more intelligent, and more flexible in the coming years."



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"The Company achieved a significant turnaround in profitability, with Profit after Tax increasing to Rs. 517 million, compared to Rs. 21 million in the previous year."

Chairman's Message
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"At Kegalle Plantations PLC, our diverse crop portfolio is the foundation of sustainable value creation. By leveraging our six capitals, we transform resources into high-quality rubber, tea, coconut, and oil palm that generate long-term value for all stakeholders."

Value Creation Model
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WELCOME

To Our 1st Integrated Annual Report



Kegalle Plantations PLC (hereinafter referred to as “KPPLC” or the “Company”) has prepared and published its 1st Integrated Annual Report, which also marks its 30th Annual Report for the financial year ended 31 March 2025.

Scan to view the digital version of this annual report
https://www.arpico.com/contents/kpl_financial_reports.php

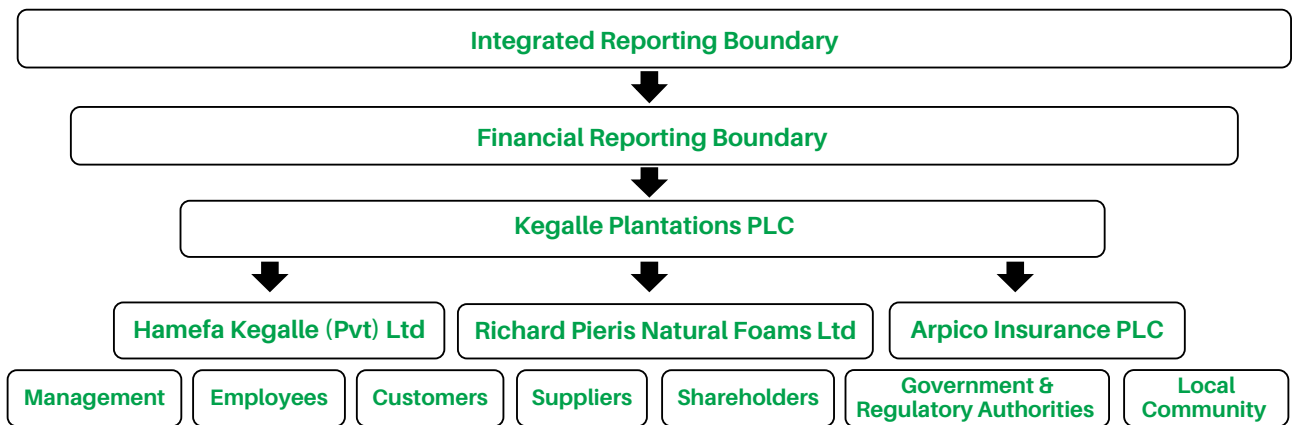
This report reflects the Company’s commitment to transparent, holistic, and stakeholder-focused reporting. It has been prepared in accordance with the guiding principles and content elements of the International Integrated Reporting (IR) Framework, issued by the IFRS Foundation and with reference to the Global Reporting Initiative (GRI) Standards. In addition, the report aligns with the United Nations Sustainable Development Goals (UN SDGs), demonstrating our dedication to contributing to global sustainability priorities through our operations and initiatives.

Scope and Boundary

The scope of this report includes all key activities carried out across the Company’s managed estates, covering tea, rubber, coconut, and other diversified crops. Issues deemed to have a significant impact on our ability to create value were prioritized and are addressed throughout the report. The report’s boundary encompasses the Company’s wholly managed operations located across the Sabaragamuwa, Uva, and North Western Provinces of Sri Lanka, including field operations, factories, and central management functions. Performance data, particularly financial and sustainability indicators, are reported on a consolidated basis unless otherwise stated.

By integrating both financial and non-financial information, this report provides a comprehensive view of how KPPLC creates, preserves, and delivers value over the short, medium, and long term through effective use and management of the six capitals: financial, manufactured, intellectual, human, social and relationship, and natural capital. It illustrates the connectivity between our strategy, business model, governance, performance, and sustainability efforts within the context of our operating environment.

To provide context for performance and future prospects, qualitative narratives, case studies, and strategic insights have been included where appropriate in quantitative data. Any significant limitations in scope, data availability, or boundary changes from previous years are clearly disclosed in the relevant sections of the report.



Materiality and Stakeholder Engagement

The scope and boundary of the report have been determined based on the principle of materiality, with inputs from key stakeholders and internal assessments. Issues deemed to have a significant impact on our ability to create value were prioritized and are addressed throughout the report.

Actively interacting with a wide range of stakeholders, including shareholders, staff members, local communities, customers, suppliers, regulators, and environmental organizations, helps us identify our material subjects. Surveys, interviews, focus groups, community forums, and continuous communication all year round are examples of engagement techniques. Our materiality matrix is regularly reviewed and updated to take into account new developments, modifications to regulations, and shifting stakeholder priorities.

Reporting Improvements

KPPLC has adopted the Integrated Reporting (IR) Framework for the first time in this reporting cycle, reflecting our commitment to transparent and value-driven reporting. While the Company had previously adopted the Global Reporting Initiative (GRI) Standards, this year marks a renewed alignment after a temporary discontinuation. Additionally, KPPLC has commenced a phased approach to align with IFRS S1 and S2, strengthening our climate and sustainability-related disclosures in line with evolving global benchmarks. Our reporting is further guided by the United Nations Sustainable Development Goals (UN SDGs), ensuring that our business strategy contributes meaningfully to global sustainable development.

Compliance

This report has been prepared with reference to the following standards and frameworks:

Principles for Reporting <ul style="list-style-type: none"> • Integrated Reporting (IR) Framework
Financial Reporting <ul style="list-style-type: none"> • Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRSs) • Sri Lanka Accounting Standards (LKASs) promulgated by The Institute of Chartered Accountants of Sri Lanka (ICASL) • Companies Act No. 07 of 2007
Corporate Governance Reporting <ul style="list-style-type: none"> • Listing Rules of Colombo Stock Exchange (CSE) • Code of Best Practices on Corporate Governance issued jointly by ICASL and SEC
Sustainability Reporting <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Standards (2021) • GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 • Aligned to United Nations Sustainable Development Goals (UNSDGs) • Initial Adoption of IFRS S1 & S2
Assurance <ul style="list-style-type: none"> • Sri Lanka Auditing Standards (SLAuSs) • Ernst & Young - External Auditors

Assurance Statement

KPPLC remains committed to transparent and responsible corporate reporting. The Financial Statements included in this Annual Report have been independently audited by Ernst & Young, in accordance with Sri Lanka Auditing Standards, ensuring accuracy and compliance. Our sustainability disclosures, while not yet externally assured, have been subject to a thorough internal review process by senior management to maintain completeness and consistency. We are in the process of strengthening our reporting practices and plan to obtain external assurance for non-financial disclosures from the next reporting cycle, reflecting our ongoing commitment to accountability and continuous improvement.



Future

Looking ahead, KPPLC remains committed to sustainable growth and value creation by embracing innovation, responsible resource management, and stakeholder collaboration. By proactively addressing emerging challenges and opportunities, KPPLC aims to build a resilient and sustainable business that delivers lasting value to its stakeholders, preserves natural capital, and contributes meaningfully to Sri Lanka's plantation sector.

This report includes forward-looking statements, which involve known and unknown risks and uncertainties. Actual results may differ materially due to various external and internal factors.

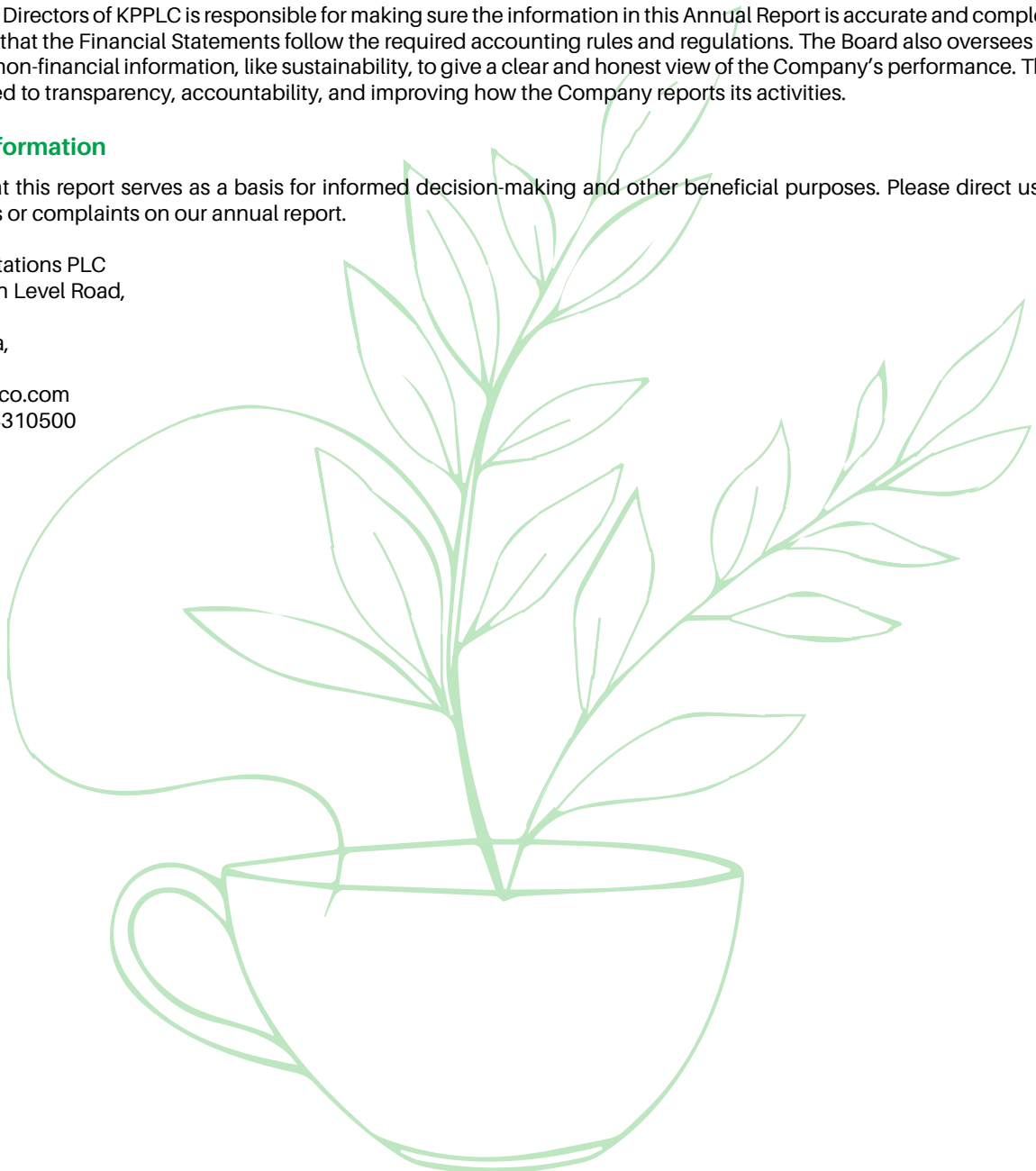
Responsibility of the Board of Directors

The Board of Directors of KPPLC is responsible for making sure the information in this Annual Report is accurate and complete. They ensure that the Financial Statements follow the required accounting rules and regulations. The Board also oversees the reporting of non-financial information, like sustainability, to give a clear and honest view of the Company's performance. They are committed to transparency, accountability, and improving how the Company reports its activities.





Contact Information

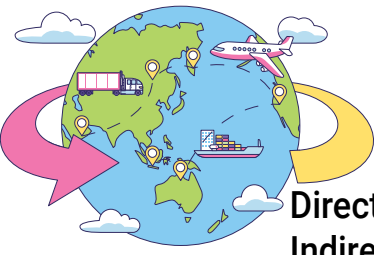

We hope that this report serves as a basis for informed decision-making and other beneficial purposes. Please direct us all compliments or complaints on our annual report.

Kegalle Plantations PLC
No. 310, High Level Road,
Nawinna,
Maharagama,
Sri Lanka.
kpl.rpk@arpico.com
Tel: (94) 11 4310500



FINANCIAL & NON-FINANCIAL HIGHLIGHTS

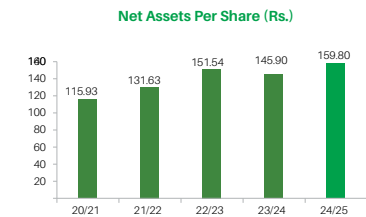
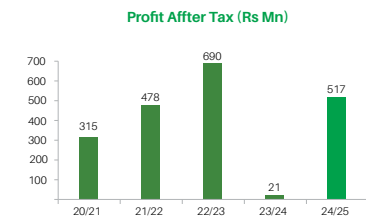
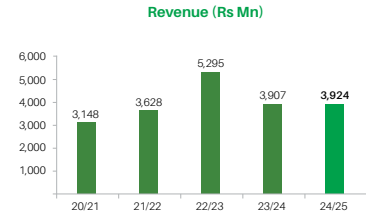
 No of Estates 17	RUBBER Kegalle - 09 Kurunegala - 02 11	TEA Uva High - 04 Western Medium - 01 Low Grown - 01 06	COCONUT Rubber cum Coconut - 07 Rubber, Tea Cum Coconut - 01
 Land Extent 9,757 Ha	6,979 Ha 72%	2,278 Ha 23%	500 Ha 05%
 Productivity Land (Yield) Labour (Intake)	791 Kg/Ha 6.87 Kg Intake	697 Kg/Ha 24.75 Kg Intake	1,644 Nuts/Ha
 Production Volume	2,681 Kg '000	1,361 Kg '000	683 Nuts '000

 Exports Direct (Rubber) - 159 Kg '000 Indirect (Rubber) - 1,023 Kg '000	 Dividend per Share Rs. 03.50 Market Price per Share Rs. 140.00
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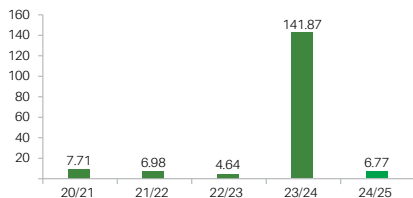
Total Assets	Capital Employed	Turnover	Market Capitalization
Rs. 8.4 Bn	Rs. 4.7 Bn	Rs. 3.9 Bn	Rs. 3.5 Bn
Rs. 7.8 Bn	Rs. 4.9 Bn	Rs. 3.9 Bn	Rs. 3.0 Bn

FINANCIAL HIGHLIGHTS

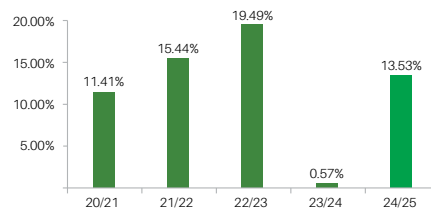
Performance - Year ended 31 March		2025	2024	Variance
Turnover	Rs.'000	3,923,702	3,907,108	0%
Profit before Interest and Tax	Rs.'000	828,499	367,107	126%
Profit after Tax	Rs.'000	516,871	21,234	2334%
Gross Dividends	Rs.'000	87,500	87,500	0%
Capital Expenditure	Rs.'000	474,124	630,526	-25%
Financial Position - As at 31 March				
Fixed Assets	Rs.'000	6,636,169	6,124,120	8%
Current Assets	Rs.'000	1,811,051	1,722,422	5%
Total Assets	Rs.'000	8,447,220	7,846,541	8%
Current Liabilities	Rs.'000	1,885,694	1,798,993	5%
Shareholder's Funds	Rs.'000	3,994,887	3,647,532	10%
Stated Capital	Rs.'000	250,000	250,000	0%
Capital Employed	Rs.'000	4,729,846	4,876,449	-3%
Key Indicators				
Earning per share	Rs.	20.67	0.85	2334%
Net Assets per share	Rs.	159.80	145.90	10%
Dividend per share	Rs.	3.50	3.50	0%
Market price per share	Rs.	140.00	120.50	16%
Return on Capital Employed	%	17.52%	7.53%	133%
Market Capitalization	Rs.'000	3,500,000	3,012,500	16%
Return on Average Equity	%	13.53%	0.57%	2268%
Return on assets	%	9.81%	4.68%	110%



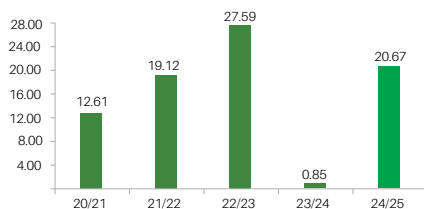
Price Earning Ratio (Times)



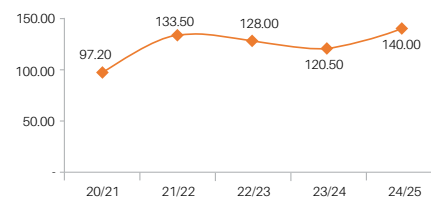
Return on Average Equity (%)



Earning Per Share (Rs.)



Share Price (Rs.)



ABOUT US

Company Profile

The Sri Lankan Government, as part of its reform strategy for the Plantation Industry, opted to privatize this sector and established 22 regional Plantation Companies in June 1992. The Government subsequently allocated estates that were previously owned by it and overseen by JEDB/SLSPC under a 53-year lease to these Companies. Additionally, distinct Management Agents were chosen to oversee the operations of each of these Companies.

Kegalle Plantations PLC (KPPLC) was among those Companies that received 21 Estates, encompassing a total land area of approximately 10,000 hectares across Kegalle, Kurunegala, and Badulla Districts. Out of this total land area, roughly 3,900 hectares are dedicated to Rubber cultivation, 1,300 hectares to Tea, and another 520 hectares to Coconut. The Company produces about 3 million kilograms of Rubber and 1.4 million kilograms of Tea, which includes crops purchased from external sources. It employs a workforce of 4,033 individuals.

RPK Management Services (Pvt) Limited (RPK) served as the Management Agent designated by the Government, and it was formed as a 50:50 joint venture between Richard Pieris & Company PLC and John Keells Holdings PLC. Towards the end of 1995, the Company's ownership underwent some changes when the Government transferred 20% of its shares to the public and sold its majority stake of 50% to RPK Management Services (Pvt) Limited. During this same period, the Government bestowed 10% of shares upon more than 8,000 eligible employees. In May 1997, the Government completely divested from Kegalle Plantations PLC by offloading the remaining 19% of shares via the Colombo Stock Exchange (CSE).

The Government possesses one share known as the Golden Share, which is held by the Secretary to the Treasury, granting the Government the designation of "Golden Share Holder" of the Company.

The Golden Shareholder possesses certain exclusive rights that differ from those of regular Shareholders, and these rights are outlined in the Company's Articles of Association. These clauses were also included in the prospectus that was provided to the public. Key clauses can be found in this Annual report under the section titled "Shareholder & Investor Information."

RPK also invested Rs. 50 Mn in convertible KPPLC debentures at the time it purchased 51% of the Company. The Company's share capital increased to Rs 250 Mn in February 1998 when these debentures were converted into 5 million common shares, each worth Rs 10. Richard Pieris & Company PLC acquired a 50% stake in RPK Management Services (Pvt) Limited from John Keells Holdings PLC in March 2004, thereby establishing RPK as a fully owned subsidiary. RPK was renamed RPC Management Services (Pvt) Limited as a result of the ownership transfer. In 2008, RPC Management Services (Pvt) Limited sold its stake in the business to RPC Plantation Management Services (Pvt) Limited. RPC Plantations Management Services (Pvt) Limited currently owns 79.68% of the Company.



VISION

- ✧ To seek excellence in all our pursuits.

MISSION

- ✧ To achieve excellence in the management of plantations by optimum utilization of resources.
- ✧ To enhance the quality of life of our employees and the neighbouring villagers.
- ✧ To assure our shareholders optimum returns and to be an exemplary corporate citizen.

OBJECTIVES

- ✧ We will endeavour to be the most technologically advanced producer of agricultural products and their value-added forms, by means of innovations and inventions through Research and Development.
- ✧ We seek to be acknowledged in Sri Lanka and Overseas as a Producer and Supplier of quality agricultural products and their derivatives through superior customer service.
- ✧ We will be a model employer in the plantation sector, committed to achieving Leadership in every sphere of business activity.
- ✧ We will provide our employee with the necessary training to enhance their skills and enable them to be a part of a highly motivated and dedicated workforce.
- ✧ We seek to provide our shareholders with the maximum return on investment.
- ✧ We intend to ensure the continued liquidity and growth of the Company.

VALUES

- ✧ Agility
- ✧ Productiveness
- ✧ Integrity
- ✧ Sustainability
- ✧ Team spirit



CHAIRMAN'S MESSAGE



Dr. Sena Yaddhegige
Chairman

“ The Company achieved a significant turnaround in profitability, with Profit after Tax increasing to Rs. 517 million, compared to Rs. 21 million in the previous year. ”

Dear Shareholders,

In the financial year 2024/2025, amidst ongoing economic and operational challenges, your Company demonstrated remarkable resilience by recording revenue of Rs. 3.9 billion, a modest yet encouraging year-on-year increase with, profit before tax of Rs. 638 Mn, reflecting an outstanding growth of operational achievements in the Company's history.

Despite prevailing headwinds, Kegalle Plantations PLC remains firmly committed to its sustainable value creation strategy. We have continued to invest in our comprehensive field development plan, underscoring our dedication to sustainable growth and our unwavering focus on delivering lasting value to you, our valued shareholders.

During the financial year 2024/2025, Kegalle Plantations PLC recorded revenue of Rs. 3.9 billion, reflecting modest over the previous year, primarily driven by improved performance in the Tea and Oil Palm segments. The Company achieved a significant turnaround in profitability, with Profit after Tax increased to Rs. 517 Mn, compared to Rs. 21 Mn in the previous year. Total assets stood at Rs. 8.45 billion, while shareholders' funds amounted to Rs. 3.99 billion.



A total capital expenditure of Rs. 474 Mn was incurred, with Rs. 438 Mn directed towards field development, particularly in rubber (Rs. 367 Mn), coconut (Rs. 37 Mn), cultivations. Despite ongoing economic and political pressures, the Company maintained its commitment to shareholder returns, distributing a dividend of Rs. 3.50 per share.

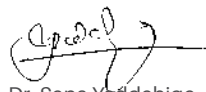
The Rubber segment continued to be a key contributor operationally, although it experienced a 5% revenue decline to Rs. 2.2 billion, primarily due to a 26% drop in production caused by adverse weather conditions. However, profitability improved significantly, with gross profit increasing by 121% to Rs. 458 Mn. Encouragingly, the Net Sales Average (NSA) of rubber strengthened by 28%, mitigating the effects of reduced output. The segment's performance highlights its resilience and the benefits of price improvements despite lower volumes.

Tea operations reported a 3% decline in production to 1,360 metric tons, down from 1,400 metric tons in the previous year. However, higher market prices led to a 9% increase in NSA, while Cost of Production (COP) rose moderately by 3% compared to last year. Revenue from the tea segment increased by 6% to Rs. 1,472 Mn, while gross profit improved from Rs. 29 Mn to Rs. 94 Mn, driven by a favourable price environment and cost efficiency measures.

As we move into the upcoming fiscal year, the Company remains firmly committed to sustainability and value creation. Anticipated yield improvements across oil palm, tea, rubber, and coconut are expected to enhance overall production and support business growth. In line with our diversification strategy, investments in export-oriented crop ventures such as coffee, cocoa, vanilla, pineapple, and pepper are expected to generate new revenue streams and strengthen our value proposition. Additionally, securing and

maintaining sustainability certifications will further enhance our marketability and reinforce our environmental and social commitments. With a focus on innovation and continuous improvement, we are confident in our ability to drive meaningful growth while delivering long-term value to all stakeholders.

I extend my sincere appreciation to the Board of Directors and the Management Team for their strategic guidance and steadfast support throughout what has been a demanding year. I am equally thankful to our dedicated employees whose resilience and unwavering commitment have been central to the Company's continued progress. I also thank our shareholders, customers, business partners, suppliers, service providers, regulatory authorities, and local communities for their continued trust and collaboration. With their support, we have successfully navigated challenges and made meaningful strides in our journey of sustainable growth. The Company remains committed to advancing with clarity, discipline, and a long-term vision that delivers enduring value to all stakeholders.



Dr. Sena Yaddehige
Chairman

28 August 2025
Colombo



BOARD OF DIRECTORS



Dr. Sena Yaddhegige
Chairman

01



Prof. R C W M R A Nugawela
Director

02



Dr. S S B D G Jayawardena
Director

03



Mr. Shaminda Yaddhegige
Director

04



Mr. Lakshman Abeysekera
Director

05



Dr. Lakshman Rodrigo
Director

06

01. Dr. Sena Yaddhegige

Chairman

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

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

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

His repertoire of innovations and developments includes contactless sensor technology and drive-by-wire systems. Furthermore, as a radiation specialist, Dr. Yaddhegige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world.

Locally, he holds the patent for slow-release fertiliser, which provides relatively better results than quick-release fertilisers while being a safer alternative for the environment. Dr. Yaddhegige also pioneered the development unit for Lithium batteries in Sri Lanka.

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



02. Prof. R C W M R A Nugawela

Director (Non-Executive Director)

Prof. Nugawela joined the Rubber Research Institute in the capacity of an Assistant Botanist in 1980. He was awarded a Colombo Plan Scholarship in 1981 to read for his Master's Degree, and in 1982, he successfully completed it in the field of Applied Plant Sciences at the University of London. In 1985, he was offered a scholarship by the Food and Agricultural Organization of the United Nations to obtain his professional qualifications. For his research work on Plant Physiology and Bio Productivity in *Hevea brasiliensis* (the natural rubber plant) he was awarded a PhD from the University of Essex, UK in 1989.

He has over 30 years of extensive experience in the capacities of a Botanist, Head of Plant Science Department, Deputy Director Research (Biology) and as the Director at the Rubber Research Institute of Sri Lanka. In January 2011, Prof. Nugawela resigned from the post of Director of the Rubber Research Institute of Sri Lanka to assume duties as Chair Professor, Department of Plantation Management, Wayamba University of Sri Lanka. He served at the Wayamba University of Sri Lanka until his retirement in 2019.

His thrust areas of research and development were on nursery and planting practices, harvesting, use of yield stimulants and rain guards. He has more than 175 publications in both local and foreign research journals and has addressed many local and international conferences on natural rubber.

He won a National Science and Technology Award in 2009 for his Research and Development work. Further, in 2012, he won a Presidential Award for inventions in the category of environment and in 2016, a Presidential Award for inventions in the category of applied sciences and technology. He has also been awarded with Presidential Awards for his research publications in reputed international journals.

Prof. Nugawela was appointed to the Board of Kegalle Plantations PLC with effect from 26 May 2008.

03. Dr. S S B D G Jayawardena

Director (Non-Executive Director)

Dr. S S B D G Jayawardena obtained his B.Sc. Degree in Agriculture with Honours from the University of Ceylon. His M.Sc. in Agronomy was obtained in Kyoto, and his Ph.D. in Agronomy & Physiology from the University of Kyoto.

Dr. Jayawardena has served the Department of Agriculture for over 03 decades and retired as the Director General of the Department of Agriculture. After retirement he has served the plantation sector as Director of Tea Research Institute, Chairman of Tea Research Board, Chairman of Coconut Research Board and advisor to the Minister of Plantation Industries. He has represented the Tea Research Institute at the Governing Boards of the Tea Board and the Tea Small Holder Authority. He has also served as a member of many task forces appointed by the government of Sri Lanka and served as a member of the National Salaries & Cadre Commission from 2006 to April 2019.

In addition to the above, Dr. Jayawardena was the FAO Consultant to the Consultative Group in International Agriculture Research and has served as a FAO Consultant in Bio-diversity and JICA Consultant to the Government of Ghana on Horticulture Sector Development. Dr. Jayawardena served as the Chairman of the Council for Agricultural Research Policy from 2015 to April 2019.

He has over 50 years of professional experience covering agricultural research and development activities, human resource development, development of foreign-funded projects, and direct involvement in food security and poverty, alleviation programs of the Country. He has represented the Ministry of Agriculture at the Annual Meetings of FAO on Food Security and the Global Economic Forum on Agriculture.

In 2010, Dr. Jayawardena was appointed as a Director to the Board of Directors of Kegalle Plantations PLC.

04. Mr. Shaminda Yaddhegige

Director (Non-Executive Director)

Mr. Shaminda Yaddhegige is a Non-Executive Director of the Company.

Mr. Yaddhegige was educated at Charter House, United Kingdom and graduated in Chemical Engineering from University College London. In addition, he also possesses a Master's Degree in Business Administration from IE Business School, which is ranked amongst the top 10 business schools in the World.

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

Mr. Yaddhegige is in the Directorate of Richard Pieris & Company PLC as an Executive Director/Chief Operating Officer of the Company, and also in the Directorates of Richard Pieris Exports PLC, Richard Pieris Natural Foams Limited, Richard Pieris Distributors Limited and also in several other Companies within the Richard Pieris Group.



BOARD OF DIRECTORS

05. Mr. Lakshman Abeysekera

Director (Non-Executive Independent Director)
(Appointed w.e.f. 30 September 2024)

Mr. Lakshman Abeysekera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, the Association of Accounting Technicians of Sri Lanka, and the Certified Management Accountants of Sri Lanka. He currently serves as an Independent Director of Kapruka Holdings PLC and a Senior Director of JanRich Foods Ltd. In addition, Mr. Abeysekera was appointed as a member of the advisory panel of the Sri Lanka Inventors Commission in April 2024, contributing his expertise to the promotion and development of innovation in the country. He holds a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka.

Mr. Abeysekera has held several prestigious positions in both the public and private sectors. He served as the former Chairman of the Rubber Research Board of Sri Lanka, where he contributed significantly to the advancement of the rubber industry. He was also a Non-Executive Independent Director of Sanasa Development Bank from 2013 to 2022. During this period, he held key leadership positions, including Chairman of the Bank for two years and Senior Director for four years, demonstrating his strong governance and strategic leadership capabilities. Furthermore, Mr. Abeysekera served as a Senior Director at People's Insurance PLC from 2015 to 2023, adding immense value to the Company with his financial and managerial acumen.

In addition to his corporate leadership, Mr. Abeysekera has made notable contributions to national professional and educational institutions. He was a governing council member of the Association of Accounting Technicians (AAT) of Sri Lanka for more than 10 years and also served as a member of the council of the University of Visual and Performing Arts. His involvement in these institutions reflects his commitment to enhancing professional education and governance. Moreover, he served as the Chairman of the CA SME Task Force, playing a vital role in promoting small and medium enterprises. As of 1 January 2025, Mr. Abeysekera is serving as the Chairman of the National Enterprise Development Board under the Ministry of Industry and Entrepreneurship Development, where he is expected to steer the country's enterprise development initiatives to new heights.

06. Dr. Lakshman Rodrigo

Director (Non-Executive Independent Director)
(Appointed w.e.f. 16 April 2025)

Dr. Lakshman Rodrigo is an internationally recognized scientist, particularly in the plantation crop sector. His research career began in 1986 at the Rubber Research Institute of Sri Lanka (RRISL) after graduating from the University of Peradeniya in agriculture. He received his Master's in Crop Physiology in 1992 from the University of Essex, UK, and PhD in Agroforestry in 1997 from the University of Wales, UK. He served RRISL until the end of 2022, holding roles including Additional Director and Acting Director, leading the institute for nearly four years.

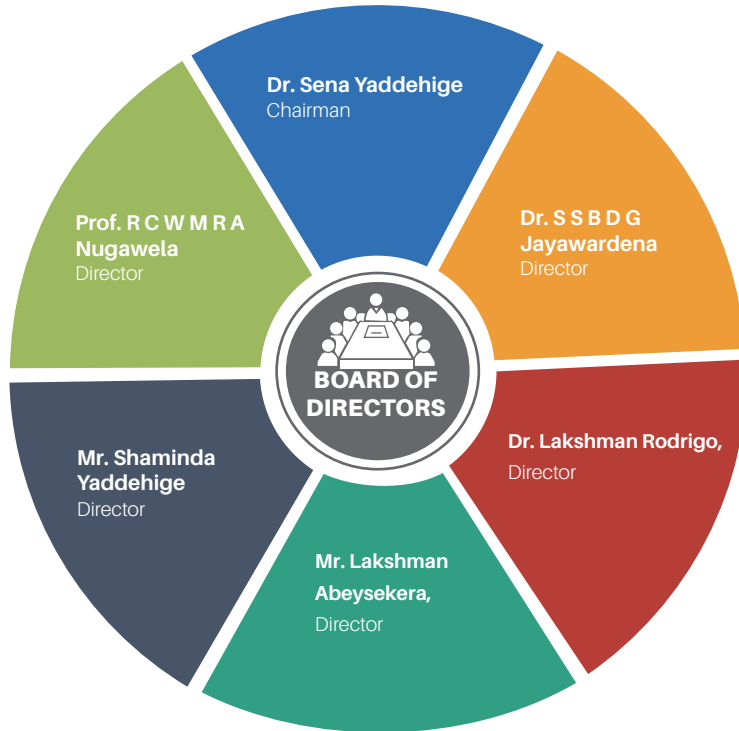
Currently, he serves as a Senior Scientist at the International Centre for Research in Agroforestry (ICRAF). He is a Fellow of the International Rubber Research & Development Board (IRRDB) and serves as Liaison Officer for its Task Force on Climate Change and Sustainability. With over 35 years of experience, his expertise spans leadership, human resource management, resource mobilization, and organizational development.

His key contributions include expanding rubber cultivation into drier zones, promoting multi-cropping, modelling carbon fixation, launching a carbon trading project, and assessing life cycle impacts. He has over 200 publications in journals and public periodicals.

He has earned nine Presidential Awards, three other national awards in Sri Lanka, and the B.C. Sekhar Gold Medal for research excellence from IRRDB in 2023.



CORPORATE MANAGEMENT



Mr. I S Doranegama
Chief Executive Officer

Mr. Saman Doranegama had his primary education at St. Anthony's College, Katugastota. After the completion of school education, he joined the Janatha Estate Development Board as a Planter Trainee at Fernlands Estate in 1986 and was appointed as Assistant Superintendent to the Diyagama East Estate in the Agarapathana Region. Thereafter, he was appointed as the Asst. Superintendent of Labukelle Estate, Nuwara Eliya, in 1994, and subsequently was promoted as the Superintendent of Lethenthya Estate.

Mr. Saman Doranegama joined Kegalle Plantations in the year 2001, as the Superintendent of Doteloya Estate and was transferred to Luckyland Estate in the year 2006, wherein he was promoted as Group Manager and subsequently as the General Manager in 2014.

He was elevated to the position of Director Operations in 2019 and currently holds the position of Chief Executive of Kegalle Plantations PLC w.e.f. 12 March 2025. Mr. Doranegama has cultivated the skills in Estate Management through the experience that he gained from the Plantation Industry over 39 years.

I S Doranegama
Chief Executive Officer

Dharmika Laksiri
Sector Financial Controller

I W M R R K Wijekoon
General Manager

CORPORATE MANAGEMENT

HEAD OFFICE MANAGEMENT

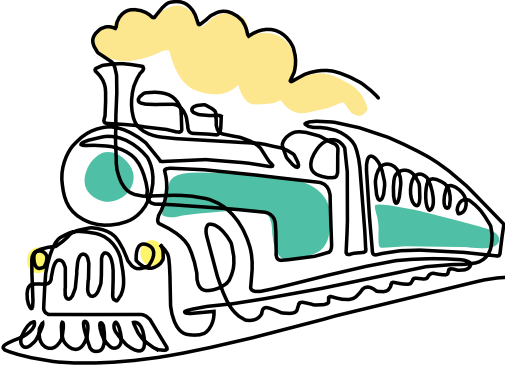
- T I Kodithuwakku**
Finance Manager
- L G Madhusankha**
Accountant
- P M J Sankalana**
Assistant Accountant
- Buddhima Piyumini Wanaguru (Miss.)**
Accounts Executive
- M P G Liyanage (Mrs.)**
Accounts Executive
- J M M N Gunawardhana (Miss.)**
Management Trainee
- R M S S Herath**
Manager - Information Systems
- W M S J Wijesinghe**
IT Executive



- L P Tennakoon**
Manager - Plantations
- S P Wijedasa**
Engineer - Plantation Sector
- M P Bandara**
Manager - Forestry
- Janaka Gallappaththi**
Manager Coffee Planting
- J A S Fernando**
Manager
- M R Elan**
Assistant Manager
- R L Sunethra (Miss.)**
Executive
- S A C Niroshini**
Executive
- J W Chathurika Jayawickrama (Mrs)**
Legal Officer



ESTATE MANAGEMENT



Allagolla Estate
Udapussellawa
H M I T Gunarathne
Superintendent

Ambadeniya Estate
Aranayake
A A M D V Mediwake
Superintendent
S A S Gunasekera
Assistant Superintendent

Atale Estate
Atale
M W Liyanasekera
Superintendent
D A H A Gunarathna
K V D S M Wijegunaratne
Assistant Superintendents

Doteloya Estate
Dolosbage
D V M De Ruwn
Superintendent
J M A B Jayasundara
Assistant Superintendent

Eadella Estate
Polgahawela
B P S M Cooray
Superintendent
O K Y Abeywardhana
P W S D Peiris
Assistant Superintendents

Etana Estate
Warakapola
M R Vaidyakularatne
Superintendent
W C N De Silva
Assistant Superintendent

Gampaha Estate
Udapussellawa
B P D Mahesh
Superintendent
W M R L Nawarathne
Assistant Superintendent

Hathbawe Estate
Rambukkana
D W K K Seneviratne
Superintendent

Higgoda Estate
Undugoda
M S S Muhandiram
Superintendent

Kirklees Estate
Udapussellawa
R A S B Ranawaka
Superintendent
H A Liyanage
Assistant Superintendent

Luckyland Estate
Udapussellawa
S R Aluwihare
Deputy General Manager - Tea
R M D I Rathnayake
D L S Nanayakkara
Assistant Superintendents

Madeniya Estate
Warakapola
N R B Senarathne
Superintendent

Pallegama Estate
Niyadurupola
H S B Aluvihare
Superintendent
H V E N Madusanka
P L A D H Indika
Assistant Superintendents

Parambe Estate
Undugoda
N A M O M Navaratne
Superintendent
Y L R S Leelawansa
Assistant Superintendent

Udapola Estate
Polgahawela
S A A P Jayatilake
Superintendent
U D D N Gunarathne
Assistant Superintendent

Weniwella Estate
Alawwa
S D Munasinghe
Superintendent
R J A D S R Jayasinghe
Assistant Superintendent

Yataderiya Estate
Undugoda
Vinoda de Silva
Superintendent
A M H B Athauda
Assistant Superintendent

Centrifuged Latex Project, Udapola Estate
Polgahawela
P M Mudannayaka - Assistant Superintendent
N S B W Madawala - Quality Control Officer
I M P D Illankoon - Technical Assistant



The Heart of Kegalle Plantations PLC



OUR ESTATES

KEGALLE DISTRICT



Ambadeniya

Location - Aranayake
Total extent - 583.25 ha
Elevation - 244-355 m
Buildings - 390

Extent (ha)

Rubber	391.51
Coconut	36.48
Others	8.47
Total	436.46

Production (kg/nut)

Rubber	175,581
Coconut	25,275

Atale

Location - Atale
Total extent - 1150.36 ha
Elevation - 119-154 m
Factory - 01
Other Buildings - 401

Extent (ha)

Rubber	849.97
Coconut	28.66
Others	22.56
Total	901.19

Production (kg/nut)

Rubber	316,643
Coconut	57,920



Doteloya

Location - Dolosbage
Total extent - 572.64 ha
Elevation - 825-955 m
Factory - 01
Other Buildings - 245

Extent (ha)

Tea	178.78
Others	279.97
Total	458.75

Production (kg)

Tea	163,335
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Higgoda

Location - Undugoda
Total extent - 302.23 ha
Elevation - 146 - 411 m
Buildings - 58

Extent (ha)

Rubber	219.41
Total	219.41

Production (kg)

Rubber	105,708
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Etana

Location - Warakapola
 Total extent - 483.26 ha
 Elevation - 76-244 m
 Factory - 01
 Other Buildings - 180

Extent (ha)

Rubber	359.87
Coconut	1.82
Others	48.73
Total	410.42

Production (kg/nut)

Rubber	217,885
Coconut	4,100

Hathbawe

Location - Rambukkana
 Total extent - 477.79 ha
 Elevation - 122-244 m
 Buildings - 167

Extent (ha)

Rubber	210.77
Others	34.38
Total	245.15

Production (kg)

Rubber	133,455
--------	---------



Pallegama

Location - Niyadurupola
 Total extent - 863.91 ha
 Elevation - 90-200 m
 Factory - 01
 Other Buildings - 293

Extent (ha)

Rubber	511.78
Coconut	16.36
Others	40.91
Total	569.05

Production (kg/nut)

Rubber	194,974
Coconut	2,677

Madeniya

Location - Warakapola
 Total extent - 551.92 ha
 Elevation - 80-229 m
 Buildings - 220

Extent (ha)

Rubber	394.54
Others	33.47
Total	428.01

Production (kg)

Rubber	131,013
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Parambe

Location - Undugoda
 Total extent - 745.41 ha
 Elevation - 122-274
 Factory - 01
 Other Buildings - 393

Extent (ha)

Tea	511.94
Rubber	22.50
Coconut	14.50
Others	21.15
Total	570.09

Production (kg)

Tea	312,542
Rubber	20,863



OUR ESTATES



Weniwella

Location - Alawwa
Total extent - 709.90 ha
Elevation - 152-183 m
Buildings - 324

Extent (ha)

Rubber	454.71
Coconut	48.19
Other	18.38
Total	521.28

Production (kg/nut)

Rubber	145,055
Coconut	22,291

Yataderiya

Location - Undugoda
Total extent - 324.30 ha
Elevation - 244-290 m
Factory - 01
Other Buildings - 338

Extent (ha)

Rubber	129.70
Tea	115.66
Coconut	25.90
Other	2.35
Total	273.61

Production (kg/nut)

Tea	77,959
Rubber	460,612
Coconut	57,376



BADULLA DISTRICT



Allagolla

Location - Udapussellawa
Total extent - 243.75 ha
Elevation - 1311 m
Factory - 01
Other Buildings - 370

Extent (ha)

Tea	176.82
Others	34.71
Total	211.53

Production (kg)

Tea	128,287
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Kirklees

Location - Udapussellawa
Total extent - 480.70 ha
Elevation - 1446 m
Factory - 01
Other Buildings - 561

Extent (ha)

Tea	247.30
Others	101.96
Total	349.26

Production (kg)

Tea	160,232
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Gampaha

Location - Udapussellawa
Total extent - 348.99 ha
Elevation - 1538 m
Factory - 01
Other Buildings - 468

Extent (ha)

Tea	215.52
Others	60.13
Total	275.65

Production (kg)

Tea	161,214
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Luckyland

Location - **Udapussellawa**
 Total extent - **488.75 ha**
 Elevation - **1500 m**
 Factory - **01**
 Other Buildings - **613**

Extent (ha)

Tea	371.97
Others	58.18
Total	430.15

Production (kg)

Tea	266,180
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KURUNEGALA DISTRICT

Eadella

Location - **Polgahawela**
 Total extent - **801.79 ha**
 Elevation - **91-122 m**
 Buildings - **178**

Extent (ha)

Rubber	314.39
Coconut	312.92
Others	31.21
Total	658.52

Production (kg)

Rubber	121,260
Coconut	441,730



Udapola

Location - **Polgahawela**
 Total extent - **577.78 ha**
 Elevation - **107-195**
 Buildings - **234**

Extent (ha)

Rubber	305.41
Coconut	36.36
Others	20.82
Total	362.59

Production (kg)

Rubber	142,505
Coconut	72,079

Udapola CLP

Location - **Polgahawela**
 Buildings - **24**

Production (kg)

Rubber	606,802
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OUR ESTATES

Estate Statistics

	Estate Name	Planting District	Location	Cultivated Area (Hectares)					Total Area (Hectares)	Elevation (Metres)	Production - kg/nut '000			No of Buildings		
				Rubber	Tea	Coconut	Others	Total			Rubber	Tea	Coconut	Factory	Other Buildings	Total
1	Allagolla	Badulla	Udapussellawa	-	176.82	-	34.71	211.53	243.75	1311	-	128	-	1	370	371
2	Ambadeniya	Kegalle	Aranayake	391.51	-	36.48	8.47	436.46	583.25	244-355	176	-	25	-	390	390
3	Atale	Kegalle	Atale	849.97	-	28.66	22.56	901.19	1,150.36	119-154	317	-	58	1	401	402
4	Doteloya	Kegalle	Dolosbage	-	178.78	-	279.97	458.75	572.64	825-955	-	163	-	1	245	246
5	Eadella	Kurunegala	Polgahawela	314.39	-	312.92	31.21	658.52	801.79	91-122	121	-	442	-	178	178
6	Etana	Kegalle	Warakapola	359.87	-	1.82	48.73	410.42	483.26	76-244	218	-	4	1	180	181
7	Gampaha	Badulla	Udapussellawa	-	215.52	-	60.13	275.65	348.99	1538	-	161	-	1	468	469
8	Hathbawe	Kegalle	Rambukkana	210.77	-	-	34.38	245.15	477.79	122-244	133	-	-	-	167	167
9	Higgoda	Kegalle	Undugoda	219.41	-	-	-	219.41	302.23	146-411	106	-	-	-	58	58
10	Kirklees	Badulla	Udapussellawa	-	247.30	-	101.96	349.26	480.70	1446	-	160	-	1	561	562
11	Luckyland	Badulla	Udapussellawa	-	371.97	-	58.18	430.15	488.75	1500	-	266	-	1	613	614
12	Madeniya	Kegalle	Warakapola	394.54	-	-	33.47	428.01	551.92	80-229	131	-	-	-	220	220
13	Pallegama	Kegalle	Niyadurupola	511.78	-	16.36	40.91	569.05	863.91	90-200	195	-	3	1	293	294
14	Parambe	Kegalle	Undugoda	511.94	22.50	14.50	21.15	570.09	795.41	122-274	312	21	-	1	393	394
15	Udapola	Kurunegala	Polgahawela	305.41	-	36.36	20.82	362.59	577.78	107-195	143	-	72	-	234	234
16	Weniwella	Kegalle	Alawwa	454.71	-	48.19	18.38	521.28	709.90	152-183	145	-	22	-	324	324
17	Yataderiya	Kegalle	Undugoda	129.70	115.66	25.90	2.35	273.61	324.30	244-290	78	461	57	1	338	339
18	Udapola CLP	Kurunegala	Polgahawela	-	-	-	-	-	-	-	607	-	-	2	24	26
				4,654.00	1,328.55	521.19	817.38	7,321.12	9,756.73		2,681	1,361	683	12	5,457	5,469

	Estate Name	Factory Details			Certifications*					Workforce			Total
		Crop Manufactured	Factory Type	Rated Kg '000/p.a.	1	2	3	4	5	No. of Executives	No. of Staff	No. of Harvestors & Others	
1	Allagolla	-	-	-	-	-	-	√	-	1	13	155	169
2	Ambadeniya	-	-	-	-	√	-	-	-	2	16	238	256
3	Atale	Rubber	Sole Crepe	950	√	-	-	-	√	3	25	412	440
4	Doteloya	Tea	Leafy/Orthodox	1,394	-	-	√	√	-	2	10	129	141
5	Eadella	-	-	-	-	√	-	-	-	3	12	212	227
6	Etana	Rubber	Scrap	228	-	√	-	-	-	2	13	250	265
7	Gampaha	Tea	Leafy/Orthodox	929	-	-	√	√	-	2	19	168	189
8	Hathbawa	-	-	-	-	-	-	-	-	1	11	156	168
9	Higgoda	-	-	-	-	-	-	-	-	2	9	135	146
10	Kirklees	Tea	Rotorvane	1,239	-	-	√	√	-	2	21	196	219
11	Luckyland	Tea	Rotorvane	1,355	-	-	√	√	-	3	16	256	275
12	Madeniya	-	-	-	-	√	-	-	-	1	7	160	168
13	Pallegama	Rubber	Sole Crepe	800	√	-	-	-	√	3	15	303	321
14	Parambe	Rubber	Crepe	636	√	-	-	-	-	2	22	381	405
15	Udapola	-	-	-	-	√	-	-	-	2	15	175	192
16	Weniwella	-	-	-	-	√	-	-	-	1	13	214	228
17	Yataderiya	Tea	Leafy/Orthodox	1,239	-	-	√	√	-	2	25	307	334
18	Udapola CLP	Rubber	Centrifuged Latex /Skim	5,000	√	√	-	-	-	3	13	48	64
										37	275	3,895	4,207

Note: Other buildings include bungalows, offices, silent factories, staff & worker quarters, dispensaries, maternity wards...etc, total usage of Company buildings is 3,507,810 sq ft.

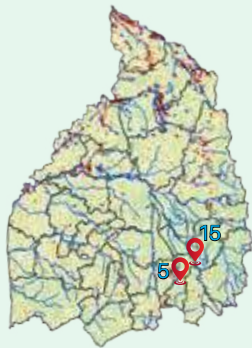
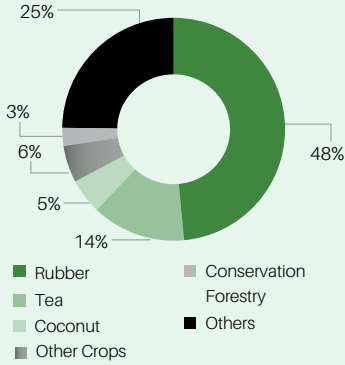
* Certifications

1. ISO 9001 : 2015 System Certification - Rubber
2. EU & USDA-NOP Certification - Organic Rubber
3. ISO 22000 : 2018 System Certification - Tea
4. Rainforest Alliance Certification - Tea
5. Forest Stewardship Council Certification - Rubber



GEOGRAPHICAL PRESENCE

Land Base / Utilisation 2024/25



KURUNEGALA DISTRICT
1,379.57 Ha



KEGALLE DISTRICT
6,814.97 Ha




BADULLA DISTRICT
1,562.19 Ha




Land Base	2024/25		2023/24	
	Extent	%	Extent	%
Rubber	4,654	48%	4,733	49%
Tea	1,329	14%	1,328	14%
Coconut	521	5%	498	5%
Other Crops	561	6%	522	5%
Conservation Forestry	256	3%	256	3%
Others	2,436	25%	2,419	25%
Total	9,757	100%	9,757	100%

OUR JOURNEY OF GROWTH



Incorporation of Kegalle Plantations PLC (KPPLC) as a Regional Plantation Company; RPK Management Services (Pvt) Ltd appointed as managing agent.

1992 >



Listing of KPPLC on the Colombo Stock Exchange and allocation of 10% of share capital to over 8,000 employees.

1996 >





Achieved FSC Forestry Management Certification and ISO 9000:2008 for all rubber factories.

2010 >

2004 >

RPK Management Services (Pvt) Ltd becomes a fully owned subsidiary of RPC Group following the acquisition of JKH's stake.



2011 >

Obtained ISO 22000:2005 and Ethical Tea Partnership certification and recognized by ICASL and SAFA for excellence in financial reporting.





Declared record dividend of Rs. 45/- per share – highest in plantation sector history.

2016 >



All tea estates are certified under the Rainforest Alliance.

2019 >



Achieved the highest ever profit before tax of Rs. 1.018 billion.

2023 >



All natural rubber production is aligned with the European Union Deforestation Regulation (EUDR).

2024 >

2014 >

Received EU & USDA-NOP organic certifications for Centrifuged Latex; awarded Gold in Rubber and Rubber-Based Products by CEA.



2017 >

First Regional Plantation Company to receive ISO 9001:2015 Certification for four rubber factories.



2021 >

Invested Rs. 450 million in infrastructure to support manufacturing for Arpitech (Pvt) Ltd.



MANAGEMENT DISCUSSION & ANALYSIS

Economy Review

The plantation sector in Sri Lanka has a deep-rooted history dating back to the colonial era, when large-scale tea, rubber, and coconut plantations were established by the British in the central highlands. Over time, the sector evolved from its colonial origins to become a key contributor to the national economy.

In the present context, the plantation industry remains a vital source of employment, particularly in rural regions, offering both direct and indirect livelihood opportunities. Tea continues to be one of Sri Lanka's most prominent export commodities, maintaining the country's reputation as a global leader in premium tea production. Rubber and coconut also play important roles in generating export earnings and supporting value-added industries.

Despite its continued importance, the sector is currently facing a range of challenges. These include rising production costs, labour shortages, declining productivity due to ageing plantations, and the increasing impact of climate change. In addition, the socio-economic conditions of estate communities remain an area requiring further improvement, with ongoing concerns around wages, housing, and access to quality education and healthcare.

To address these issues, stakeholders in the plantation sector are placing greater emphasis on sustainability, innovation, and modernization. Key initiatives include replanting programs, the adoption of climate-resilient agricultural practices, improved supply chain efficiencies, and the promotion of ethical and environmentally responsible production standards. Efforts to enhance worker welfare, strengthen community development, and attract younger generations to the industry are also underway.

Moving forward, the plantation sector's performance will depend on its ability to adapt to evolving global market demands, integrate sustainable practices, and navigate both operational and financial pressures. The sector remains a cornerstone of Sri Lanka's economy, with strong potential for revitalization through strategic investment, policy support, and collaborative development efforts.

Global Economic Performance

The global economy continues to face significant headwinds, driven by rising trade tensions, persistent policy uncertainty, and increasing geopolitical and climate-related

risks. Emerging markets and developing economies (EMDEs) are struggling to close income gaps, create sufficient jobs, and reduce poverty, further burdened by declining foreign direct investment and constrained fiscal capacity. Restoring global trade stability and supporting vulnerable countries through coordinated international efforts are essential. At the same time, EMDEs must implement domestic reforms to curb inflation, enhance fiscal resilience, and promote long-term growth through institutional strengthening, private investment, and human capital development—especially in fragile and conflict-affected contexts.

As per the World Bank Flagship Report, Global Economic Prospects issued in June 2025, Global growth is projected to slow to 2.3% in 2025, marking the weakest pace since 2008 outside of recessions, largely due to rising trade barriers and persistent policy uncertainty. A modest recovery is expected in 2026/27, but global output will remain below previous forecasts. Emerging market and developing economies (EMDEs) are expected to make limited progress in narrowing income gaps and reducing poverty.

The outlook is highly dependent on global trade policy. Escalating restrictions or prolonged uncertainty could deepen financial risks, while the resolution of trade tensions could improve prospects. Additional downside risks include geopolitical conflicts, weak growth in major economies, and extreme climate events.

To counter these challenges, multilateral policy coordination is essential to restore stability, support vulnerable economies, and address global imbalances. EMDEs, in particular, need to focus on domestic reforms that enhance institutional quality, improve fiscal resilience, stimulate investment, and strengthen labour markets and human capital development.

Sri Lanka Economic Performance

Sri Lanka's economy rebounded strongly with a 5.0% real GDP growth in 2024, marking the first time since 2017 that all four quarters showed positive growth. This recovery was driven mainly by Industry, particularly manufacturing and construction and supported by Services like accommodation and transport, while Agriculture also contributed positively. At current prices, GDP reached Rs. 29,898.6 billion, with a GDP deflator of 3.8%. Gross National Income rose to Rs. 29,153.9 billion. In USD terms, GDP grew from \$83.8 billion

in 2023 to \$99.0 billion in 2024. GDP per capita increased to Rs. 1,364,235 (USD 4,516), while GNI per capita rose to Rs. 1,330,255 (USD 4,404), helped by nominal growth, population decline, and a stronger rupee against the dollar.

In 2024, Sri Lanka's inflation initially rose due to VAT increases, removal of exemptions, and food price hikes, but then steadily declined, reaching deflation from September. Key factors driving this included significant electricity tariff cuts, a stronger rupee, and lower global commodity prices. Headline inflation dropped from 4.0% at end-2023 to -1.7% by the year-end 2024, while core inflation remained moderate, ending at 2.7%. Food and non-food prices generally trended downward, helped by seasonal harvests, tariff reductions, and transport cost cuts. Consumer price indices reflected these trends with only a slight rise in the cost of living compared to previous years. Inflation expectations initially spiked due to VAT changes but fell below targets by late 2024, aligning with actual inflation declines. Overall, subdued demand, administered price reductions, and currency appreciation eased inflation pressures and household cost burdens throughout the year.

The Sri Lankan rupee appreciated by 10.7%, supported by current account surpluses and steady foreign currency inflows from remittances, tourism, and exports. The Central Bank made record net purchases of USD 2.85 billion to boost reserves, which limited further appreciation. Despite some volatility, the rupee strengthened against major currencies like the euro, pound, yen, and others. The Central Bank maintained a market-based exchange rate policy, intervening mainly to stabilize volatility and build reserves.

In 2024, market interest rates fell further due to continued accommodative monetary policy, including key rate cuts and the introduction of the Overnight Policy Rate. This decline was supported by low inflation and debt restructuring progress. Both deposit and lending rates steadily decreased throughout the year.

Sri Lanka's equity market grew strongly in 2024, with major indexes rising nearly 50-60% and market value increasing by 34%. Domestic investors drove much of this growth, and although there was some foreign selling in the secondary market, overall foreign investment remained positive due to new share sales. Key valuation measures showed mixed trends, and IPO fundraising also increased.



External Sector Performance

In 2024, Sri Lanka's external sector remained strong, with a current account surplus of USD 1.2 billion despite a wider merchandise trade deficit driven by higher imports. The trade deficit, though larger than in 2023, was still below pre-pandemic levels. Growth in exports, especially industrial goods, and improved tourism and remittances helped offset the deficit. Overall trade increased by 10%, supported by recovering economic activity, while terms of trade improved slightly as import prices fell faster than export prices.

Sri Lanka's primary income account deficit remained steady at USD 2.6 billion, mainly due to interest payments on government loans and Central Bank liabilities related to the IMF and RBI swap. Dividends to foreign investors increased, but reinvested earnings declined, reducing direct investment inflows. Interest payments on debt securities rose, but are expected to drop after the debt restructuring of sovereign bonds. Government interest payments on foreign loans also increased due to higher multilateral debt and accrued bilateral debt interest. Meanwhile, the Central Bank's earnings from reserve assets grew, though banking sector interest income fell slightly.

Secondary income account surplus grew significantly, driven by a 10.1% increase in workers' remittances, reaching USD 6.6 billion. This rise was supported by record numbers of Sri Lankan workers going abroad for employment, boosting remittance inflows through official channels and contributing to a secondary income surplus of USD 6.4 billion.

In 2024, Sri Lanka's external debt dropped to USD 57.2 billion after debt restructuring, improving the debt-to-GDP ratio to 57.8%. Government debt fell, while market value rose due to higher bond prices. Central Bank debt declined, and banking sector debt grew slightly.

Outlook

Sri Lanka's economy is expected to continue its recovery, supported by restored macroeconomic stability, low inflation, lower interest rates, positive market sentiment, and stable political conditions. Deflation is likely to end by mid-2025, with inflation stabilizing around the targeted 5% level in the medium term. However, risks such as geopolitical conflicts, global economic shifts, and climate-related disruptions could pose challenges. The Central Bank plans to maintain

forward-looking, data-driven monetary policies to navigate these uncertainties.

On the external front, the trade deficit may widen due to relaxed import restrictions and increased economic activity, but is expected to remain manageable thanks to strong foreign exchange inflows from tourism, services, and remittances. The current account is forecasted to record a modest surplus for the third consecutive year in 2025, supported by improved debt servicing following restructuring. Beyond 2025, the external current account may run a sustainable deficit, while the financial account should see net inflows bolstered by continued IMF support and debt sustainability.

Fiscal and financial sector reforms are set to underpin economic stability going forward. The fiscal sector is expected to perform well, aided by new public financial management legislation and ongoing reforms. Meanwhile, the financial sector's health will improve with better credit risk profiles and a low-interest-rate environment. The Central Bank's efforts to strengthen regulatory frameworks and supervision will enhance financial system resilience. Overall, sustained economic stability, IMF partnership, and structural reforms are key to achieving medium-term sustainable growth.

Agricultural Sector Review

In 2024, Sri Lanka's economy rebounded with a 5.0% real GDP growth after two years of contraction. All four quarters showed positive growth for the first time since 2017. The recovery was led by the agricultural, industrial, and service sectors in proportions of 1.2%, 11%, and 2.4%, respectively.

Agriculture grew slightly by 1.2% in 2024, compared to 1.6% in 2023. This was mainly due to more animal farming and fruit growing. The agriculture sector continued to operate in a challenging environment, marked by climate-related disruptions and structural weaknesses. Notably, coconut cultivation remained in decline for the second consecutive year, limiting broader sectoral growth. In the fourth quarter, extreme weather conditions, including heavy rainfall and floods, negatively affected the cultivation of rice, cereals, and other field crops, as well as fishing activities across several regions. Despite these setbacks, the availability of key inputs such as fertilizers and agrochemicals remained stable, helping maintain essential production levels. However, increased production costs, combined

with price volatility in agricultural markets and continued inflationary pressures, placed additional stress on farmers and agribusinesses.

Company Financial & Operational Review

The fiscal year 2024/25 represented a defining period for Sri Lanka's plantation industry, shaped by a confluence of market volatility, climate-related disruptions, and a significant structural transformation within the agricultural sector. Against this challenging backdrop, this review presents a comprehensive assessment of our financial and operational performance, highlighting key achievements, risks, and strategic responses informed by the evolving dynamics of contemporary agribusiness.

The main plantation industries in which our firm works are tea, rubber, coconut, and oil palm; each of these industries has its own set of possibilities and difficulties that are influenced by changing market conditions. Strong international pricing and rising demand for high-end, ethically sourced teas helped the tea industry, which has historically been a major contributor to Sri Lanka's export economy; post a modest increase in output thanks to better field management and pleasant weather.

To improve long-term sustainability, the coconut and rubber industries, on the other hand, are still concentrating on value-added projects and replanting programs despite persistent difficulties brought on by unpredictable weather, growing input costs, and antiquated farming practices. Improved yields and the use of cutting-edge agronomic techniques propelled the oil palm segment's strong growth and profitability, establishing it as a major contributor to the overall performance of the business.

In order to tackle these complex issues, the business put in place a number of strategic plans aimed at boosting output, improving cost effectiveness, and integrating sustainability into all aspects of operations. Our use of contemporary agricultural practices and focused capital expenditures in field development showed our dedication to long-term resilience. Additionally, a focus on value addition and technological integration lessened the effect of outside forces on output and profits.

Financially speaking, the year saw an increase in overall revenue as well as profit margins, mostly due to the better



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performance of important categories like tea and rubber. Operational stability and ongoing investor trust were guaranteed by a strong asset base, strict financial management, and consistent shareholder involvement. Strategic capital allocations and dividend payments further demonstrated our dedication to shareholder trust and value generation.

In terms of the future fiscal year, the view is still cautiously positive. With continued government reforms, positive market circumstances, and the Company's persistent focus on operational excellence, a steady recovery is anticipated. Our approach will continue to be centered on innovation, sustainability, and efficiency, which will allow us to take advantage of new possibilities and successfully handle unanticipated obstacles.

This review aims to provide stakeholders with a clear and transparent account of our performance in FY 2024/25, emphasizing the Company's adaptability, resilience, and forward-looking approach in an increasingly complex and dynamic plantation landscape.

Industry Review

Rubber Industry

Market Review

Rubber production in Sri Lanka saw a modest rise during the previous financial year, reflecting improved yields in certain regions due to better agronomic practices and favourable weather conditions.

However, the sector continued to grapple with significant structural and economic challenges. High production costs driven by rising prices for fertilizers, agrochemicals, and fuel remained a major concern. Despite these constraints, there is growing interest in technological upgrades, replanting programs, and public-private initiatives to revitalize the industry and enhance its long-term competitiveness.

The global rubber market remained highly volatile during the year, shaped by shifting demand patterns from major importers such as China, the United States, and the European Union. Sri Lanka's rubber industry continued to face intense competition from dominant global producers like Thailand, Indonesia, and Vietnam, who benefit from larger economies of scale, lower production costs, and greater levels of mechanization.

Production

According to the Central Bank of Sri Lanka, rubber production recorded a year-on-year increase of 7.36%, reflecting a moderate recovery supported by improved weather conditions and the gradual implementation of field-level best practices. While this uptick is encouraging, it must be viewed against the backdrop of persistent structural challenges such as high input costs, labour shortages, and global market competition, which continue to weigh on the sector's profitability and long-term sustainability.

Market Prices

Due to a number of variables, rubber auction prices in Sri Lanka fluctuated significantly in 2024. Price instability was caused by a variety of factors during the year, including shifts in global demand, challenges with local supply, and general economic conditions. Pricing was also impacted by local supply limitations and expense increases. Notwithstanding this volatility, the average cost of Ribbed Smoked Sheet No. 1 (RSS 1) rubber increased dramatically to Rs. 714.03, 28% more than the average of Rs. 559.41 from the prior year.

Tea Industry

Market Review

The performance of Sri Lanka's tea industry was notably affected by several key factors, including adverse weather conditions, global market dynamics, and local economic challenges.

Production

The tea production in Sri Lanka reported a slight increase in 2024. According to the Central Bank of Sri Lanka, the total tea production increased by 2.37% compared to the previous year. Total tea production for 2024 was recorded at 262 million kilograms, up from 256 million kilograms the previous year.

There are a number of reasons behind the rise in Sri Lankan tea output. Better yields were probably caused by favourable weather, improved farming methods, and easier access to necessary inputs like fertilizers and agrochemicals. Recovering from earlier setbacks, such as unfavourable weather and insect infestations, was also beneficial to the sector. Production was significantly increased by government assistance in the form of projects, subsidies, and training programs.

Demand Side Factors

According to the Central Bank of Sri Lanka, the export volume of tea increased by approximately 2% in 2024, indicating a modest recovery in output and international demand. Correspondingly, the value of tea exports rose by 1%, reaching a total of USD 1,436 million (approximately Rs. 433,473 Mn). Interestingly, while export volumes increased, the relatively lower growth in export value suggests a marginal decline in the average unit price. This could reflect a shift in the export mix, global pricing adjustments, or variations in demand for premium versus bulk teas. Nevertheless, the overall growth underscores the resilience of the tea sector amid fluctuating market conditions and reinforces the importance of ongoing efforts to enhance value addition, branding, and market diversification.

The global tea market experienced fluctuations in demand, with key importers like Russia, the Middle East, and the European Union adjusting their import levels based on economic conditions and changing consumer preferences. Sri Lankan tea faced stiff competition from other major tea-producing countries such as India and Kenya.

Market Prices

The auction prices for tea in Sri Lanka for the financial year varied based on the elevation categories - Low Grown, Medium Grown, and High Grown - as well as overall market trends.

The average auction price for Low Grown tea stood at approximately Rs. 1,322.46 per kilogram in 2024. Despite a marginal increase in production, prices remained relatively stable, reflecting consistent demand in key export markets. The average auction price for Medium Grown tea is reported as approximately Rs. 1,073.20 per kilogram. Medium Grown tea prices were somewhat affected by the Favourable weather conditions likely improved the quality and yield of tea, boosting market demand. Moreover, the average auction price for High-grown tea was approximately Rs. 1,156.27 per kilogram. High Grown teas, known for their distinctive flavours and high quality, maintained relatively higher Prices.

The average auction price for Sri Lankan tea across all categories was at Rs. 1,245.10 per kilogram. Global demand for premium Ceylon tea and a declining value of the Sri Lankan Rupee, which increased Sri Lankan tea's competitiveness in foreign markets,



helped to support the total auction prices. However, the general decline in tea output and the inconsistent performance of each elevation group had an impact on price swings.

Coconut Industry

Market Review

The coconut production in Sri Lanka experienced a significant decline during the year. The Central Bank of Sri Lanka estimates that production fell by about 12% from the previous year. The country's total coconut production for 2024 was 2,792 million nuts, down from 3,169 million nuts the year before. This indicates a decrease in the overall yield of coconut cultivation during this time. The primary causes of the decline in coconut production were unfavourable weather conditions, especially protracted droughts followed by heavy rains, which had a significant negative impact on yields during the crucial flowering and fruiting stages of the coconut palms, while heavy rains caused waterlogging and a higher risk of disease.

Company Segmental Review

Rubber Segment

Kegalle Plantations PLC (KPPLC) encountered significant challenges in its rubber segment during the 2024/25 financial year. Even though the country's total rubber yields increased due to excellent weather, KPPLC's own rubber production fell by 19%. As a result of this shortage, the income from the rubber segment decreased by 5%. These results demonstrate how vulnerable the category is to both internal operational limitations and external market swings.

The Net Sales Average (NSA) for rubber experienced a significant increase during the 2024/25 financial year. It rose to Rs. 846.46, marking a 28% improvement compared to the previous year's figure of Rs. 661.65. This increase in the NSA reflects stronger market pricing trends during the period. However, despite the higher NSA, the rubber segment still faced challenges such as reduced production volumes and lower overall revenue, underscoring the segment's sensitivity to both price volatility and operational constraints.

During the 2024/25 financial year, revenue from the rubber segment declined to Rs. 2.2 billion, representing a 5% decrease compared to Rs. 2.3 billion recorded in the previous year. Despite the drop in revenue, the segment delivered a notable

improvement in profitability. Gross profit from the rubber segment rose significantly to Rs. 458 Mn, reflecting a 121% increase from Rs. 207 Mn in the prior year. This improvement in gross profitability, despite lower revenue, indicates enhanced cost efficiencies and improved margins within the segment.

In the 2024/25 financial year, the Company recorded a profit margin of Rs. 234.89, an increase from Rs. 100.48 in the previous year. This represents a 134% rise in profit margin compared to the prior year, highlighting a significant improvement in profitability. The strong performance reflects effective management strategies and operational efficiencies during the year.

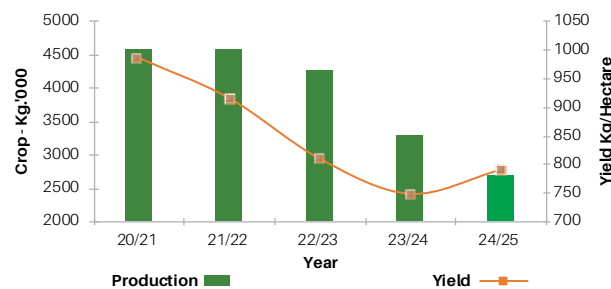
The rubber segment has traditionally been the dominant component of the Company's operations. However, the segment's reduced financial performance during the period can be attributed to lower production volumes and revenue, which offset the positive impact of improved profit margins.

Tea Segment

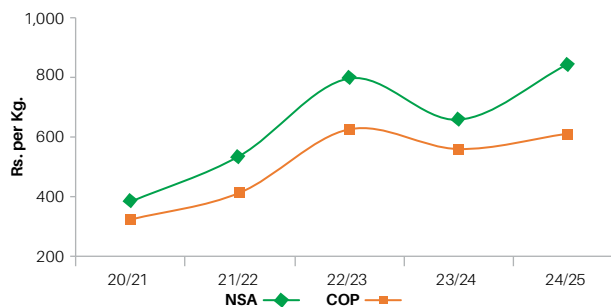
During the year under review, the Company's tea production decreased by 3%, totalling 1.36 million kilograms compared to 1.4 million kilograms in the 2023/24 financial year. Despite the decline in production, revenue from the tea segment experienced a notable rise, increasing by 6% from Rs. 1,386 Mn to Rs. 1,472 Mn.

In the 2024/25 financial year, the Net Sales Average (NSA) for the Company's tea segment rose by 9%, increasing from Rs. 991.69 to Rs. 1,081.82. Concurrently, the Company's Cost of Production (COP) increased by 3%, rising from Rs. 941.43 to Rs. 973.84, driven by various macro-economic factors. As a result of these changes, the Company reported a per kilogram profit of Rs. 107.98 by the end of the year, representing a significant 115% increase compared to the previous year's profit of Rs. 50.27 per kilogram. This substantial rise in profit margin highlights the combined impact of higher NSA and increased production costs on the overall profitability of the tea segment.

Crop Vs. Yield - Rubber



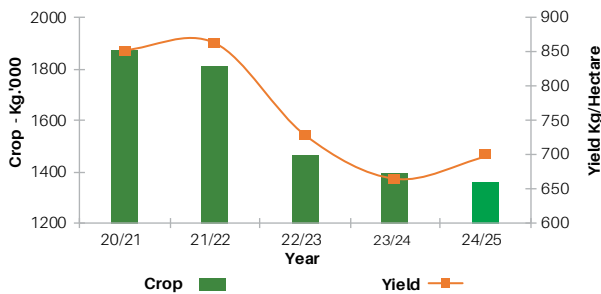
NSA Vs. COP Rubber (In Rupees per kilo)



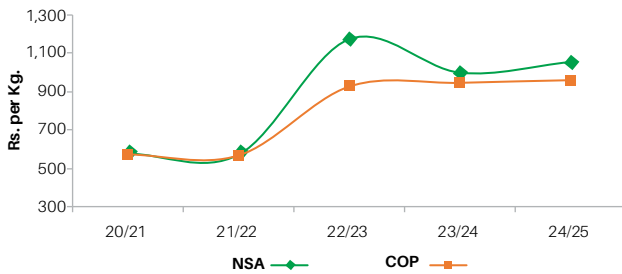
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The substantial rise in the Net Sales Average (NSA), alongside the increase in the Cost of Production (COP), has influenced the Company's operations. The previous year's gross profit of Rs. 29 Mn increased significantly to Rs. 94 Mn during the financial year under review. This considerable growth in gross profit highlights the positive impact of higher NSA, which more than offset the rising production costs, thereby strengthening the Company's financial performance.

Crop Vs. Yield - Tea



NSA Vs. COP Tea (In Rupees per kilo)



Coconut Segment

During the year under review, the coconut segment operated in a challenging market environment shaped by broader economic and sector-specific headwinds. Despite these pressures, the segment demonstrated resilience, supported by a higher Net Sale Average (NSA) and improved profit margins.

The Company's production of coconuts decreased to 683 thousand nuts during the year under review, compared to 993 thousand nuts in the 2023/24 financial year. This represents a 31% reduction in production, indicating a slight weakening in output for the coconut segment.

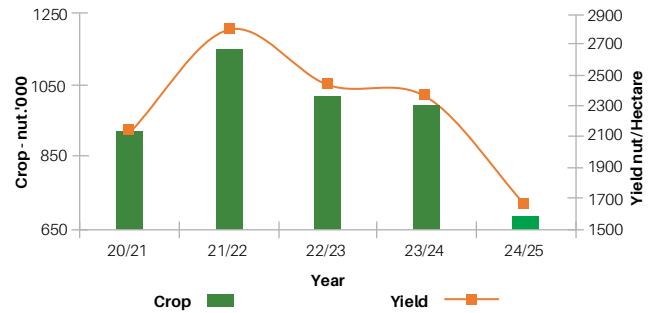
During the financial year under review, the Net Sales Average (NSA) for the coconut operations improved by 50%, rising from Rs. 66.31 to Rs. 99.20. Conversely, the Cost of Production (COP) for the coconut operations increased significantly by 13%, escalating from Rs. 49.68 to Rs. 56.10. The coconut plantation's earnings increased significantly despite of these unstable market and operating conditions. Revenue increased by 4% from Rs. 70 Mn in 2023/24 to Rs. 73 Mn in 2024/25.

This rise demonstrates the segment's adaptability and capacity to provide income development in the face of growing production costs and market difficulties.

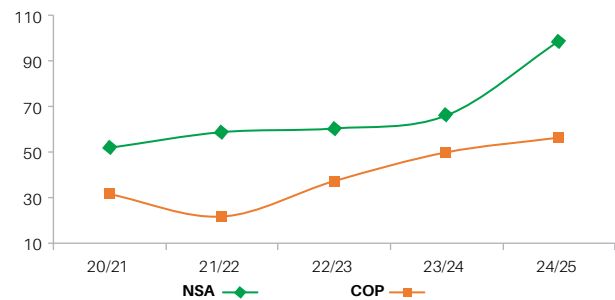
There was a 159% rise in the gross profit margin, from Rs. 16.64 to Rs. 43.10. The coconut segment's financial performance during the reviewed year has benefited from this notable increase in the gross profit margin.

In alignment with the changes in revenue and costs, the gross profits of the coconut plantation have increased. Gross profits rose by 79%, from Rs. 18 Mn in the previous year to Rs. 32 Mn during the current financial year. This significant growth reflects the positive impact of increased revenue, which outweighed the effect of rising production costs.

Crop Vs. Yield Coconut



NSA Vs. COP Coconut (In Rupees per nut)



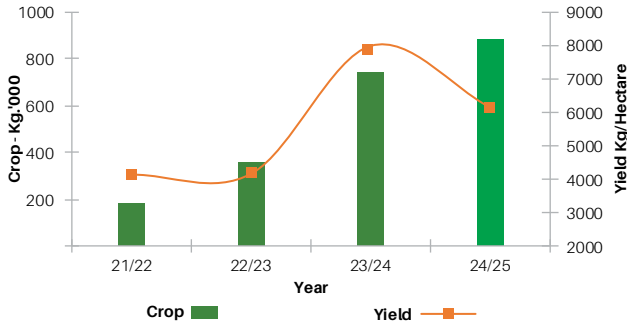
Oil Palm Segment

The Oil Palm segment of the Company made a further positive contribution to overall performance, reporting an operating profit of Rs. 34 Mn for the current financial period. This reflects a 26% increase compared to the previous year, underscoring the segment's strong impact on the Company's financial results.

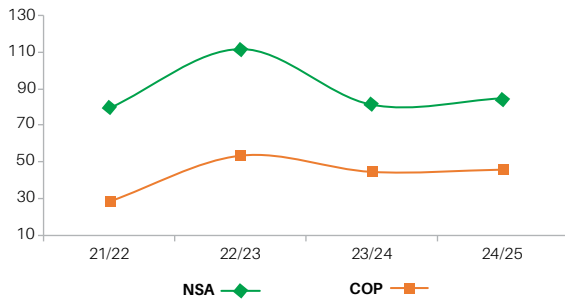
During the year under review, the Company achieved a crop yield of 878 thousand kilograms, a notable increase from the 738 thousand kilograms recorded in the previous year. In line with prevailing market conditions, the Net Sales Average (NSA) stood at Rs. 83.76, while the Cost of Production (COP) was Rs. 45.56. As a result, the segment reported an operating profit of Rs. 34 Mn, up from Rs. 27 Mn in the previous financial year. The increase in yield, along with favourable market conditions, significantly contributed to this improved financial performance.



Crop Vs. Yield - Oil Palm



NSA Vs. COP - Oil Palm (In Rupees per Kilo)



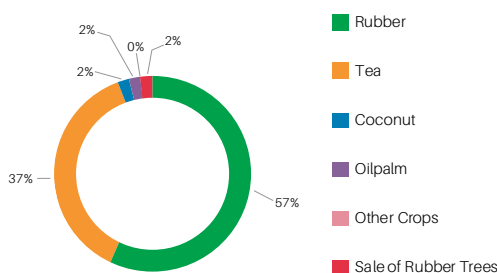
Operating Highlights

Notwithstanding significant political, social, and economic challenges, the Company put up a lot of effort to achieve solid financial and operational performance during the fiscal year 2024/25. The Company showed its commitment to giving shareholders value by announcing and issuing a dividend of Rs. 3.50 per share. Despite navigating difficult market conditions, the management's ability to maintain dividend payments shows a strategic commitment to maintaining shareholder confidence and trust. The Company's ability to preserve shareholder wealth in the face of external constraints demonstrates its steadfast dedication to operational excellence and financial stability.

Revenue

Sales of the Company increased moderately in the fiscal year 2024/25. The total income for the year was Rs. 3.92 billion, representing a 0.4% increase from Rs. 3.91 billion recorded in the previous year.

Segmental Contribution to Revenue



Profitability

The fiscal year 2024/25 marked a significant improvement in the profitability of Kegalle Plantations PLC. Earnings after tax surged from Rs. 21 Mn in the previous year to Rs. 517 Mn, representing an exceptional increase of 2,334%. This sharp rise reflects the Company's strengthened financial performance and effective strategic management during a period of ongoing industry challenges.

KPPLC's gross profit from operations increased by 110% year-on-year, rising from Rs. 334 Mn in 2023/24 to Rs. 700 Mn in the current financial year. This notable improvement reflects enhanced operational efficiency and strategic management across key business segments. The Rubber division, the Company's primary profit driver, delivered outstanding performance throughout the year, contributing an operating profit of Rs. 458 Mn despite broader challenges in the plantation industry. Other segments also contributed positively to the overall performance: the Tea segment recorded an operating profit of Rs. 94 Mn, while the Coconut and Oil Palm segments generated Rs. 32 Mn and Rs. 34 Mn, respectively. Furthermore, KPPLC's main business, the selling of rubber trees, generated an operational profit of Rs. 83 Mn.

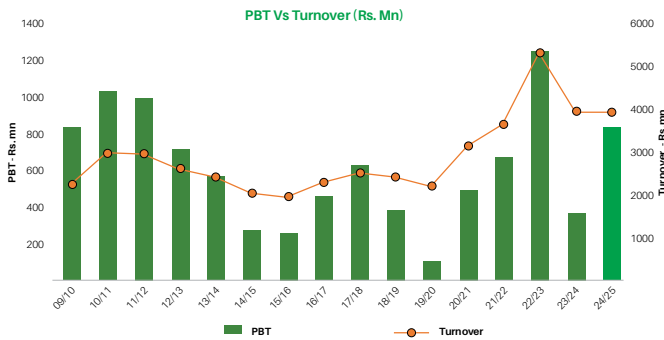
During the fiscal year, the Company's operating profit increased significantly, rising from Rs. 373 Mn to Rs. 827 Mn, a 121% growth. This substantial improvement was primarily driven by strong performance in core operational areas, particularly in the Rubber division, as well as enhanced cost management and increased revenue from ancillary activities. Administrative expenses increased by 16%, despite the relative stabilization of the general price level in the country. This increase reflects persistent cost pressures associated with day-to-day operations. Additionally, the management fee rose by 103%, primarily as a result of the Company's increased operating performance during the year.

The Company's finance income increased during the year, supported in part by exchange gains resulting from the appreciation of the Sri Lankan rupee against the US dollar. This appreciation was driven by improvements in Sri Lanka's external sector and broader monetary stability, contributing positively to the Company's financial performance. On the other hand, the Company's finance costs decreased by 18% during the year, primarily due to a reduction in interest expenses on long-term borrowings. However, the Company continued to rely on several short-term funding facilities to manage its working capital requirements throughout the review period.

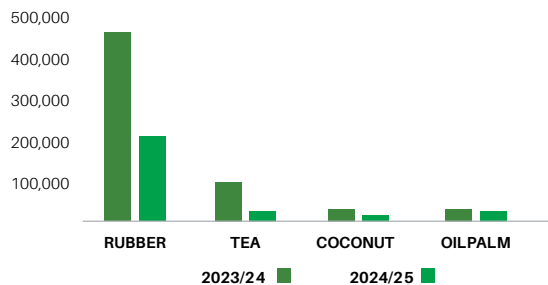
The combined effect of reduced finance costs and overall financial management resulted in a profit before tax of Rs. 638 Mn for the financial year 2024/25, representing a significant increase of 370% compared to the previous year.



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Segmental Profit (Rs. Mn)



Asset Base

The Company's strong asset base remains a key strength, underpinning its financial stability and operational resilience. A substantial portfolio of assets not only enables the Company to withstand market volatility but also provides a solid foundation for future investment and growth initiatives.

As at the end of the financial year, KPPLC's total assets were valued at Rs. 8.45 billion, while shareholders' equity stood at Rs. 3.99 billion. This reflects the Company's solid financial position, maintained despite ongoing challenges in the operating environment. The Company recorded an 8% year-on-year increase in its total asset base, primarily driven by an 8% growth in non-current assets, indicating sustained investment in long-term productive assets. Current assets also increased, reaching Rs. 1.81 billion, thereby strengthening the Company's liquidity and enhancing its short-term financial flexibility.

This robust asset structure enhances KPPLC's ability to secure funding, pursue strategic investments, and take advantage of emerging opportunities, all of which are crucial for driving long-term growth and sustainability.

Net Assets Per Share

The Company's Net Assets per Share (NAPS) highlights its solid financial foundation, providing shareholders with a transparent view of the intrinsic value of their investment. This metric reinforces the Company's capacity to generate sustainable returns and maintain long-term financial stability. Reflecting this strength, NAPS increased by 10% to Rs. 159.80 as of the end of the financial year.

A significant increase in the value of net assets attributable to each share is reflected in the 10% increase in Net Assets per Share (NAPS). Improved operational performance, careful cost control, strategic asset revaluations, and a better balance sheet position are some of the reasons for this development. When taken as a whole, these factors highlight the business's capacity to increase shareholder value and preserve financial stability.

Earnings Performance : Although net profit increased during the year, higher operational costs and dividend payouts moderated the growth in retained earnings, resulting in a limited impact on net assets per share.

Market Conditions : Despite broader market conditions and industry-specific challenges, KPPLC demonstrated strong financial resilience, as reflected in the increase in net assets per share. This growth highlights the Company's ability to enhance shareholder value through prudent financial management and strategic investment in core assets.

The improvement in net assets per share underscores the Company's solid financial foundation and commitment to long-term value creation, positioning KPPLC well to capitalize on future opportunities despite a dynamic operating environment.

Debt Position

The Company's funding is primarily sourced through a mix of long-term and short-term borrowings. As at the end of the financial year, total borrowings amounted to Rs. 735 Mn, including Rs. 481 Mn in overdraft facilities. This structure reflects a balanced approach to financing, combining long-term financial commitments with short-term liquidity solutions to support ongoing operations and growth initiatives.

Additional funding requirements have been met through external borrowings, which have helped reduce the overall cost of capital. By securing bank loans at lower and concessionary interest rates, the Company has effectively optimized its financing costs, taking advantage of favourable market and economic conditions to enhance financial efficiency.

Cash Flows

In line with the Company's improved operating performance, net cash from operations increased by 230%, reaching Rs. 945 Mn compared to Rs. 286 Mn in the previous year. This growth reflects the positive impact of higher profitability and effective working capital management on operating cash flow.

Cash flow from investing activities recorded an outflow of Rs. 372 Mn, representing a 34% decrease from the previous year. This continued investment reflects KPPLC's commitment to long-term sustainability initiatives, aligning capital expenditure with its environmental and social responsibility objectives.

Cash outflows from financing activities increased to Rs. 438 Mn, compared to Rs. 296 Mn in the previous year. This increase was primarily due to the repayment of long-term borrowings and dividend distributions. The higher financing outflows underscore KPPLC's prudent financial management, particularly its focus on strengthening the balance sheet and reducing debt obligations.



Capital Expenditure

The Company made capital expenditures totaling Rs. 474 Mn for the fiscal year 2024/25. At Rs. 438 Mn, a sizeable chunk of this investment went towards field development projects. The Company's dedication to strengthening its agricultural operations and raising long-term production is demonstrated by this strategic deployment.

The following is a breakdown of field development costs:

- **Rubber:** To develop rubber estates, the business set out Rs. 367 Mn. This investment demonstrates the emphasis on boosting rubber production's output and quality, which is still a critical area for the business.
- **Tea:** Rs. 3 Mn was invested in field development within the tea segment. This expenditure reflects the Company's ongoing commitment to enhancing field productivity, improving plant quality, and ensuring the long-term sustainability of tea cultivation operations.
- **Coconut:** The establishment of coconut plantations required an investment of Rs. 37 Mn. By increasing coconut farming's productivity and efficiency, this allocation will support the Company's diversification initiatives.
- **Oil Palm:** The development of oil palm crops required an investment of Rs. 24 Mn. This investment is a component of the Company's plan to enhance its total agricultural portfolio and increase its market share in the oil palm industry.

The Company's proactive commitment to maintaining and expanding its core agricultural activities is reflected in these focused investments in field expansion, which position the business for future success and industry resilience.

Debt and Finance Cost

The 2024/25 financial year was marked by a challenging borrowing environment, prompting Companies to adopt various strategies to manage finance costs amid ongoing economic uncertainties.

KPPLC's finance costs amounted to Rs. 191 Mn, reflecting an 18% year-on-year reduction. This was primarily attributable to a decline in benchmark borrowing rates offered by banks. Despite this reduction in

finance costs, the Company's net borrowing balance decreased by 40%, reaching Rs. 735 Mn by the end of the financial year. This overall decline in borrowings was accompanied by increased utilization of overdraft facilities to support liquidity needs arising from weaker operating results. While this short-term funding approach helped manage cash flow, it contributed to the elevated level of finance costs observed during the year.

Market Capitalization

For KPPLC, the Company's significant market presence and investors' faith in its future prospects are demonstrated by its end-of-year market valuation of Rs. 3.5 billion. Investor sentiment and the Company's capacity to provide returns over time are reflected in the value per market share, which was measured at Rs. 140. These numbers demonstrate the Company's sound financial standing, adeptness in overcoming obstacles in the market, and general growth in value since its founding.

Additionally, a firm with a high market capitalization is more visible in the capital markets, which attracts institutional investors and improves its chances of obtaining funds. In order to achieve its long-term objectives of wealth creation and steady growth, KPPLC has made preserving and increasing market capitalization a strategic priority.

Earnings Per Share

Earnings per share (EPS) is a key indicator of a Company's financial performance, representing profitability on a per-share basis. For the fiscal year 2023/24, KPPLC reported an EPS of Rs. 0.85. This figure rose sharply to Rs. 20.67 in 2024/25, reflecting a substantial improvement in the Company's operating and financial performance.

The increase in EPS was driven by several factors, including stronger profitability across key business segments, improved cost management, and enhanced financial efficiency. This growth underscores KPPLC's ability to generate value for its shareholders, even amidst a dynamic and challenging operating environment.

In conclusion, the high price-to-earnings (P/E) ratio reflects strong market expectations and investor confidence in KPPLC's future growth potential. The significant rise in EPS highlights the Company's improved operational and financial performance during the year.

This alignment between earnings growth and market optimism underscores the importance of continued strategic focus and transparent communication to sustain investor trust and enhance long-term shareholder value.

Dividends

In comparison to the dividend distribution from the previous year, the KPPLC Board of Directors has recommended a total dividend payout of Rs. 3.50 per share for the fiscal year 2024/25. This illustrates the business's steadfast dedication to compensating shareholders. This strategy shows the Company's commitment to provide investors value while putting itself in a position to grow in the future.

In order to compensate shareholders for the value generated, KPPLC has a dividend policy that makes sure dividends are paid out in a way that takes into account both monetary and non-monetary accomplishments. Finding a balance between paying out profits to shareholders and keeping enough cash on hand to support long-term growth is the Company's main financial objective.

Statement of Value Added

Statement of Value Added shows how KPPLC has created value and distributed it to different stakeholders. Dividends of Rs. 87.5 Mn for the fiscal year 2024/25 demonstrate the Company's dedication to providing value to its owners. This distribution focuses on maintaining and improving the Company's long-term strategic goals while also being consistent with the Company's strategy for sharing financial rewards.

In conclusion, even though the 2024/25 dividend payment may seem small, it strikes a strategic balance between compensating shareholders and keeping enough cash on hand to fund the business's expansion in the future.

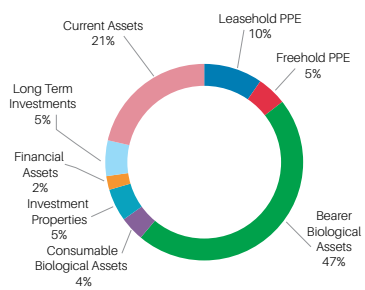


MANAGEMENT DISCUSSION & ANALYSIS

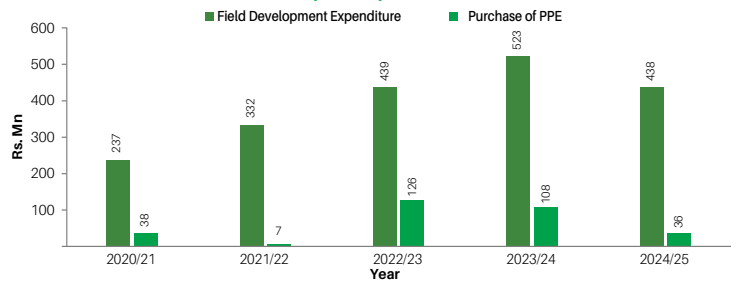
QUARTERLY PERFORMANCE

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2024/25 Total	2023/24 Total
Revenue	Rs '000	963,556	1,084,167	931,785	944,194	3,923,702	3,907,108
Gross Profit / (Loss)	Rs '000	173,867	278,976	249,578	(2,407)	700,014	334,112
Profit Before Interest & Tax	Rs '000	37,934	158,129	143,813	107,433	447,309	(95,870)
Profit Before Tax	Rs '000	94,940	213,870	204,139	124,955	637,904	135,618
Profit After Tax	Rs '000	94,940	198,522	196,465	26,944	516,871	21,234
Earnings per Share	Rs.	3.80	7.94	7.86	1.08	20.67	0.85
Net Assets Value per Share	Rs.	149.70	157.64	165.50	159.80	159.80	145.90
Last Traded Market Price per Share	Rs.	114.00	115.00	130.00	140.00	140.00	120.50
Highest Market Price per Share	Rs.	125.75	117.75	134.50	159.00	159.00	140.00
Lowest Market Price per Share	Rs.	113.25	108.00	113.25	128.25	108.00	105.00
Total Assets	Rs 'Mn	7,856	8,065	8,248	8,447	8,447	7,847
Total Equity	Rs 'Mn	3,742	3,941	4,137	3,995	3,995	3,648
Total Debt	Rs 'Mn	4,113	4,124	4,111	4,452	4,452	4,199
Debt Equity Ratio	%	110	105	99	111	111	115
Equity / Asset Ratio	%	48	49	50	47	47	46
Price Earnings Ratio	Times	30	14	17	130	7	142

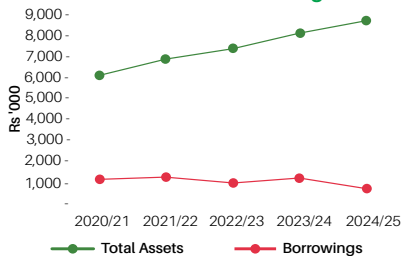
Composition of Assets 2024/25



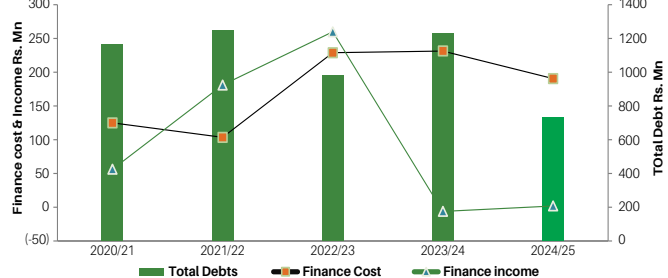
Capital Expenditure



Total Assets Vs Borrowings



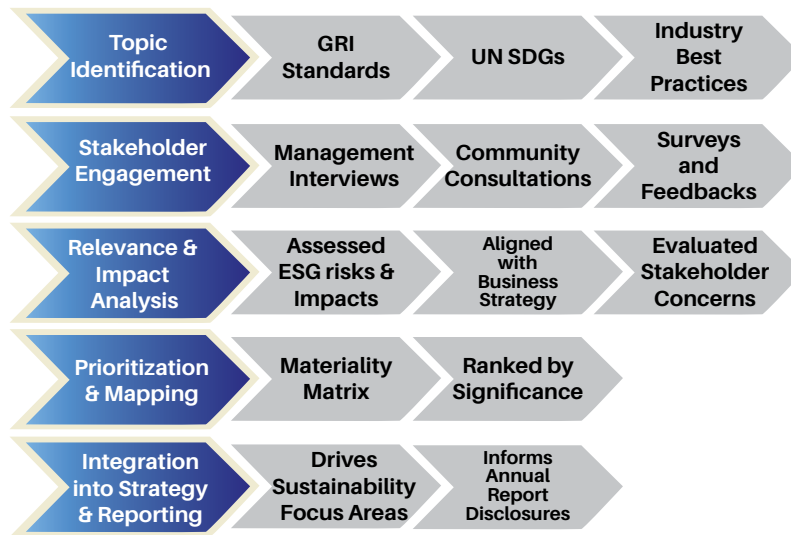
Total Debts Vs Finance Cost and Finance Income



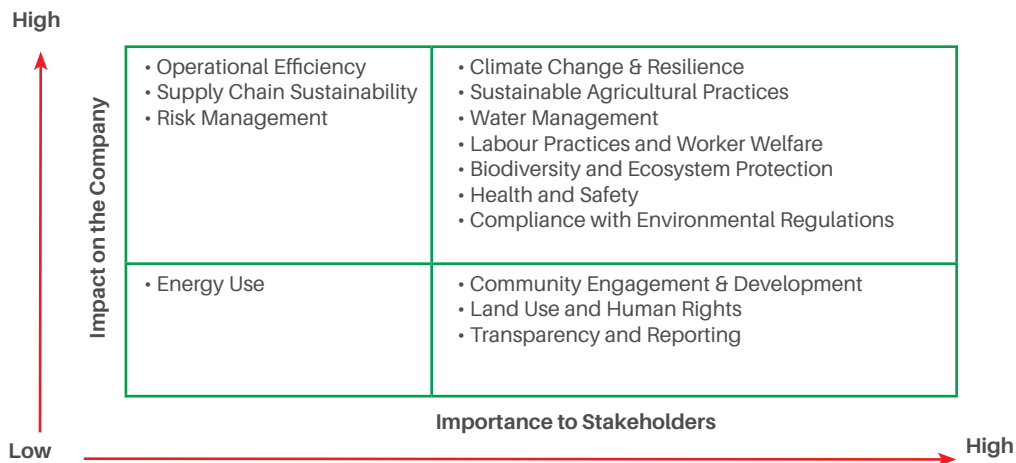
Materiality Assessment

GRI: 3

With the participation of important internal and external stakeholders, such as staff members, smallholder farmers, regulatory agencies, consumers, and local communities, we carried out a thorough materiality assessment in accordance with the GRI Standards and regional best practices to appraise the importance of various sustainability topics. The evaluation guided our strategic decision-making, sustainability reporting, and risk management by assisting us in prioritizing the ESG issues that most affect our operations and are of the utmost importance to our stakeholders.



Following the identification of the material subjects, we evaluated their applicability to our operations and stakeholder concerns before ranking them according to importance to ensure that our reporting is focused on areas that are truly material and impactful for both the Company and its stakeholders. Main disclosures and sustainability strategy in our annual report are informed by the findings of the materiality assessment.



We are steadfast in our resolve to improve our stakeholder engagement procedures going ahead. We will continue to provide shared value for everyone by paying attention to their concerns, cooperating to overcome obstacles, and encouraging teamwork.



MANAGEMENT DISCUSSION & ANALYSIS

Stakeholder Engagement

GRI: 2-29

At KPPLC, we understand that the connections we make with our stakeholders are critical to our long-term success. We are dedicated to promoting open, courteous, and cooperative communication with all parties who have an impact on or affect our business operations. Local communities, workers, clients, suppliers, investors, regulatory agencies, non-governmental organizations (NGOs), and trade associations are just a few of our stakeholders.



Every group of stakeholders has distinct expectations and concerns that affect how they interact with the firm and their viewpoints are vital in forming our business plans.

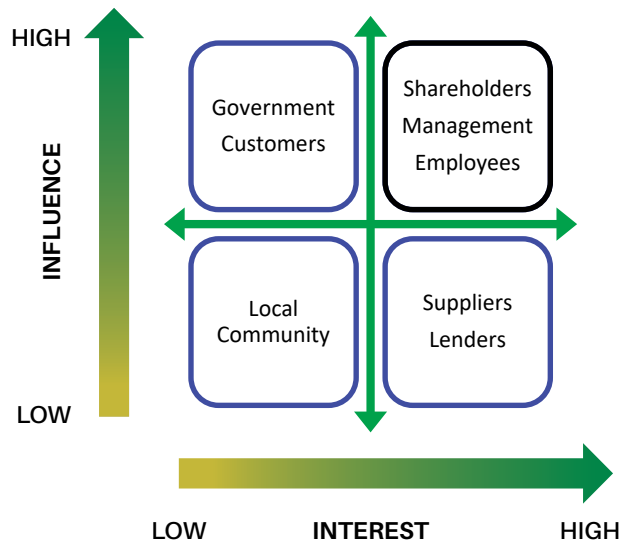
Stakeholder	Area(s) of Interest	Engagement Objectives	Methods of Engagement
Employees	<ul style="list-style-type: none"> • Health, safety, and well-being of workers • Fair wages and benefits • Training and skill development • Job security and career advancement • Workplace conditions and labour rights 	Ensure well-being, fair treatment, and growth opportunities	Surveys, training, grievance mechanisms
Investors & Shareholders	<ul style="list-style-type: none"> • Financial performance • Risk management • Corporate governance and transparency • ESG performance 	Communicate performance, risk management, and ESG initiatives	Investor briefings, AGMs, ESG disclosures
Management	<ul style="list-style-type: none"> • Operational efficiency and profitability • Strategic direction and business growth • Employee engagement and retention • Sustainability integration into core operations • Regulatory compliance and risk management 	Align operational efficiency with strategic growth and business objectives and address internal concerns	Executive meetings, strategy reviews, performance assessments
Customers & Buyers	<ul style="list-style-type: none"> • Product quality and traceability • Commitment to sustainability • Fair trade and labour standards • Transparency in production processes 	Deliver on sustainability, quality, and traceability commitments	Sustainability reports, audits, certifications
Suppliers & Contractors	<ul style="list-style-type: none"> • Timely payments and fair contracts • Compliance with environmental and social standards • Long-term, stable partnerships • Ethical business practices 	Build long-term, ethical, and mutually beneficial relationships	Supplier audits, performance reviews, regular business meetings



Local Communities	<ul style="list-style-type: none"> • Environmental impact • Social responsibility • Biodiversity preservation and sustainable land use • Continuous improvement in corporate sustainability practices 	Build trust, address social and environmental concerns	Community consultations, CSR projects, feedback forums
Government	<ul style="list-style-type: none"> • Compliance with local laws • Environmental sustainability • Fair labour practices and human rights • Economic contributions • Adherence to industry-specific standards 	Ensure compliance and contribute to policy dialogue	Regulatory reporting, joint initiatives, public hearings
Lenders & Financial Institutions	<ul style="list-style-type: none"> • Repayment capacity and financial stability • Cash flow management and risk mitigation • Sustainability of business practices • Interest rates, loan terms, and repayment schedules • Corporate governance and transparency 	Ensure financial stability, risk management, and timely loan repayment	Financial reports, risk assessments, regular check-ins, quarterly meetings

When determining which issues (referred to as material topics) is most relevant to report, we use a systematic process that includes engaging with our stakeholders, analyzing both internal and external factors, and assessing which economic, environmental, and social issues are most significant to our operations and stakeholders.

We hope that this report will provide our stakeholders with a clear picture of how we are maintaining the highest standards of corporate and financial responsibility while managing the possibilities and difficulties within the plantation industry.



VALUE CREATION MODEL

INPUT

Financial Capital

- Equity: Rs. 3,995 Mn
- Debt: Rs. 765 Mn
- Reinvested Profit: Rs. 604 Mn
- Revenue: Rs. 3,924 Mn
- Government Subsidies & Grants: Rs. 23 Mn

Manufactured Capital

- Land: 9,757 Ha
- Property, Plant & Equipment: Rs. 411 Mn
- Buildings: Rs. 53 Mn
- Machinery: Rs. 254 Mn

Intellectual Capital

- Research & Development
- Expertise
- Data & Information

Human Capital

- Workforce : 4,235
- Knowledge and Skills
- Training & Development
- Health & Wellbeing: Rs. 52 Mn

Social and Relationship Capital

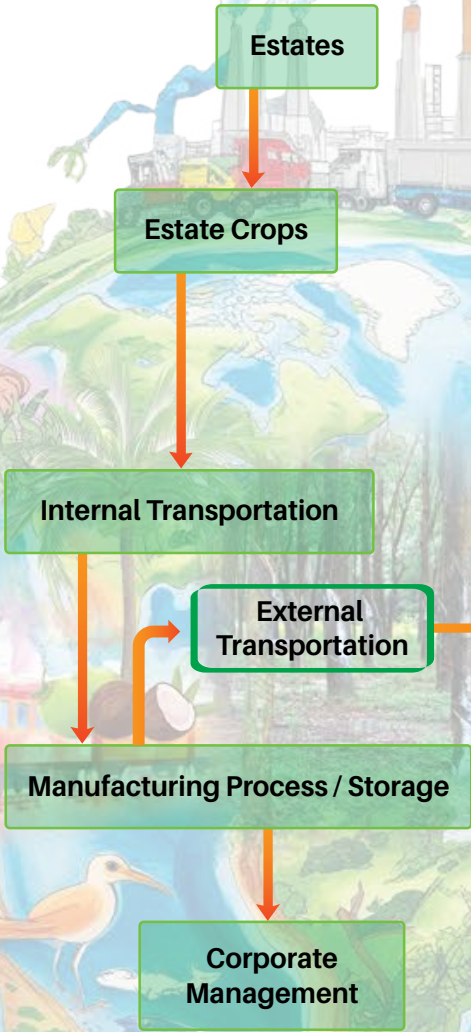
- Stakeholder Engagement
- Corporate Social Responsibility
- Supplier Relationship

Natural Capital

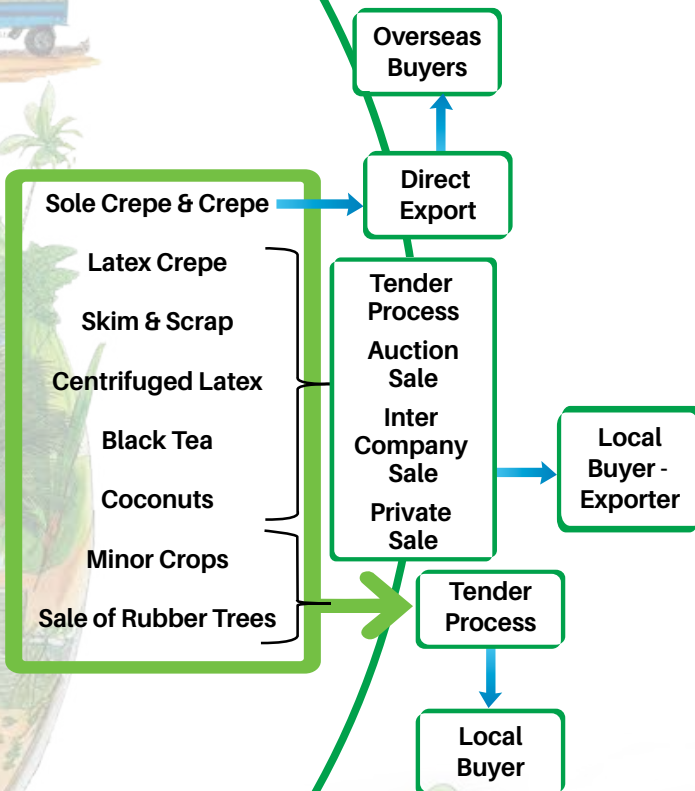
- Land, Water, Biodiversity, and Climate Conditions
- Ecosystem Services
- Sustainable Farming Practices

PROCESS

- Plantation Factory/ Storage
- Chemical Suppliers
- Packing Material Suppliers
- Machine Service Providers
- Electricity Suppliers
- Fuel Suppliers
- Spare & Consumables
- Bought Leaf/Latex Suppliers



OUTPUT



Financial Capital

- Profitability: Rs. 517 Mn
- Tax payments: Rs. 66 Mn
- Wages: Rs. 1,548 Mn
- Dividend payments: Rs. 88 Mn
- Market capitalization: Rs. 3.5 Bn

Manufactured Capital

- Productivity
- Quality Products
- Energy- Efficient Processes
- Waste Management Systems

Intellectual Capital

- Innovation
- Knowledge Transfer
- Proprietary Processes

Human Capital

- Employee Productivity
- Employee Satisfaction and Retention
- Job Creation

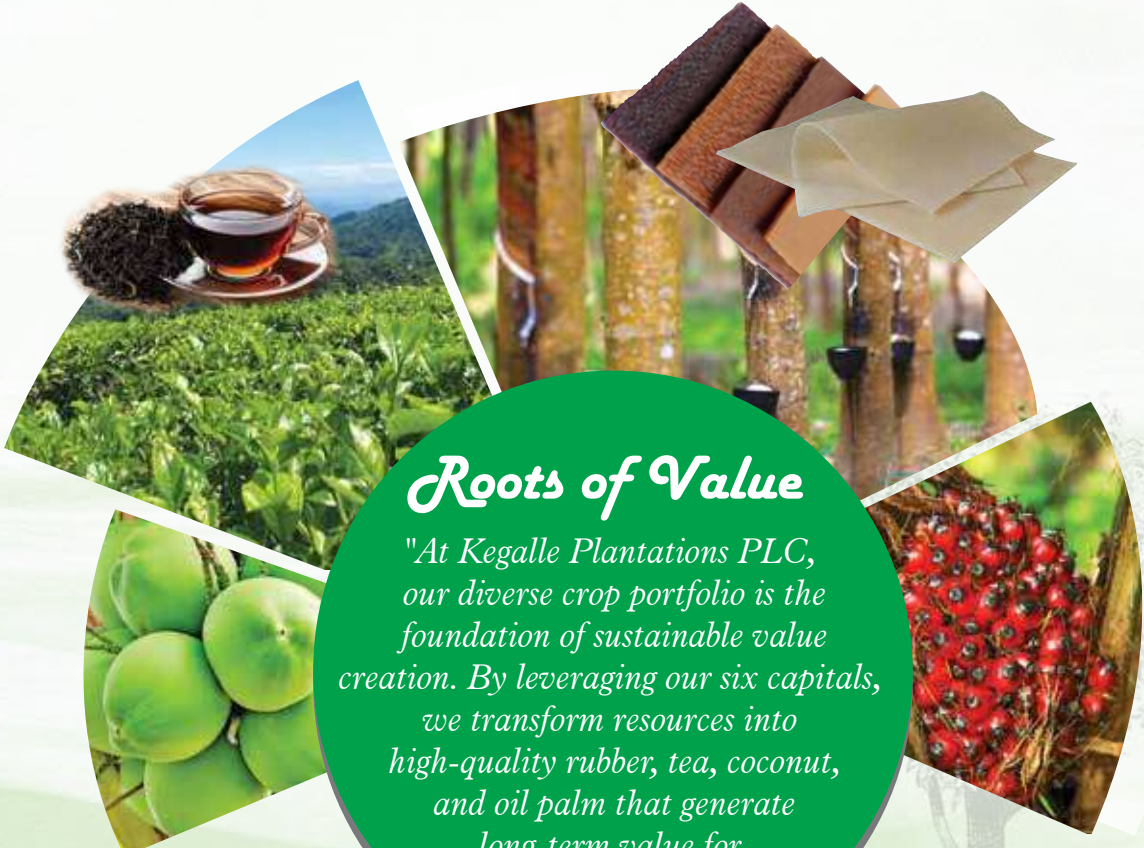
Social and Relationship Capital

- Community Development
- Customer Trust
- Brand Reputation

Natural Capital

- Sustainability
- Minimum Negative Impact to the Environment
- Product Longevity





Roots of Value
"At Kegalle Plantations PLC, our diverse crop portfolio is the foundation of sustainable value creation. By leveraging our six capitals, we transform resources into high-quality rubber, tea, coconut, and oil palm that generate long-term value for all stakeholders."

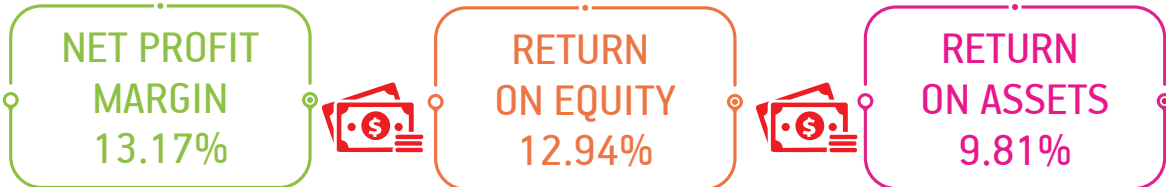


FINANCIAL CAPITAL



One of the pillars of our long-term development and operational sustainability continues to be our Company's financial capital. To support our strategic ambitions, maintain operational resilience, and optimize shareholder value, we kept fortifying our financial foundation in 2025.

Financial Performance Metrics

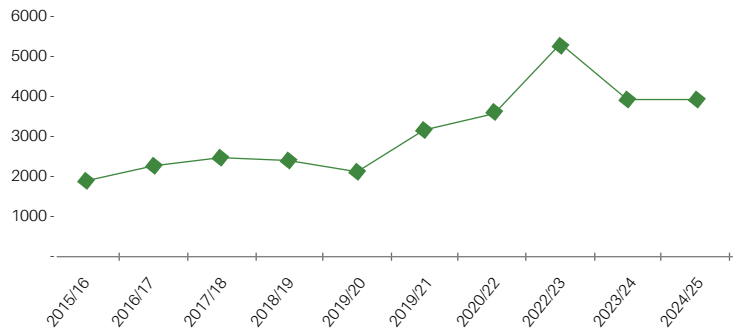


Revenue

Strategic operational improvements and excellent market circumstances across major crop sectors supported KPPLC's sound revenue performance of Rs. 3,924 mn in the fiscal year 2025. The Company's diverse crop portfolio, which included tea, rubber, coconut, oil palm, and other commercial crops, acted as a buffer, guaranteeing a consistent income stream in spite of a difficult macroeconomic climate characterized by shifting commodity prices, currency instability, and growing input costs.

"We expect revenue to increase by an average of 9% over the next five years."

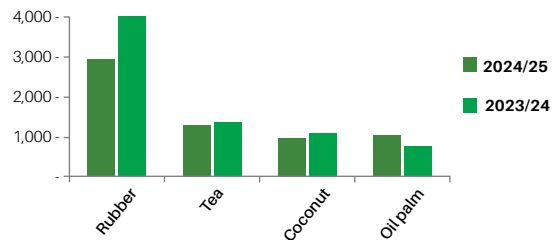
Turnover (Rs.'000)



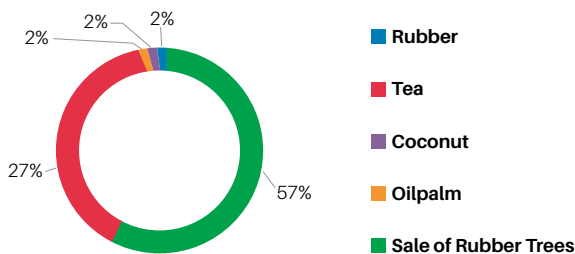
Sales Volume by Segment

Revenue from the tea segment, witnessed moderate growth due to improved demand, higher auction prices, and focused efforts on quality enhancement. Rubber revenue has declined, while the oil palm segment continued to benefit from strong market prices. Income from coconut also has increased by 4% compared to the last financial year due to higher prices. Additionally, the Company capitalized on ancillary income streams such as intercropping and timber sales, thereby broadening its revenue base and reducing dependency on traditional plantation crops.

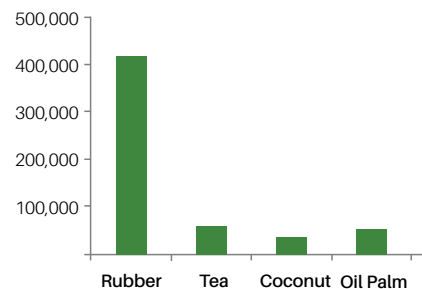
Sales Volume by Segment



Breakdown of Revenue According to the Segment



Segmental Profit (Rs.'000)



In future, the Company remains committed to optimizing its revenue mix through product diversification, market expansion, and increased value addition, while reinforcing sustainability and ethical sourcing practices to meet evolving consumer and investor expectations.



FINANCIAL CAPITAL

Profitability

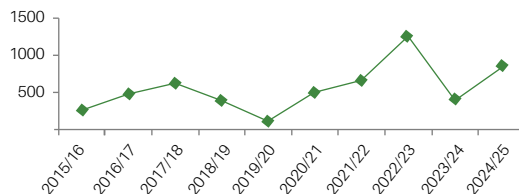
Net Profit : Our net profit for the year stood at Rs. 517 Mn, reflecting an increase of 2,334% from 2024. The increase in profitability was driven by cost control initiatives across our operations, particularly in labour efficiency, energy consumption, and fertilizer usage. Despite challenges such as fluctuating global market conditions, our strategic initiatives allowed us to maintain strong margins.

Profit Margin : Our net profit margin improved to 13.17% from 0.54% in previous financial year underscoring our commitment to operational excellence and financial discipline.

EBITDA : KPPLC’s EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) reached Rs. 713 Mn, showing a year-on-year increase of 131%. Furthermore, the Company managed its finance costs prudently, renegotiating borrowing terms where feasible and aligning funding strategies with cash flow cycles to preserve net profitability.

“We expect the PAT margin to increase by an average of 14% over the next five years.”

Profit Before Interest and Tax (PBIT) Rs.’000



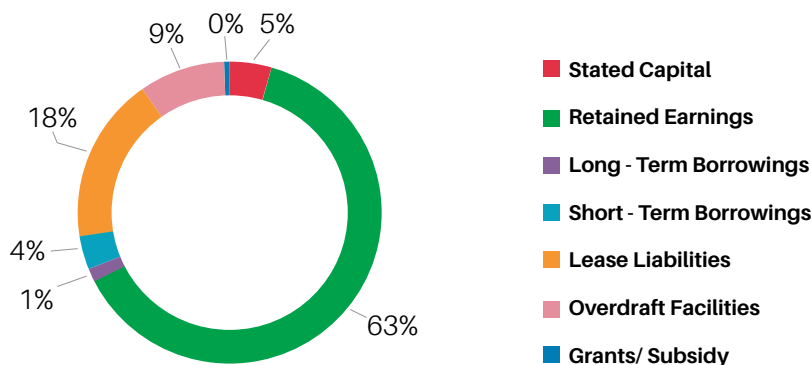
Efficiency



In 2024/25, the Company showed solid efficiency with an Inventory Residence Period of 61 days, slightly better than last year. The Debtor Residence Period increased to 86 days, indicating longer collection times, while the Creditor Residence Period rose to 50 days, reflecting careful management of payables. These figures highlight a balanced approach to working capital management.

Funding Profile

Funding Sources



Through strategic fundraising during the fiscal year, the firm improved its capital structure, concentrating on a variety of funding sources to maintain financial stability in the face of industry difficulties such as growing input costs and climate risks.





In the financial year 2024/25, the Equity to Asset Ratio remained steady at around 0.47 times, confirming that nearly half of the Company's assets are funded through equity, maintaining a stable capital structure. The Company's Debt to Equity Ratio decreased from 0.25 times in 2023/24 to 0.16 times, reflecting a reduction in financial leverage and continued reliance on equity financing. The Interest Cover Ratio improved significantly from 1.59 times to 4.35 times, indicating a stronger ability to meet interest obligations through operating profits.

In 2025, our strategic investments in organic farming and sustainable goods began to yield a positive return, with a 17.5% ROCE. These investments align with our strategy to balance growth with sustainability and reduce environmental impact.

Debt Repayment Strategy : During 2025, we repaid Rs. 275 Mn in long-term debt, reducing our total liabilities ensuring that we have the financial flexibility to respond to market opportunities and mitigate risks, while also improving our creditworthiness.

Looking ahead, the Company remains focused on strengthening its financial base by exploring new funding avenues such as blended finance, public-private partnerships, and capital market instruments, while reinforcing cost efficiencies and value creation for stakeholders.

Liquidity Position



The Quick Asset Ratio increased slightly from 0.65 times in 2023/2024 to 0.68 times in 2024/2025, while the Current Ratio was constant at 0.96 times. Despite the ratios being below the industry benchmark of 1.0, the Company continues to operate within a manageable range, with measures in place to strengthen its liquidity through better receivables collection, inventory optimization, and cost discipline.

A combination of internal and external variables made it difficult for the Company to maintain a healthy cash position during the year 2025. Short-term liquidity was strained as a result of shrinking cash reserves brought on by higher manufacturing costs, postponed cash inflows, and growing interest charges.

Cash Flow Trends

Category	2025 (Rs. Mn)	2024 (Rs. Mn)	Change / Trend
Operating Activities	945.3	286.3	▲ Strong increase in core cash flow
Investing Activities	(371.9)	(560.2)	▲ Lower outflows, better capital control
Financing Activities	(437.8)	(296.1)	▼ Higher outflows due to debt and dividend payments
Net Cash Flow	135.6	(570.0)	■ Turnaround in overall cash position

Free Cash Flow : We achieved a free cash flow of Rs. 471 Mn, which was directed towards funding our capital expenditures, debt repayment, and dividend distribution. Our focus on efficient resource utilization and cost control has ensured that we maintain a healthy cash position, which provides us with flexibility to adapt to market changes.

Liquidity : As of year-end, our liquidity position remains strong, supported by Rs. 7.4 Mn in cash and cash equivalents. This ensures we are well-positioned to fund future growth initiatives while maintaining on financial stability.

KPPLC quickly put remedial measures in place despite financial issues, such as stricter working capital restrictions, less discretionary expenditure, and postponed non-essential investments. To boost operations, the business additionally obtained bridging money and modified debts. KPPLC is committed to regaining financial flexibility through operational effectiveness, strict cash flow management, and the investigation of alternate funding sources such as equity and concessional finance, even if liquidity is still an issue.



Capital Expenditure (CapEx)

In line with our long-term growth strategy, we invested Rs. 438 Mn in 2025 to modernize plantation infrastructure, expand plantation areas, and incorporate advanced technologies into our operations. This includes investments in sustainable farming practices such as,

- Expansion of processing facilities, which will allow us to increase capacity and enhance the value-added processing of our primary products.
- Reforestation initiatives and the adoption of new sustainable land management practices aimed at improving soil fertility and ensuring future crop yields.

These improvements will not only increase production efficiency, but will also help us meet our long-term environmental objectives. We anticipate a considerable decrease in operating expenses as a result of these infrastructure enhancements over the next five years, which will contribute to increased profitability.

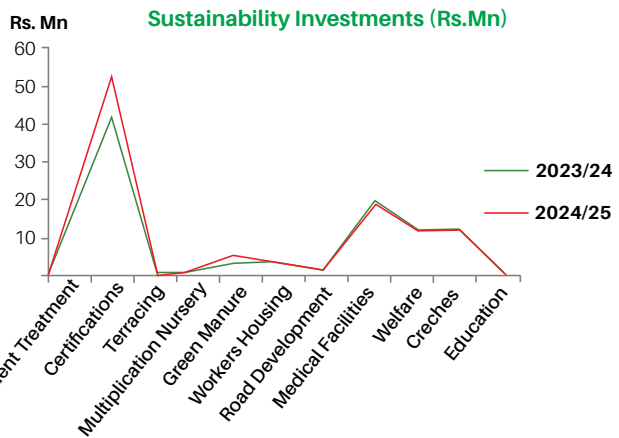
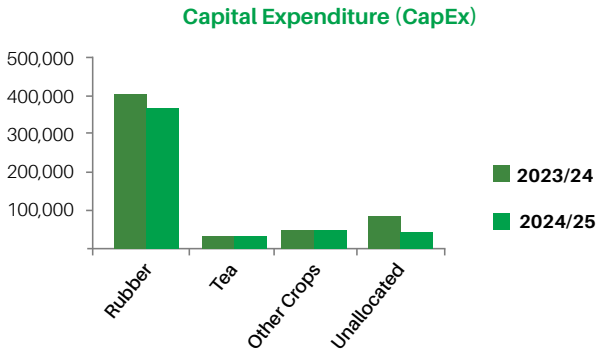
Sustainability Investments

Commitment to Sustainable Practices: In 2025, we allocated Rs. 113 Mn towards environmental and social sustainability initiatives. These include; funding for community development projects in nearby regions, such as improving local infrastructure, providing education, and supporting smallholder farmers and also Sustainable Certifications that we have invested in obtaining and maintaining certifications for Rainforest Alliance, etc., which are essential for expanding our market access and ensuring that we meet global standards for sustainability.

As of now, we have 408 hectares of organically certified tea and rubber plantations across 7 estates. In 2025, we plan to expand organic certification to an additional number of hectares. While we do not have fixed sales targets at present, future expansion of organic cultivation and certification will be guided by market demand and opportunities in sustainable agriculture.

Business Diversification

To support growing demand and improve processing capabilities, the Centrifuged Latex Factory’s capacity was expanded from 300 million kilos to 600 million kilos. This significant upgrade is expected to enhance operational efficiency and scale output. Meanwhile, the Sole Crepe segment continued to contribute to export earnings, generating approximately USD 75,000 in monthly revenue through value-added rubber products. Further investments include,



Richard Pieris Natural Foams Ltd	35% of Shares
Arpico Insurance PLC	40% of Shares
Polyethylene(PE) factory at Eadella estate	Rs. 504 Mn
Richard Pieris Finance Ltd	10% of Shares

Shareholder Returns and Dividend Policy



Earnings per Share : Earnings Per Share (EPS) has increased this year, indicating the Company’s strong financial success throughout the year. EPS increased to Rs. 20.67 from Rs. 0.85 due to improved profitability in key segments and careful cost control.

Dividend Payout : In comparison to 2024, this resulted in a payout ratio of 17%, bringing the year’s total Dividends per Share (DPS) to Rs. 3.50.

Shareholder Value : KPPLC’s total return to shareholders (including dividends and capital appreciation) for 2025 was 16%, reflecting our focus on creating sustainable value for our investors. We remain committed to delivering strong financial results while fostering long-term value for our stakeholders.

“Since 2003/04 up to 2024/25, KPPLC has paid dividend payment to shareholders during all the financial years other than 2012/13 and 2019/20.”



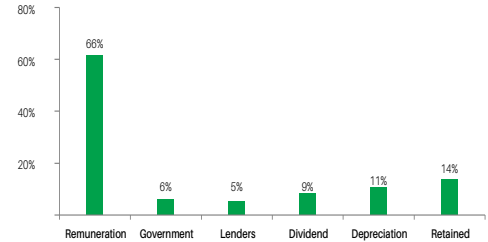
STATEMENT OF VALUE ADDED

Rupees in millions

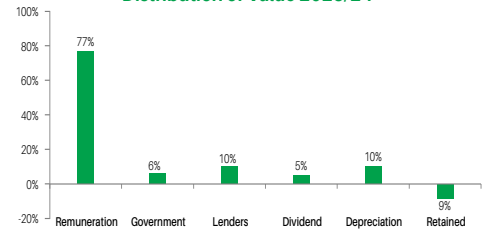
Value Added	2024/25	2023/24
Turnover	3,924	3,907
Other income	224	134
	4,148	4,041
Cost of material & services	(1,791)	(2,219)
Value added	2,357	1,822

Distribution of Value Added	2024/25	%	2023/24	%
To employees as remuneration	1,548	66%	1,403	77%
To government as taxes and lease rent	133	6%	113	6%
To lenders of capital as interest	113	5%	184	10%
To shareholders as dividend	88	4%	88	5%
Retained in the business as;				
Provision for depreciation	212	9%	190	10%
Profit retained / (utilized)	264	11%	(155)	-9%
	2,357	100%	1,822	100%

Distribution of Value 2024/25

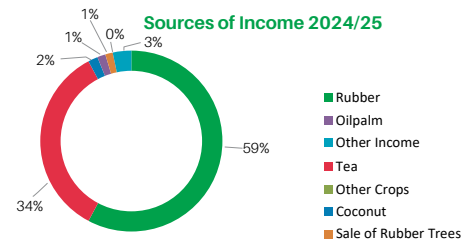


Distribution of Value 2023/24

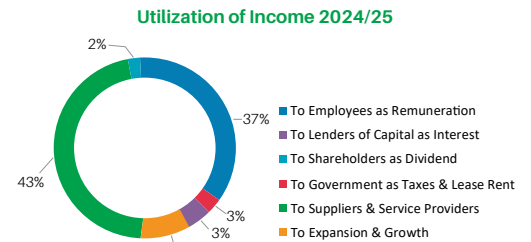


Sources and Utilisation of Income (Rupees in millions)

Sources of Income	2024/25	%	2023/24	%
Rubber	2,222	54%	2,338	59%
Tea	1,472	35%	1,386	34%
Coconut	73	2%	70	2%
Oilpalm	74	2%	59	1%
Other crops	0	0%	0	0%
Sale of rubber trees	83	2%	54	1%
Other income	224	5%	134	3%
	4,148	100%	4,041	100%



Utilization of Income	2024/25	%	2023/24	%
To employees as remuneration	1,548	37%	1,403	35%
To government as taxes & lease rent	133	3%	113	3%
To lenders of capital as interest	113	3%	184	5%
To suppliers & service providers	1,791	43%	2,219	54%
To shareholders as dividend	88	2%	88	2%
To expansion & growth	476	12%	34	1%
	4,148	100%	4,041	100%

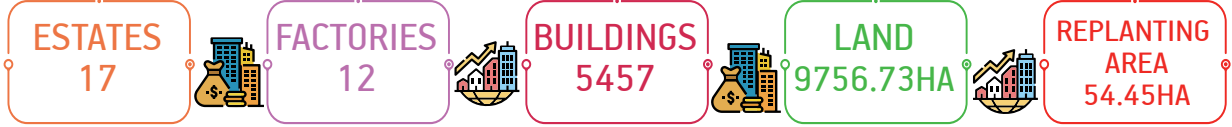


GRI: 204

99.6% of the total procurement value was spent on local suppliers during the reporting period, supporting local economic development.



MANUFACTURED CAPITAL



GRI: 3-3

The physical assets and infrastructure that allow Kegalle Plantations PLC to conduct its core business in an effective, sustainable, and value-driven way are referred to as manufactured capital. This includes our estate infrastructure, factories, machinery, transport fleet, and supporting facilities that together form the foundation for our long-term productivity.

Physical Infrastructure

As of the reporting period, the Company managed 17 estates spread across 9757 hectares, supported by 06 tea factories and 06 rubber processing facilities. These are strategically located in agro-ecological zones conducive to high-yield cultivation and are equipped to handle both in-house and smallholder produces. Supporting infrastructure such as internal road networks, storage units, and irrigation systems continues to play a vital role in maintaining operational continuity across our plantations. Many of our factories are ISO-certified and equipped with energy-efficient machinery, ensuring optimal production quality while minimizing environmental impact.

Property Plant & Equipment (PPE)	3/31/2025	3/31/2024	% Change
Buildings	53,046,446	45,294,867	17%
Motor Vehicles	5,852,054	6,613,673	-12%
Furniture & Fittings	2,247,168	1,726,829	30%
Equipment	18,727,885	18,349,681	2%
Water Sanitation	80,668	110,938	-27%
Computers & Computer Software	6,186,565	4,081,802	52%
Plant & Machinery	253,854,351	261,877,263	-3%
Other Assets on Grants	71,342,641	77,634,561	-8%
Total	411,337,778	415,689,614	-1%



Meyar 5 Stage Colour Sorter Machine

Estate Infrastructure

KPPLC's estate infrastructure includes essential residential, operational, and welfare facilities such as staff and worker housing, estate offices, factories, dispensaries, crèches, and cooperative stores. Additional facilities like smoke houses, drying towers, garages, staff clubs, religious sites, and rest areas support both operational needs and community wellbeing.

Residential Facilities	5353
Administrative & Operational Buildings	34
Health & Welfare Facilities	15
Community & Support Services	56
Religious & Cultural Sites	11



Yataderiya Tea Factory

Capital Investments and Upgrades

GRI: 203-1



In line with our operational priorities and long-term sustainability goals, Kegalle Plantations PLC invested a total of Rs. 474 Mn in capital development during the year under review. This includes Rs. 437.6 Mn allocated to field development activities, primarily focused on land preparation, replanting, and field infrastructure upgrades aimed at improving crop productivity and field efficiency.

An additional Rs. 36.5 Mn was invested in Property, Plant, and Equipment (PPE) to support estate and factory operations. This covered the acquisition and replacement of key machinery, refurbishment of processing facilities, and upgrades to estate infrastructure such as roads and worker amenities.



These capital investments were strategically directed to:

- Enhance the efficiency and capacity of our tea and rubber processing operations
- Strengthen our logistics and transportation capabilities within estates
- Improve worker safety and living conditions through facility upgrades
- Support sustainable practices through better land management and resource optimization

These upgrades reflect our ongoing commitment to operational excellence and responsible resource use, positioning the Company to meet both current production targets and future expansion needs. These infrastructure developments reflect our alignment with SDGs 9 and 12.

“Capital investments are projected to grow at an average rate of 9% annually over the next five years.”

Efficiency and Asset Utilization

Despite a 13% overall decline in total production, the Company continued to drive improvements in productivity per worker through process optimization and mechanization.

Metric	2024/25	2023/24	Change
Total Production (Kg/Nuts '000)			
Rubber	2,681	3,295	↓19%
Tea	1,361	1,398	↓3%
Coconut (nuts'000)	683	993	↓31%
Oil Palm	878	738	↑19%
Intake per Tapper (Kg)	6.87	6.86	↑0.1%
Intake per Plucker (Kg)	24.75	23.92	↑3.5%
Intake per Harvester - Oil Palm (Kg)	656	618	↑6.2%
Factory Capacity Utilization - Tea	69%		
Factory Capacity Utilization - Rubber	84%		

The year saw marginal but positive gains in intake efficiency across all key crop segments, reflecting disciplined field practices and targeted use of resources despite climate and market challenges. Improved performance per worker indicates the success of our efficiency-driven estate management approach and the value of recent infrastructure investments.

Factory capacity utilization stood at 69% for Tea and 84% for Rubber during the year, supported by enhanced workflow design and process standardization. The introduction of new machinery contributed to lowering maintenance costs while improving energy efficiency. All processing units underwent scheduled preventative maintenance, which reduced equipment failure rates and sustained peak production levels.

Product Quality and Market Recognition

Several of our estates achieved top market prices during the year, reflecting the strength of our manufacturing processes and quality control systems. For rubber, estates such as Atale, Pallegama, and Parambe recorded the highest prices, while for tea, Gampaha, Luckyland and Kirklees consistently fetched premium rates. The Company marketed a portfolio of 26 distinct tea grades, meeting diverse market demands through consistent quality and grade-specific processing techniques.

Sustainable Infrastructure Integration

Selected properties were outfitted with rainwater collecting systems, or energy-saving machinery as part of our larger commitment to environmental stewardship. The goals of estate development were to maximize land usage, reduce environmental impact, and enhance long-term soil health. In order to include climate resilience into our physical asset base, we also gave priority to the use of sustainable materials and effective watering techniques.

Moving forward, we aim to focus on:

- Digitizing field and factory operations
- Expanding factory automation to reduce manual workload
- Integrating more renewable energy systems into estate infrastructure
- Continuing replanting and land development programs across underperforming fields



INTELLECTUAL CAPITAL



CERTIFICATIONS
05



ESTATE STAFF OVER 30 YEARS OF EXPERIENCE
19%



TEA SELLING MARKS
05

The sustainability, creativity, and agility of KPPLC depend heavily on its intellectual capital, which includes internal systems, skills, and knowledge. In order to maintain expertise, improve performance, and maintain continuity in the face of personnel changes, the organization places a high priority on knowledge management by methodically gathering, organizing, and disseminating vital information such as crop management and estate operations.

- ◆ Estate - specific best practices for harvesting and processing
- ◆ Fertilizer schedules and pest control strategies
- ◆ Internal manuals
- ◆ Use of the Marksys Information System for reporting and monitoring
- ◆ Insights Shared between estate Superintendents and Head Office

Systems & Processes

- ERP System
- Internal Email and Communication System
- Shared Network Drives
- Feedback Collection from Field Staff
- Inter Estate Knowledge Sharing
- Monthly Estate Review Meetings

Proprietary Knowledge & Expertise

Our crew consists of knowledgeable agronomists, plantation managers, technical specialists, and field workers with years of plantation management expertise. Because of our combined experience, we can use best practices in soil fertility, crop cultivation, pest control, and sustainable farming methods, guaranteeing constant product quality and high yields. Our employees receive ongoing training and development opportunities to improve their abilities and stay current with industry trends.

Our dedication to sustainability and moral behavior is another important component of our intellectual capital. This entails integrating governance, social, and environmental (ESG) considerations into each facet of our business operations. We make sure that our operations are in compliance with industry certifications like Rainforest Alliance and Ethical Tea Partnership, by creating and implementing sustainability frameworks and guidelines.



Quality Inspection of Sole Crepe

Culture and Organizational Learning

Kegalle Plantations PLC fosters a workplace culture rooted in integrity, accountability, and continuous improvement. The Company encourages open communication, teamwork, and shared responsibility across all levels from estate field staff to management.

- ▶ Promote Learning Through on the Job Training
- ▶ Align Employee Behavior with Core Values
- ▶ Maintain a Transparency and Ethical Culture



Innovation and Emerging Research and Development Activities

KPPLC made a number of creative initiatives throughout the reporting year:

- ◆ Experimental use of bio mulching to promote soil health and reduce water consumption.
- ◆ A review of factory operations, particularly for crepe rubber processing has identified efficiency gains through machinery calibration and standardized workflows.
- ◆ Field workshops and hands-on training have been organized to disseminate best practices in crop management, pest control, and estate operations among estate teams.

In order to strengthen cross-state knowledge transfer, continuous development and long-term competitiveness, the Company intends to institutionalize and grow them under a formal R&D function and incorporate them into its Intellectual Capital structure.

Digital Transformation

KPPLC is committed to modernizing estate management through progressive digital transformation. Plans are underway to adopt cloud-based data collection methods and user-friendly digital tools to digitize operations efficiently. We aim to enhance internal reporting by automating data input and processing, improving accuracy and speed. Strengthening digital communication platforms between the head office and estates will reduce delays and foster better coordination. These initiatives will be implemented in phases to ensure a smooth, cost-effective transition aligned with our strategic goals and operational capabilities.

Core Competencies

Our unique teas' distinct flavors and consistent quality reflect the deep intellectual capital developed over years of hands-on experience in field and factory operations. Expertise at the estate level in plucking, withering, and fermenting ensures products meet customer expectations reliably. This specialized knowledge not only builds long-term customer relationships and trust but also supports favourable pricing and steady demand, strengthening our financial capital. The ability to translate knowledge into superior performance remains a core factor in sustaining KPPLC's resilience and competitive advantage.



INTELLECTUAL CAPITAL

CERTIFICATIONS

EU & USDA - NOP Certification

Under EU & USDA NOP Certification, Organic products certified to the USDA organic or European Union (EU) organic standards may be sold and labeled as organic in both the U.S. and the EU. As a result of obtaining this globally recognized standard certification, KPPLC gained access to both economies with a single certification and reaped numerous benefits such as,



- Receive premium prices for the products
- Support local economies
- Market products to consumers
- Access fast-growing local, regional, and international markets
- Access additional funding and technical assistance

ISO 9001:2015 Certification



ISO 9001's goal is to establish a practical and usable Quality Management System for improving and monitoring all aspects of business. KPPLC will end up with a system that will improve all aspects of the Company with the correct support and employee understanding. It is a tremendous honor and pride to emphasize that Kegalle Plantations PLC was the first regional plantations Company to receive ISO 9001: 2015 Certification in 2017.

ISO 22000:2018 Certification



ISO 22000:2018 is the international standard for Food Safety Management Systems (FSMS), ensuring food safety across every stage of the supply chain. For KPPLC, this certification reflects our commitment to producing tea of the highest safety, hygiene, and quality standards. It enhances customer confidence, improves traceability, and ensures compliance with global regulations. We take great pride in achieving ISO 22000:2018 Certification, reaffirming our dedication to delivering safe, high-quality products to both local and international markets.

Rainforest Alliance Certification (RA)

Landowners benefit from Rainforest Alliance accreditation by producing better crops, adapting to climate change, increasing output, and lowering expenses. The objective of Rainforest Alliance certification is to make responsible business the new normal in order to build a better future for people and nature.



This indicates adherence to stringent worldwide standards, while also considering the well-being of its employees, families, and the environment. As a result, the Rainforest Alliance certification confirms that KPPLC meets the requirements of the Sustainable Agriculture Network (SAN), a global standard for organizations that meet stringent environmental conditions (ecosystems, wildlife, soil, and water), community relationships, and economic aspects such as integrated plant and waste management.

Forest Stewardship Council (FSC)



It is pleasure to highlight that FSC Certification is the most recent certification achieved by KPPLC during the last financial year. FSC certification provides significant economic benefits by opening up new markets, as well as social and environmental benefits to workers and local communities. FSC certifies forests worldwide to ensure that they satisfy the highest environmental and social standards. FSC certification greatly minimizes the danger of being presented with illegal timber and, as a result, the possibility of reputational damage. Furthermore, as they seek items that support sustainable forest management, national, regional, and local governments are increasingly referencing FSC as a way to comply with their public procurement policies.

Certifications	Estates Certified
EU & USDA - NOP Certification	Ambadeniya, Eadella, Etana, Madeniya, Udapola, Weniwella , Udapola CLP
ISO 9001:2015 Certification	Atale, Pallegama, Parambe, Udapola CLP
ISO 22000:2018 System Certification	Doteloya, Gampaha, Kirklees, Luckyland, Yataderiya
Rainforest Alliance Certification (RA)	Allagolla, Doteloya, Gampaha, Kirklees, Luckyland, Yataderiya
Forest Stewardship Council (FSC)	Atale, Pallegama

To ensure that we continue to be a responsible corporate entity in the agricultural and larger business sectors, we conduct ongoing research, gather data, and work with environmental organizations to support efforts to lower our carbon footprint, conserve biodiversity, and increase resource efficiency.

As we go, we will keep enhancing our intellectual capital by giving innovation, sustainability, and teamwork top priority in order to make sure that our business stays at the pioneer of the plantation sector, continues to provide value to our stakeholders, and advances global sustainability objectives.



HUMAN CAPITAL



People-centric Development

GRI: 3-3, 2-7, 401, 405, 203-2, 202-2



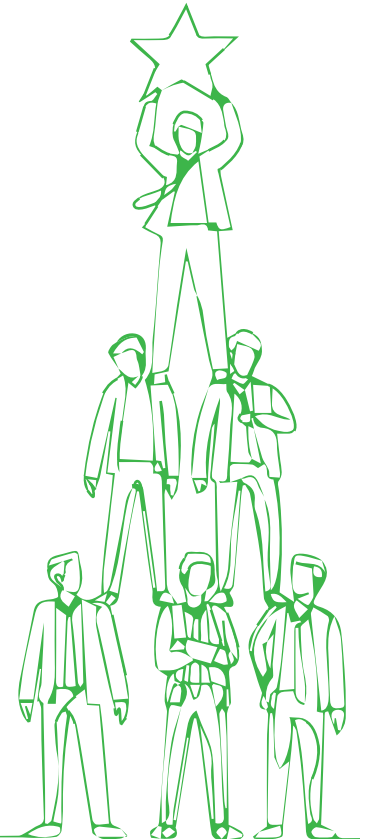
Our success is mostly driven by our employees, who are the foundation of our business. As a plantation business, we understand how vital it is to have a committed and knowledgeable staff in order to guarantee the long-term development and effective administration of our land, resources, and farming operations.

We have kept a dedicated staff throughout the year in a number of disciplines, such as administration, processing, harvesting, and horticulture. Our workforce's mix of casual and permanent workers reflects the dynamic character of our business.

Workforce Composition



Estate	Permanent Workers			Casual Workers		
	Male	Female	Total	Male	Female	Total
Head Office	19	9	28	-	-	-
Allagolla	100	69	169	-	-	-
Ambadeniya	77	66	143	69	44	113
Atale	82	67	149	210	81	291
Doteloya	87	54	141	-	-	-
Eadella	53	29	82	77	68	145
Etana	127	138	265	-	-	-
Gampaha	84	105	189	-	-	-
Hathbawe	54	27	81	50	37	87
Higgoda	98	48	146	-	-	-
Kirklees	125	90	215	2	2	4
Luckyland	129	146	275	-	-	-
Madeniya	103	65	168	-	-	-
Pallegama	96	88	184	86	51	137
Parambe	147	105	252	94	59	153
Udapola	44	46	90	51	51	102
Weniwella	129	99	228	-	-	-
Yataderiya	149	136	285	33	4	37
Udapola CLP	34	16	50	16	10	26
Total	1,737	1,403	3,140	688	407	1,095

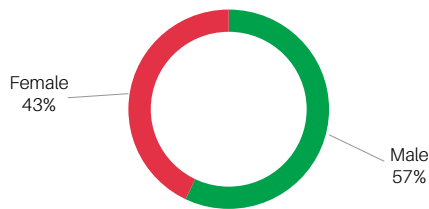


Kegalle Plantations PLC's employee turnover rate of the Company for the reporting period was around 23%. Accordingly, 77% was determined to be the employee retention rate. A total of 805 new employees were recruited, while 988 employees exited the organization due to various reasons, resulting in a closing workforce of 4,235. A thorough analysis of several internal sources, including monthly reports and summaries kept throughout the reporting period, was used to compile the employee turnover and retention data that is included in this report. To guarantee accuracy and consistency, recruiting and resignation statistics were cross-checked.

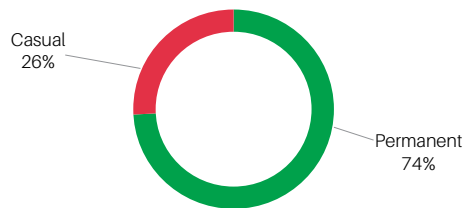


HUMAN CAPITAL

Employee Composition by Gender



Permanent & Casual Employee Composition



Our plantations are strongly connected into local communities, and we appreciate the benefits of recruiting local people. By emphasizing local talent, we contribute to the economic growth of the communities where we operate, enhance livelihoods, and reduce unemployment. We hire people who live close to our plantations, especially those from lower-income or rural areas, to have access to employment opportunities. More than 75% of our plantation workers were hired by estates in neighboring villages in 2024.

Our operations support a large number of estate-based families, with 2197 workforce residing within Company-provided housing. In addition to direct employees, we generate economic activity for local contractors, suppliers, and small-scale service providers, thereby supporting secondary employment and income stability across the region.

We acknowledge that historically, certain groups have experienced obstacles to employment and professional advancement, such as women, those with disabilities, and ethnic minorities. As part of our diversity and inclusion policy, we focus on establishing a work environment where these groups feel empowered and appreciated. Regardless of their background, we think all of our employees should have access to equitable pay and benefits. We put in place regulations that particularly deal with these issues and offer fair chances for professional advancement. Diversity has not only enhanced our corporate culture but has also contributed to improved productivity, better customer relations, and stronger ties with local communities.



International Women's Day Celebration



Thaipongal Celebration



Workforce Safety

GRI: 403



The job in the plantation business is physically demanding and even dangerous. Therefore it is imperative that employee safety be guaranteed. Workers may face risk of injuries from falling due to steep rocky lands, injuries from wild and hazardous animals, injuries cause when using chemicals and pesticides, injuries due to agricultural equipment, vehicle accidents, musculoskeletal disorders and dust and respiratory conditions.

The Occupational Health and Safety Management System of Kegalle Plantations PLC include regular risk assessments, safety audits, training programs, and the enforcement of standard operating procedures across all estates and operational sites. During the reporting year, 100% of the Company's workforce, including permanent, contract, and estate-based workers, was covered by this OHS management system. Health and safety committees are active at the estate level, ensuring direct employee participation in identifying risks and proposing improvements. Kegalle Plantations PLC operates a comprehensive Occupational Health and Safety (OHS) Management System that is in line with national regulations and international best practices.



OHS Training to Factory Employees in Kirklees Estate



A strong set of safety protocols reduces hazards, prevents, and safeguards employees' health. An overview of standard safety protocols customized for our employees may be found below:

- ◇ Depending on the work, wear and regularly inspect gloves, safety boots, helmets, eye protection, and ear protection as part of personal protective equipment (PPE)
- ◇ Awareness-safety orientation and training, frequent first aid and safety training sessions
- ◇ Identification of hazards and evaluation of risk
- ◇ Machinery and equipment safety- maintenance and inspection, operator training
- ◇ Pesticide and chemical safety- chemical Handling Instruction, PPE use for chemical exposure, and chemical storage and disposal
- ◇ Workplace ergonomics and manual handling
- ◇ Safety of vehicles and transportation
- ◇ Emergency response and first aid

Training and Development



GRI: 404



In the reporting year, employees across all categories received an average of 10 training hours. Training sessions were delivered through a mix of in-house workshops, practical field demonstrations, and third-party programs, focusing on:

- Occupational health and safety
- Good Agricultural Practices (GAP)
- Factory operations and machinery handling
- Labour laws and ethical conduct
- Leadership, communication, and digital literacy

In addition to mandatory operational training, we implemented several programs aimed at upgrading employee skills and supporting smooth transitions within or beyond the organization:

- Specialized training for estate supervisors and factory managers
- Health, hygiene, and safety sessions for estate workers
- Communication and supervisory skills development
- Pre-retirement awareness programs and financial literacy workshops
- Reskilling sessions for redeployed or transitioning employees

These programs which are covered more than 1000 employees are designed not only to strengthen on-the-job performance but also to enhance long-term employability and personal well-being. By investing in training and transition support, we build a workforce that is more capable, confident, and aligned with our mission of sustainable growth.



Fire Drill Training



Chemical spraying training



Successful Completion of PHDT Program held at Atale Estate



Chemical Spraying Training Session



Health Camp Conducted in Atale Estate



First Aid Training



HUMAN CAPITAL

Employee Welfare

GRI: 202-1, 411-1



We continue to provide competitive pay, health benefits, and career progression possibilities as part of our continuous efforts to improve the welfare of our employees. We appreciate the commitment and determination of our staff and acknowledge their vital role in accomplishing the organization's long-term goals.



KPPLC is committed to ensuring that the salary and compensation practices are in line with industry norms, shareholder interests, and long-term business goals. We try to offer competitive remuneration packages that attracting, retaining, and inspiring exceptional employees at all levels, while maintaining fairness, transparency, and responsibility. Our pay policy is designed to reward both short-term performance and long-term sustainable growth.



All employee groups are guaranteed equal compensation for equal labour by Kegalle Plantations PLC. Our dedication to gender pay parity was demonstrated throughout the reporting year when the basic salary and total compensation ratios for women and men stayed at 1:1 for all similar jobs.

Throughout all of its activities, Kegalle Plantations PLC guarantees inclusive and equitable employment standards. Most workers received frequent performance and career development reviews during the reporting year. Financial and non-financial goals including revenue growth, sustainability, and employee welfare were used to determine the awarding of performance-based incentives. Our dedication to fair compensation was demonstrated by entry-level pay for both men and women that were higher than the federal minimum wage. In order to maintain consistency and fairness, the non-executive compensation structure also stays in line with industry norms.

Benefit Schemes

GRI: 401-2

Benefits	Head Office		Estates		
	Executives	Staff	Executives	Staff	Associates
Tea Allowance	√	√	√	√	√
Insurance	√	√			
Free Drugs		√			
Medical Facilities	√	√	√	√	√
Fuel/Travelling	√	√	√		√
Mobile Allowance		√	√		
Accommodation/Billet Facilities			√	√	√
Electricity/Water			√	√	√
Scholarships for Children	√	√	√	√	√
Child Care Facilities					√
Free Clinics					√
Death Donation					√
Wheat Flour					√

GRI: 401-3

Kegalle Plantations PLC is dedicated to assisting staff members by implementing inclusive and equal parental leave regulations. According to business policy and national labour rules, all permanent employees, regardless of gender, are entitled to parental leave.

During the reporting year:

- 17 workers took parental leave during the year 2024/25 and the Company has paid around Rs. 1.5 Mn as maternity benefits.
- All the employees who took parental leave returned to work following their leave period.

The Company is committed to making investments in its employees' development, security, and welfare. We made significant strides in worker safety, compensation, and training in 2025, fulfilling our financial goals and upholding our moral commitment to treating people fairly and promoting their well-being. By developing a motivated, skilled, and secure workforce, these initiatives not only raise employee satisfaction but also contribute to our long-term success.





Annual Trip of estate employees



Distributed 05kg Rice Packs to Estate Employees

Human Rights

GRI: 411-1

KPPLC is dedicated to upholding and defending human rights in all facets of its business activities. The business supports justice, equality, and respect for all people, irrespective of their gender, race, religion, age, handicap, or other traits, and it adheres to internationally accepted human rights norms. A fundamental component of KPPLC’s principles and operations is this dedication.

GRI: 406-1

Our organization did not document any significant instances of people’s rights being violated or any discrimination throughout the year. This is a reflection of our continuous efforts to follow moral business conduct, honor local people’s cultural, social, and environmental rights, and have open, considerate conversations with groups in the regions where we do business.

We uphold a strong grievance procedure that allows communities to voice concerns if they believe their rights have been infringed in order to guarantee ongoing respect for the rights and interests of people. Our estates have formed Estate Committees comprising estate staff and workers to handle grievances as per the RA Standards.

In addition, we continue to be diligent in our commitment to making sure that all activities are conducted responsibly and in complete conformity with human rights standards creating a respectful and inclusive workplace, even though there have been no documented instances of violations concerning the rights or discriminations during the reporting period.

We hope to build enduring, constructive connections with local people and support the sustainable development of the areas where we operate by placing a high priority on the protection of human rights.

Child Labour

GRI: 408-1



KPPLC has a strong commitment to making sure that its supplier chains and operations follow the highest ethical standards, which include a stringent zero-tolerance policy for child labour. We understand how vital it is to uphold children’s rights and advance their welfare inside our organization and throughout the larger supply chain. In accordance with regional legislation and global labour standards, we are dedicated to preventing child labour and making sure that every employee is of legal working age.

Forced/ Compulsory Labour

GRI: 409-1



KPPLC is aware of the hazards associated with forced or coerced labour on a worldwide and industry-specific level, especially in the plantation and agricultural sectors.

No instances of forced or coerced labour were found in our operations or among our suppliers during the reporting period. We uphold stringent labour standards in accordance with both international and national labour regulations. To guarantee continued compliance and to spot any possible hazards, regular internal audits, supplier evaluations, and employee engagement programs are carried out.

To protect against any future dangers in this area, the Company keeps up its vigilance and proactive promotion of fair labour standards and keeps stepping up its monitoring and training initiatives.

Collective Bargaining Agreements

GRI: 2-30, 407-1

KPPLC abides by Collective Bargaining Agreements (CBAs) agreed by the Employers’ Federation of Ceylon (EFC) and the trade unions that represent estate workers as part of our dedication to developing solid and positive industrial relations. The terms and conditions of employment, such as pay, benefits, working hours, and other important labour-related clauses, are established by these agreements. A mutual agreement aimed at guaranteeing equitable treatment of workers and promoting the long-term viability of the plantation industry is reflected in the most recent CBA, which is still in force during the reporting period. All estate and non-estate employees are free to join trade unions or worker Associations. KPPLC maintains open and constructive dialogue with employee representatives, ensuring fair treatment, timely resolution of concerns, and inclusive decision-making.

Kegalle Plantations PLC provided 64,870 training hours to employees across all estates, covering areas such as health and safety, estate management, and sustainable agriculture. We ensured compliance with decent wage policies, fair labour practices, and maintained a gender-balanced workforce in non-executive roles directly supporting SDGs 4 and 8.



SOCIAL AND RELATIONSHIP CAPITAL



Community Networks

GRI: 3-3, 413-1, 203-2

The development and maintenance of community networks is a major part of KPPLC’s human capital strategy. These networks are essential for fostering participatory growth, comprehending community demands, and guaranteeing the efficient execution of welfare initiatives. KPPLC enhances long-term Company sustainability and helps the socioeconomic improvement of its plantation communities by empowering community-based groups and promoting stakeholder interaction.

Relationship with Shareholders

KPPLC emphasizes accountability, openness, and moral decision-making in its robust corporate governance, which guarantees the preservation of shareholders’ interests. Through forums and meetings, the firm regularly updates shareholders on its performance and strategy and includes them in important decision-making processes. The financial and operational condition of KPPLC is regularly and clearly updated through quarterly statements, yearly reports, and announcements. This transparency promotes long-term value development and sustainable growth while also fostering trust and coordinating Company actions with shareholder interests.

Community Development

Throughout the last year, we have implemented a number of significant community development projects as part of our continuous dedication to generating long-term value for the neighborhoods around our estates. Our basic ideals of social responsibility, economic empowerment, and environmental care are reflected in these efforts.

We have incurred an average expenditure of Rs. 44 Mn per annum during the last 10 years in terms of providing housing, road development, medical, sanitization and child development activities on our plantations.

We continue to invest in infrastructure and services that benefit not only our operations but also the broader community. In 2024/25, this included:

- Maintenance of estate roads and water systems
- Support for Child Development Centres (CDCs) and educational services
- Access to estate-based Ayurveda and medical clinics
- Upgrades to worker housing and sanitation facilities



Opening a Clinic Centre in Wewatenna Division



Yoga Program was conducted on 10/02/2025 for CDC Children in Golinda Division CDC



Ayurveda Clinic Conducted in Parambe Estate



Providing Healthy meals for CDC children



Child Development Center of Golinda Division - “Best Child Development Center in the “ Region 2024

The Golinda Division Child Development Center (CDC), housed at the Parambe Estate, has won the title of Best Child Development Center in the Region-2024. Following a fiercely competitive selection procedure, the CDC was the top candidate, outperforming three Regional Plantation Companies (RPCs) and one state-owned plantation firm to get this esteemed award. PHDT-Kegalle has conducted the evaluation and the awards have been received by the corporate management of KPL with the Superintendent, Parambe estate at the ceremony. Additionally, Kegalle’s DG- Phdt, DD-PHDT, and health personnel have encouraged and supported Golinda Child Development Centre’s efforts to improve its standards and operations.



This honor demonstrates the Golinda Division team’s persistent devotion to delivering outstanding care, education, and developmental opportunities for estate workers’ children. The success of the Child Development Centre may be attributed to its strong educational foundation, child-centered methodology, and ongoing endeavors to establish a caring and encouraging atmosphere for the coming generation. The accomplishment demonstrates Parambe Estate’s continued efforts to enhance the welfare of its workers and their families as well as its larger commitment to corporate social responsibility. We take pride in this achievement, which reaffirms the estate’s dedication to community development excellence and the holistic development of coming generations.

Responsible Supply Chain Management



GRI: 414



Kegalle Plantations PLC is dedicated to upholding an ethical and responsible supply chain. In accordance with our procurement strategy and stakeholder expectations, all new suppliers are evaluated using a mix of economic, environmental, and social factors.

During the reporting year, 100% of new local suppliers were screened using defined social criteria, including compliance with labour laws, prohibition of child labour, occupational health and safety standards, and community impact awareness. This process ensures alignment with our values and helps mitigate risks associated with unethical practices.

Relationship with Government

GRI: 201-4, 207

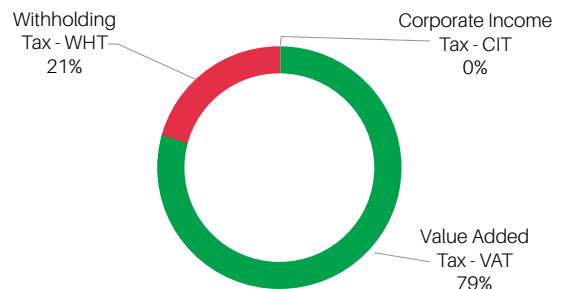


KPPLC interacts openly and cooperatively with authorities including the Department of Inland Revenue. Any questions or assessments pertaining to taxes are handled swiftly and morally. We received various types of benefits that support us to enhance KPPLC’s value creating process as a result of engagement with the government. The Company got Rs. 23 Mn in government subsidies for rubber replanting projects during the reviewed year. The government’s ongoing efforts to boost sustainable farming methods and revive the rubber sector are reflected in this financing.

The outcome of the engagement process is to provide value to the government in the form of taxes and lease rentals. In 2024/25, we have distributed Rs. 133 Mn to the government in the form of taxes and lease rental. Through the payment of corporate income tax, PAYE, VAT, and other levies, KPPLC contributes significantly to Sri Lanka’s national revenue.

Tax Type	Tax Paid (Rs.'000)
Value Added Tax- VAT	52,757
Withholding Tax- WHT	13,653
Corporate Income Tax - CIT	-
Total Paid	66,410

Tax Paid



The Company’s financial controls, including tax compliance, are supervised by the Board Audit Committee. Accurate and timely tax filings and payments are guaranteed by KPPLC’s financial department. Internal audits detect possible risks and evaluate the efficacy of tax-related measures on a regular basis. Every tax-related issue is managed in compliance with the relevant laws and examined by outside auditors. Since KPPLC only conducts business in Sri Lanka, country-by-country information is not relevant. However, the business is still dedicated to improving tax transparency and, when appropriate, will use cutting-edge international disclosure standards.



SOCIAL AND RELATIONSHIP CAPITAL

Political Contributions



GRI: 415-1



The Company made contributions to political parties during the reporting period in complete accordance with corporate governance protocols and applicable regulations. All donations were openly shared and made in support of democratic procedures and the creation of policies that reflected the interests of the plantation and agricultural industries. In all of its interactions with political and regulatory stakeholders, the Company is still dedicated to openness and moral behavior.

Membership Organizations

GRI: 2-28

Our membership organizations offer numerous benefits, including enhanced networking opportunities, access to industry insights, professional development, advocacy, and business growth. These relationships contribute to KPPLC’s success by providing resources, support, and credibility, ultimately helping to achieve strategic objectives and maintain a competitive edge in the industry. As an industry leader and a committed corporate citizen, we have consistently upheld and nurtured our corporate relationships with key membership organizations. Our longstanding partnerships have been instrumental in enhancing our professional network and supporting our strategic objectives. Over the years, we have fostered a well-balanced and mutually beneficial relationship with several esteemed organizations, including:

- The Colombo Tea Traders Association (CTTA)
- The Planters Association of Ceylon (PA)
- The Employer’s Federation of Ceylon (EFC)
- The Colombo Rubber Traders Association (CRTA)
- Plantation Human Development Trust (PHDT)
- The Rubber Research Institute of Sri Lanka (RRISL)
- Rubber Development Department (RDD)
- Sri Lanka Tea Board (SLTB)
- Spices & Allied Products Producers’ & Traders’ Association (SAPPTA)
- The Sri Lanka Society of Rubber Industry
- National Agribusiness Council (NAC)

Collective Bargaining



GRI: 407



According to national labour laws and international labour standards, the Company upholds and encourages each employee’s right to freedom of association and collective bargaining. There is a trade union representation in the industries and estates, and employee representatives participate in talks about welfare, pay, and working conditions. Although the Company does not meddle in union affairs, we do keep lines of communication open and positive with union officials to guarantee a cooperative approach to labour relations. During the reporting period, no suppliers or operations that would jeopardize these rights were found.

Anti-corruption

GRI: 205



KPPLC has put in place internal controls and anti-corruption measures, such as required conflict of interest disclosures, employee behavior standards, and whistleblower procedures. To increase staff understanding of ethical behavior and compliance requirements, regular training sessions are held.



No instances of corruption were recorded during the reporting period, and no legal action was taken against the corporation or its workers for engaging in unethical behavior. Periodic internal audits and compliance reviews are conducted for all important departments and high-risk operations.



Our continued support for estate communities included investments in child development centers (CDCs), estate housing improvements, and basic health and sanitation facilities. We also strengthened relationships with local suppliers, with 99.6% of total procurement sourced locally, helping uplift surrounding communities and contribute toward SDGs 1 and 11.



Customer Metrics

KPPLC is dedicated to making sure that the goods fulfill the requirements for sustainability, ethical sourcing, and quality. Building trust, openness, and accountability across the whole supply chain is part of our connection with customers, which goes beyond simply offering high-quality products. To make sure we are satisfying consumer demands and making a beneficial impact on the environment and society, we concentrated on enhancing the social and environmental elements of our product offerings in 2025. The causative factors include,

Bio Latex created an emphasis on minimizing environmental effect while preserving high-quality products.

All of our products go through extensive testing to ensure that our offerings fulfill worldwide safety and quality requirements.

Our certifications, such as FSC Certification, Rainforest Alliance Certification etc. demonstrate our dedication to responsible sourcing..

KPPLC sold tea and rubber products for Rs. 2.9 billion in 2024/25, mostly to domestic consumers and foreign importers. Export revenue increased by 47% while domestic rubber income fell as a result of decreased local demand. As a result, the business began concentrating more on growing its export revenue and investigating new foreign markets.

Notably, the top 10 customers accounted for 89% of rubber earnings and 60% of tea earnings, highlighting the significance of having solid connections with important buyers. KPPLC has placed a high priority on supply chain efficiency and cost optimization in order to sustain profitability.

By integrating financial and non-financial data, the business has gained a thorough insight of consumer behavior, satisfaction, and loyalty. Financial data demonstrates the importance of important client connections and identifies areas for expansion through market diversification and price tactics. Non-financial metrics, on the other hand, show how much customers value the Company's sustainability efforts, high-quality products, and customer service, reaffirming its dedication to enduring, win-win alliances.

Health and Safety Impacts

GRI: 416



The business is still dedicated to making sure that its goods and services are safe and healthy at every step of growth. All product categories, including black tea and rubber, undergo routine evaluations that address hazard detection, chemical safety, and adherence to national and international standards. Risks to employees and customers have also been reduced by advancements in post-harvest processing (such as harvest timing, cleaning, drying, and transportation) and pesticide control. There were no notable cases of non-compliance throughout the reporting year. Corrective measures and staff retraining were swiftly implemented to resolve minor concerns found during internal audits. To promote compliance and stop recurrence, procedures for continuous improvement are in place.



NATURAL CAPITAL



GRI: 3-3, 304, 308-2

Our efforts to lessen the Company’s environmental impact outside of our agricultural areas are continuously being stepped up. This will ensure environmental sustainability and the welfare of our stakeholders by aiding in conservation.

Biodiversity Conservation



KPPLC is committed to preserving and promoting biodiversity in all facets on and around its estates as a conscientious plantation enterprise. Healthy ecosystems increase agricultural output, improve resistance to climate change, and contribute to the well-being of local populations.



Our estates are home to a multiple of species, including many of Sri Lanka’s documented species, many of which are indigenous, according to biodiversity surveys. Nonetheless, the existence of species that are extremely threatened and endangered, including the *Bandula Barb*, *Cuming’s barb (Pethia cumingii)*, *Sri Lanka Purple-faced Langur*, *Sri Lanka Tiger Loach*, and *Fishing Cat*, *Kitulgala Danio*, *Aranayake Danio*, highlights the necessity of taking specific conservation action to protect its fragile habitat within KPPLC’s managed estates. The resilience and functionality of the surrounding ecosystems depend on these areas, which also provide vital refuges for vulnerable species, including those that are endemic or endangered.



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Aranayake Danio



Kitulgala Danio



Fishing Cat

Some invasive plant species are identified in commercial fields and conservation areas of Atale and Palleagama estates, especially *Alstonia macrophylla* (hawari nuga/ ginikuru) and Nylon Bowitia (*Clidemia hirta* also known as *Miconia crenata*). Their growth and regeneration are controlled and monitored by the field staff under the supervision of the management.

Our plantation lands’ natural settings, including historically significant ruins and water springs that have been recognized as High Conservation Value (HCV) sites, are something we are dedicated to protecting. Specific measures are taken to improve habitat quality, preserve connectivity, and promote long-term ecological viability in order to identify and manage these ecologically significant zones.

Buffer zones, where hazardous operations like road building, heavy gear usage, chemical application, garbage dumping, and major tree removal are strictly forbidden, are maintained to safeguard sensitive regions like watercourses. This strategy fosters ecosystem sustainability and resilience, which are critical for the preservation of biodiversity and the prosperity of plantations.

Reducing the use of pesticides, protecting high conservation value regions, enhancing soil health, preventing erosion, and fostering biodiversity throughout its estates are all priorities of KPPLC’s environmental strategy. Initiatives like creating chemical-free zones, promoting organic farming, and introducing bio-latex fields for sustainable rubber manufacturing are examples of how this devotion is shown.

The business also employs environmentally responsible methods, such planting trees in hilly places to stop erosion, keeping upstream vegetation to safeguard streams, and refraining from tree harvesting in riparian or steep locations. Replanting harvested trees during the monsoon season is one aspect of plantation management’s sustained yield strategy. Because of their resistance, quick growth, economic worth, and ecological advantages, reforestation prioritizes species like *Eucalyptus grandis*, *Lunumidella*, *Mahogany*, and *Grevillea robusta*.

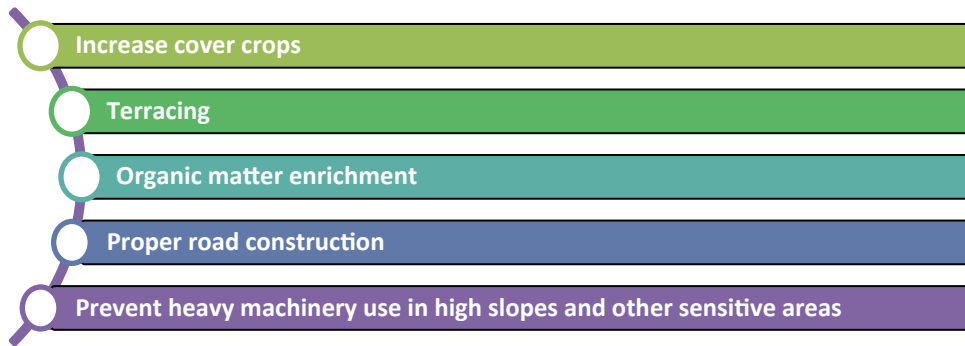
By encouraging ecotourism, recreational activities, and cultural heritage on its properties, KPPLC combines socioeconomic growth with biodiversity protection. A strong commitment to environmental responsibility is demonstrated by the several estates that have embraced globally recognized sustainability standards like the Forest Stewardship Council (FSC) and Rainforest Alliance.

KPPLC actively engages local people by providing training and tools to encourage sustainable land use and biodiversity-friendly practices because it understands that protecting biodiversity is a shared responsibility. Programs for community outreach increase understanding of the value of biodiversity and encourage local involvement in conservation initiatives. In the areas where KPPLC operates, these programs seek to establish a long-lasting culture of environmental care and sustainable living.



Soil Conservation

Crop production, biodiversity, and the general resilience of the ecosystems on which we all depend on is healthy soil. In order to preserve and improve soil quality, reduce erosion, and improve the health of the surrounding ecosystem, our soil conservation techniques are essential to our sustainability initiatives.



KPPLC is dedicated to protecting soil resources for coming generations by combining sustainable agricultural methods with preventative measures. Every estate actively uses soil conservation techniques including drainage, contour planting, terracing (including living terraces), and the use of leguminous cover crops like Pueraria, organic matter enrichment, and terracing. These methods lessen the need for artificial fertilizers, increase water retention, improve soil fertility and structure, and stop erosion. Pueraria is employed especially because of its capacity to fix nitrogen, maintain soil with its wide roots, and lower runoff.

Composting and organic mulching improve the soil's ability to retain nutrients. Lowering expenses and minimizing topsoil disturbance are two benefits of mechanizing field work and implementing integrated weed management strategies.

As part of its long-term commitment to sustainable soil management, KPPLC also sets ambitious targets and works with local farmers through training and seminars to increase soil health and conservation awareness.

Through the replanting of 54.45 hectares and the adoption of soil conservation techniques, cover cropping, and biodiversity-friendly field practices, we enhanced climate resilience and environmental sustainability across our estates. We also achieved a 2% reduction in firewood consumption and continued managing natural resources in alignment with SDGs 13 and 15.

Product Labeling

We bound by social principles and regulation guidelines of product labeling and Packaging of Our products. Product labeling and packaging activities of our products are done in accordance with the standards and guidelines imposed by Colombo Tea Auctions (CTA) and Ceylon Tea Trade Association (CTTA).

Sustainable Procurement Practices

GRI: 308-1



In addition to the Company's internal operations, we also pay close attention to the activities associated with the inbound and outbound logistical operations. Since promoting local operations might help the Sri Lankan economy, we always give local suppliers first attention when they interact with our supply chain. All new suppliers engaged during the reporting year were assessed for their environmental compliance and sustainability practices. On the one hand, such local procurement will reflect the Company's commitment to society and, on the other, promote the welfare of those local suppliers.

In order to properly manage the economic, social, and environmental effects of procurement operations, the Company is thus very interested in preserving strong, mutually beneficial relationships with its suppliers. Accordingly, we provide value to the suppliers in the form of continuous orders, timely settlement of dues, and provision of required information on time.

Timber and Forestry Management

KPPLC oversees 170 hectares of conservation forests, of which 145 ha are in the Doteloya Estate, which is situated in the transitional dry-wet zone of Dolosbage. The firm also manages 69 hectares of general forestry and 140 hectares of pine and other wood plantations, mostly in the Udapussellawa Region.

Every forestry activity, including felling, clearing, extraction, and transportation, complies with the National Environmental Act's environmental regulations. Extreme care is required to avoid groundwater level variations and soil erosion. During the subsequent monsoon season, harvested areas are rapidly replanted, and more conservation forests are planted in regions that are environmentally sensitive.



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The Conservator of Forests and the Inter-Ministerial Committee oversee the harvesting of trees. To ensure sustainable and responsible forest management, clear cutting is absolutely forbidden in catchment zones, wind belts, areas larger than two hectares, and lands with steep grades.

Adaptation of climate change mitigation measures

By implementing several environmentally friendly initiatives, we continue to conduct business and operations in a way that assures the least possible impact on the environment. We achieve this by managing our waste, water, and energy resources in a sustainable manner.

Rain Guarding

As the Largest Rubber producer among Regional Plantation Companies (RPC’s) accounting for 04 million kilos of average production per annum we are primarily focus on our Rubber crop. Since rubber plantations heavily affected by rainy weather conditions KPPLC adopt Rain Guarding for securing and enhancing the rubber crop even in rainy weather conditions. Accordingly, we are intended to incur about Rs. 48.8 Mn in 2025/26 with the collaboration of Rain Guarding Subsidy received by the Government.

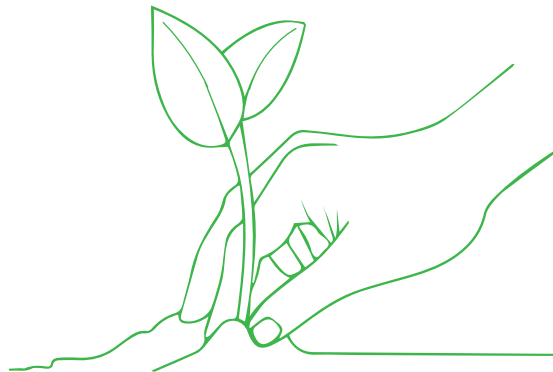
Investing in Rain Guarding does not only secure our crop, it also securing our employee earning power since even in rainy weather condition they do not have to prevent from tapping operations. At the same time, we facilitate required materials and equipment like torches, rain coats etc to tap under rainy conditions.

Sustainable Crop Diversification Projects Including Improvement Of Land Productivity

Invest in Minor Crops with Main Crops

In view of the global trend in plantation products, we have focus our attention on products which have greater potential to be grow. This may help us to enhance our product diversification which has greater potential of making the Company much stronger in economic and market fluctuations. We have initiated several types of minor crops that value our Company sustainability in economic perspective.

Crop	Ha.
Agarwood	10
Pineapple	10
Cocoa	13
Pepper	10
Vanilla	01
Mandarin	01
Coffee	75



Bio Latex/Organic Rubber

In an effort to strike a balance between environmental sustainability and economic viability, KPPLC has started an organic rubber project to reduce the usage of chemicals, stimulants, and artificial fertilizers. About 300,000 kg of rubber has been produced by the 247-hectare project, which is spread across eight estates. Richard Pieris Natural Foams Ltd. purchases the rubber at reasonable market prices.

KPPLC makes sure that rubber production promotes community well-being and environmental health by following sustainable farming methods. In order to achieve strict organic and sustainability criteria, the firm collaborates closely with certifying agencies, demonstrating its dedication to creating high-quality, environmentally friendly rubber. Through the continuous development of Bio Latex production, KPPLC is setting itself up for long-term growth and increased shareholder value with an emphasis on innovation, sustainability, and flexibility.



Waste and Water Management

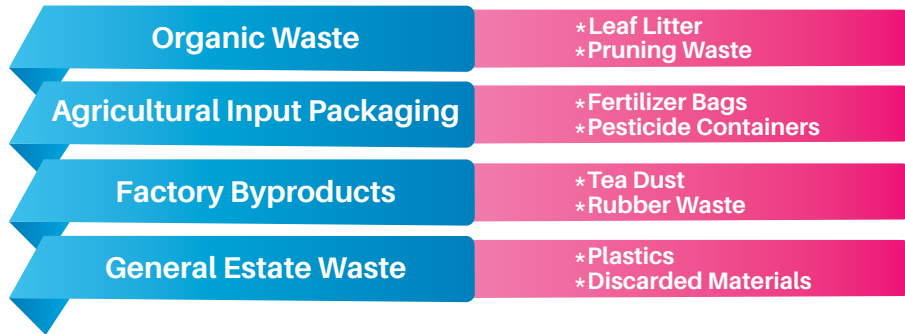
GRI: 3-3,303,306, 413-2



KPPLC reduces environmental pollution and promote the preservation of biodiversity by using efficient waste management techniques. Reusing, composting, and recycling waste items not only lessens our impact on the environment but also opens up financial savings potential. Because proper waste management keeps the air, water, and soil clean, it safeguards the health and welfare of our local communities.



Waste streams across operations



5-S Concept Adaptation

We always support and value our estates' adoption of the 5S quality management system as a guiding principle. The quality of our administration and production processes depicts by,

- Significant and continuous Investments in Centrifuged Latex Project (CLP) including obtaining new Centrifuged Latex machines and expanding the factory capacity etc.
- Repairs to the Gantry Crane switch at Udapola Estate, Avery weighbridge at Udapola Estate.
- An Elevator was installed at Atale Sole Crepe Factory discontinuing the 90 years old strenuous practice of carrying the wet rubber bales up to the drying chambers.
- In time Repair & Maintenance of Estate Machinery & Equipment.



Effluent Treatment Facilities

We take stringent precautions to avoid contaminating water sources by using pesticides and fertilizers responsibly as preserving the quality of water is crucial. Communities' access to clean water is guaranteed by KPPLC's responsible water usage, which is essential for their livelihoods, agriculture, and general health. We support local communities' social and economic well-being by managing water resources responsibly.

Effective water management techniques, such as the effluent treatment facilities housed in our Companies, enable us to preserve water quality, safeguard aquatic habitats, and stop the polluting of nearby water sources. KPPLC conducts stringent monitoring and treatment of the water discharged from our factories before it is released to the environment. We may lessen our reliance on outside water sources by reusing processing water and implementing rainwater collection projects.

KPPLC stays out of trouble with the law and keeps our operating license as we recognize that stringent environmental rules apply to both waste and water management. Maintaining compliance also improves the KPPLC's standing with investors, clients, and authorities. Further, our operational expenses related to waste disposal, water acquisition, and treatments are decreased by effective waste and water management. We aim to increase profitability and guarantee the sustainability of our operations by reducing waste and preserving resources.

We are dedicated to enhancing our waste and water management procedures going forward. We will keep funding innovations and tactics that cut down on trash production and water usage. Our objective is to better incorporate the concepts of the circular economy, where trash from one activity is turned into a resource for another, into our operations. In addition to increasing operational effectiveness, we hope to lessen our environmental impact by improving our water and waste management systems, which will secure the long-term viability of our plantation enterprise and the welfare of the ecosystems and communities we serve.



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Energy Efficiency

GRI: 302



As a result of continuous efforts to improve operational efficiency and implement more sustainable practices, the Company saw a slight decrease in overall energy consumption across all major energy sources during 2024/2025.



Type of energy	2024/25	2023/24	Change
Electricity (kWh)	1,968,763	2,023,061	↓ -3%
Fuel (Litres)	256,949	289,231	↓ -11%
Firewood (cubic metres)	8,804	8,944	↓ -2%



The Company's overall energy consumption declined somewhat in 2024/2025 as a result of initiatives to increase operational effectiveness and lessen reliance on fossil fuels. Utilization of firewood, diesel fuel, and electricity were all tracked and are being taken into consideration as important inputs for creating a future GHG emissions inventory.

We lower energy waste and increase overall efficiency by putting in place energy-efficient irrigation systems and processing machinery. By simplifying manufacturing procedures and cutting down on energy waste, we increase the energy efficiency of our processing facilities.

In every facet of our plantation operations, we constantly assess and optimize energy use. This involves updating our old equipment to more energy-efficient versions and replacing it with energy-efficient models, which drastically lowers our energy usage. As an example, we use VFD motor controllers that drive electric motors by varying the frequency and voltage of its power supply in factory motors to improve electricity consumption.

We regularly include our staff in energy-saving projects because we understand that everyone has a duty to be energy efficient. From energy-saving techniques in the field to lowering energy use in our offices and facilities, we promote energy-conscious habits among our employees through training programs and awareness campaigns.

We are actively investigating and planning to implement renewable energy options, such as solar power, into operations to assist reduce reliance on non-renewable energy in order to strengthen our commitment to sustainability by lowering carbon footprint. These programs also help us achieve our objective of lowering energy-related expenses.

Material Usage

GRI: 301



During the reporting period, the Company utilized a range of renewable and non-renewable materials to support its operations, production, and packaging processes. The data provided below includes all materials consumed within the reporting boundary and is expressed in tonnes (t).



Material Type	Renewable (t)	Non-renewable (t)
Timber	-	6,163
Natural Rubber	8,938	-
Green Leaf	6,228	-
Packaging Materials	-	262
Fertilizers	-	1,000
Fuel (Diesel)	-	257
Chemicals	-	232
Total	15,166	7,914

The Company continues to prioritize the efficient use of renewable materials while progressively reducing dependence on non-renewable inputs through material substitution, process optimization, and recycling initiatives.



Use of Recycled Input Materials

KPPLC mostly used raw materials, such as fertilizer, planting supplies, and packing materials, that were obtained straight from the agricultural supply chain throughout the reporting year. Because of the nature of our production processes and the lack of easily accessible recycled substitutes for the majority of agricultural inputs in the local market, the use of recycled input materials in core operations is currently restricted.

To lessen the need for fresh material purchases, the business has instituted internal reuse procedures for plastic crates, fertilizer sacks, and certain equipment components in estate operations. KPPLC is looking at ways to use recycled and biodegradable materials as part of our long-term sustainability goals, especially in packaging for items that are intended for consumers.

We are committed to progressively increasing the use of recycled inputs where feasible and appropriate for plantation operations, in line with our resource efficiency and waste minimization objectives.

Reclaimed Products and Their Packaging Materials

KPPLC does not currently have a structured program in place for product take-backs or reclamations of sold goods or packaging materials. At this point, post-consumer packaging reclamation is not practically possible because the majority of the Company's output is sold in bulk to manufacturers, exporters, or third-party processors. KPPLC hopes to work with downstream partners in the future to assess the viability of implementing package recovery or recycling initiatives that adhere to the tenets of the circular economy.

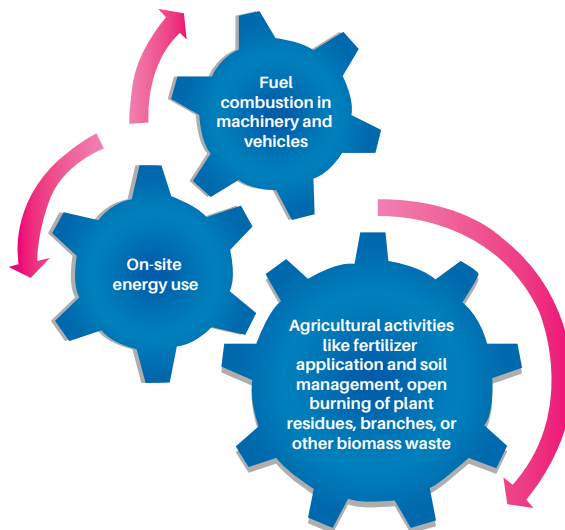
Planting Progress: Reducing Our Impact



GRI: 3-3, 305

Our carbon footprint as a plantation enterprise is the sum of the greenhouse gas (GHG) emissions produced by every facet of our operations, from crop cultivation and land preparation to processing, shipping, and energy use.

Ways that the Company produces greenhouse gas emissions



Kegalle Plantations PLC has undertaken an internal calculation of its greenhouse gas (GHG) emissions for the financial year 2024/25, covering Scope 1 (direct) and Scope 2 (energy indirect) emissions across all estates and manufacturing facilities under our operational control.

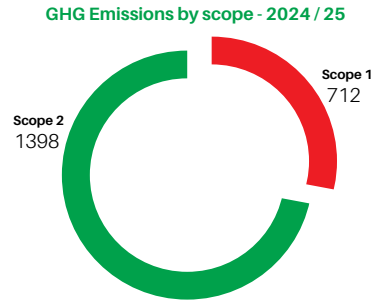
Our calculations are based on actual energy consumption data, including fuel usage and purchased electricity, multiplied by recognized emission factors. These emission factors have been sourced from internationally accepted guidelines and adapted to reflect the Sri Lankan operating context. While the figures are not yet third-party verified, they form the Company's first quantified emissions baseline and will be subject to independent verification in the next reporting cycle.



NATURAL CAPITAL

Emissions Summary - FY 2024/25

Indicator	Value
Scope 1 emissions (tCO ₂ e)	712.26
Scope 2 emissions (tCO ₂ e)	1,397.82
Total emissions (tCO ₂ e)	2,110.08
Production (tons)	4,042
Emission intensity (tCO ₂ e)	0.522



The Company is committed to reducing its emissions intensity through a combination of renewable energy adoption, improved process efficiencies, and sustainable land management practices. From financial year 2025/26, we will enhance our reporting to include third-party verified Scope 1 and Scope 2 data, and progressively expand coverage to relevant Scope 3 categories such as upstream supply chain and downstream logistics.

Our Mitigation & Sustainability Efforts

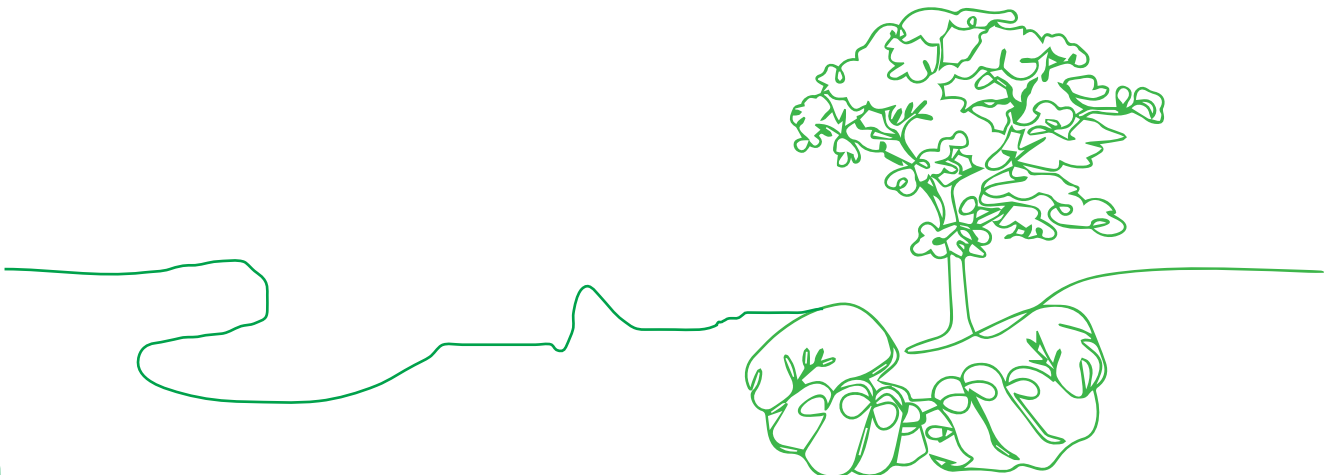
Energy consumption and related emissions have decreased as a result of the adoption of energy-efficient technology, such as LED lighting, energy-efficient irrigation systems, and upgraded machinery. We've embraced low-carbon agricultural methods like organic fertilization, which reduce the need for synthetic pesticides and fertilizers that increase greenhouse gas emissions. Carbon sinks within plantation landscapes are preserved by our dedication to minimizing land-use change, which includes preventing deforestation and putting sustainable forest management techniques into place.

We have optimized our supply chain and logistics to reduce fuel consumption by strategically routing transportation and consolidating shipments to minimize travel distances.

We will keep improving our climate action strategy going ahead, concentrating on the following areas:

- o Expansion of our businesses' use of renewable energy initiatives.
- o Further incorporation of climate-smart farming techniques, such as improved biodiversity conservation and soil carbon management.
- o Sustained expenditure in infrastructure and technologies that use less energy.
- o Cooperation to support national and international climate change initiatives with the government, business associates, and non-governmental organizations.

To lessen our plantation operations' dependency on fossil fuels, we are planning to invest in sustainable energy sources including solar power.




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Statement of use	Kegalle Plantations PLC has reported in accordance with the GRI Standards for the period 01 April 2024 to 31 March 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022



GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Relevant SDG Goals We Aim to Achieve
		Page No.	Require Ment(s) Omitted	Reason	Explanation		

General Disclosures





GRI 2: General Disclosures 2021	2-1 Organizational details	03-05,08					
	2-2 Entities included in the organization's sustainability reporting						
	2-3 Reporting period, frequency and contact point						
	2-4 Restatements of information						
	2-5 External assurance						
	2-6 Activities, value chain and other business relationships						
	2-7 Employees	51-52					
	2-8 Workers who are not employees	N/A	2-8	N/A	All Workers are Occupied as Employees		
	2-9 Governance structure and composition	87-89					
	2-10 Nomination and selection of the highest governance body	89-90					
	2-11 Chair of the highest governance body	87-91					
	2-12 Role of the highest governance body in overseeing the management of impacts	90-91					
	2-13 Delegation of responsibility for managing impacts	94					
	2-14 Role of the highest governance body in sustainability reporting	90-91					
	2-15 Conflicts of interest	87-90					
	2-16 Communication of critical concerns	94-95					
	2-17 Collective knowledge of the highest governance body	89					
	2-18 Evaluation of the performance of the highest governance body	91					



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	2-20 Process to determine remuneration						
	2-21 Annual total compensation ratio						
	2-22 Statement on sustainable development strategy	10-11					
	2-23 Policy commitments	93-94					
	2-24 Embedding policy commitments						
	2-25 Processes to remediate negative impacts						
	2-26 Mechanisms for seeking advice and raising concerns	94					
	2-27 Compliance with laws and regulations	89					
	2-28 Membership associations	58					
	2-29 Approach to stakeholder engagement	36-37					
	2-30 Collective bargaining agreements	58					
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	3-2 List of material topics						
	3-3 Management of material topics	46,51,56,60,63					
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GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	60-62				13.3.2	
	304-2 Significant impacts of activities, products and services on biodiversity				13.3.3		
	304-3 Habitats protected or restored				13.3.4		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				13.3.5		
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GRI 3: Material Topics 2021	3-3 Management of the material topics	65				13.2.1	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	65-66				13.2.2	
	305-2 Energy indirect (Scope 2) GHG emissions				13.2.3		








	305-3 Other indirect (Scope 3) GHG emissions					13.2.4	
	305-4 GHG emissions intensity					13.2.5	
	305-5 Reduction of GHG emissions					13.2.6	
	305-6 Emissions of ozone-depleting substances (ODS)	65-66				13.2.7	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions					13.2.8	
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GRI 3: Material Topics 2021	3-3 Management of the material topics	57				13.2.1	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	81-95				13.2.2	
	201-3 Defined benefit plan obligations and other retirement plans	132				13.2.3	
	201-4 Financial assistance received from government	57				13.2.4	
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GRI 3: Material Topics 2021	3-3 Management of the material topics	51					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	54					
	202-2 Proportion of senior management hired from the local community	51-52					
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GRI 3: Material Topics 2021	3-3 Management of the material topics	46,51,56					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	46-47					
	203-2 Significant indirect economic impacts	51-58					
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	44					
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	207-3 Stakeholder engagement and management of concerns related to tax						
	207-4 Country-by-country reporting						
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GRI 3: Material Topics 2021	3-3 Management of the material topics	60					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	64-65					
	301-2 Recycled input materials used						
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GRI 3: Material Topics 2021	3-3 Management of the material topics	60					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64					
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	302-3 Energy intensity						
	302-4 Reduction of energy consumption						
	302-5 Reductions in energy requirements of products and services						
Water and Effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	60					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	63				13.7.1	
	303-2 Management of water discharge-related impacts					13.7.2	
	303-3 Water withdrawal					13.7.3	
	303-4 Water discharge					13.7.4	
	303-5 Water consumption				13.7.5		
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GRI 3: Material Topics 2021	3-3 Management of material topics	60					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	63				13.8.1	
	306-2 Management of significant waste-related impacts					13.8.2	
	306-3 Waste generated					13.8.3	
	306-4 Waste diverted from disposal					13.8.4	
	306-5 Waste directed to disposal				13.8.5		



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GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	61					
	308-2 Negative environmental impacts in the supply chain and actions taken	60-61					
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	401-3 Parental leave						
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	53					
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	404-3 Percentage of employees receiving regular performance and career development reviews						
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GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples Non-discrimination and equal opportunity	54				13.14.2	
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51-52				13.15.2	
	405-2 Ratio of basic salary and remuneration of women to men					13.15.3	
	406-1 Incidents of discrimination and corrective actions taken	55				13.15.4	



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GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	55				13.16.2	
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GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	55				13.17.2	
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GRI 3: Material Topics 2021	3-3 Management of material topics	51				13.18.1	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	55				13.18.2	
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GRI 3: Material Topics 2021	3-3 Management of material topics	51				13.19.1	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52-53				13.19.2	
	403-2 Hazard identification, risk assessment, and incident investigation					13.19.3	
	403-3 Occupational health services					13.19.4	
	403-4 Worker participation, consultation, and communication on occupational health and safety					13.19.5	
	403-5 Worker training on occupational health and safety					13.19.6	
	403-6 Promotion of worker health					13.19.7	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships					13.19.8	
	403-8 Workers covered by an occupational health and safety management system					13.19.9	
	403-9 Work-related injuries					13.19.10	
	403-10 Work-related ill health					13.19.11	
Local Communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	56-60					



GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	56-57				13.24.1	
	413-2 Operations with significant actual and potential negative impacts on local communities	63-66				13.24.2	
Supplier Social Assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	56				13.24.1	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	57				13.24.2	
	414-2 Negative social impacts in the supply chain and actions taken						
Public Policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	56				13.24.1	
GRI 415: Public Policy 2016	415-1 Political contributions	58				13.24.2	
Customer Health and Safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	59				13.24.1	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	59				13.24.2	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services						
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	56				13.26.1	
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	58				13.26.2	
	205-2 Communication and training about anti-corruption policies and procedures					13.26.3	
	205-3 Confirmed incidents of corruption and actions taken					13.26.4	



RISK MANAGEMENT



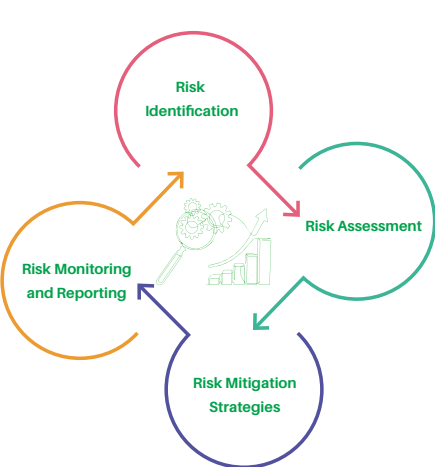
Risk management is a vital part of KPPLC’s strategy, assuring the Company’s resilience and sustainability in a dynamic environment. We have created a comprehensive risk management system that discovers, evaluates, and mitigates risks throughout our operations, protecting our long-term goals. The Board of Directors offers supervision to ensure that risks are managed proactively and that the Company’s approach is consistent with our commitment to ethical behavior, regulatory compliance, and value generation. Our approach tackles environmental, operational, financial, and reputational risks, allowing us to effectively respond to emerging problems and opportunities while protecting the interests of our stakeholders.

At KPPLC, we are dedicated to creating a risk-aware culture and incorporating risk concerns into our strategic decision-making processes. Our comprehensive risk management plan is intended to prevent any threats to our organization while preserving our competitive advantage. This approach ensures that we stay robust and adaptable, transforming risks into opportunities for long-term growth and success.

KPPLC is dedicated to proactively and successfully managing all risks, recognizing the importance of detailed analysis to assist informed decision-making within the entity. The KPPLC Risk Management Standard and Framework incorporate a unified approach to risk analysis and management. This approach focuses not only on controlling internal risks, but also on proactively identifying and managing external risks that may have an influence on the Company’s strategy and objectives. Additionally, KPPLC is committed to protecting the interests of all stakeholders during crises or catastrophes. As a result, Business Continuity Management is a critical component of our strategy, guaranteeing that the Company can continue operations with minimal disturbance to stakeholders in the case of an interruption.

KPPLC’s Risk Management Framework is based on a strong governance framework that outlines the roles and duties of the Board, management, and internal audit activities. Our methodology employs a systematic process for risk identification, evaluation, mitigation, monitoring, and reporting, offering a comprehensive approach to risk management. The framework is intended to be adaptable and responsive to developing risks, while remaining consistent with the Company’s strategic goals.

KPPLC’s strong governance system is the foundation of its dedication to accountability and informed decision-making, which ultimately leads to the production of long-term, sustainable value for stakeholders. Over the last few years, this well-integrated corporate ecosystem, which includes governance, risk management, and internal controls, has played an important role in steering the Company through numerous problems. By upholding the principles of accountability, transparency, integrity, and ethics, KPPLC has continually given value to its stakeholders while maintaining the Company’s resilience and flexibility in an ever-changing business environment.



Risk Identification and Assessment

At KPPLC, we use a systematic method to identify and assess risks, taking into account both internal and external factors. Risks are divided into operational, financial, strategic, regulatory, environmental, and reputational categories. Throughout the year, major risks were recognized in various categories, including market volatility, regulatory changes, and operational disruption. Each risk was extensively evaluated based on its likelihood and potential impact, then prioritized for proper management.

Risk Mitigation Strategies

We put in place methods and controls to reduce the impact of risks, allowing the business to continue meeting its objectives while mitigating their negative effects. At KPPLC, we use a variety of risk mitigation tactics, such as avoidance, transfer, reduction, and acceptance, which are tailored to each identified risk. Key strategies include diversifying revenue streams, putting in place strong internal controls, and obtaining proper insurance coverage. These measures have been effective in reducing risk exposure and ensuring that the organization stays within their risk tolerance.

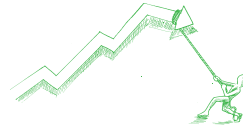
Internal Controls

KPPLC’s internal control environment is both extensive and effective, which helps us achieve our risk management goals. The Internal Audit Department is critical in assessing the effectiveness of these controls, and any discoveries are swiftly addressed to strengthen our systems even more. To stay up with the ever-changing risk landscape, we continuously upgrade our internal control systems.

Risk Monitoring and Reporting

KPPLC’s methodology revolves around continuous risk monitoring. We employ Key Risk Indicators (KRIs) to monitor possible risks in real time and change our mitigation tactics accordingly. Regular risk reports are distributed to the Board, Audit, and Risk Management Committees, ensuring that all relevant stakeholders are aware of the current risk situation. Our transparent reporting processes extend to our external stakeholders, demonstrating our commitment to accountability and good governance.





Review and Continuous Improvement

KPPLC’s risk management system undergoes frequent evaluation to guarantee its relevance and effectiveness. Independent assessments, internal audits, and third-party evaluations give useful information that drives continual improvement. As we look ahead, we are dedicated to improving our risk management methods so that we can better navigate future problems.

By maintaining a strong governance framework, proactive risk detection, and effective mitigation techniques, we protect our assets and contribute to the Company’s long-term success. Moving forward, we will continue to improve our risk management capabilities in order to handle growing risks and capitalize on new opportunities.

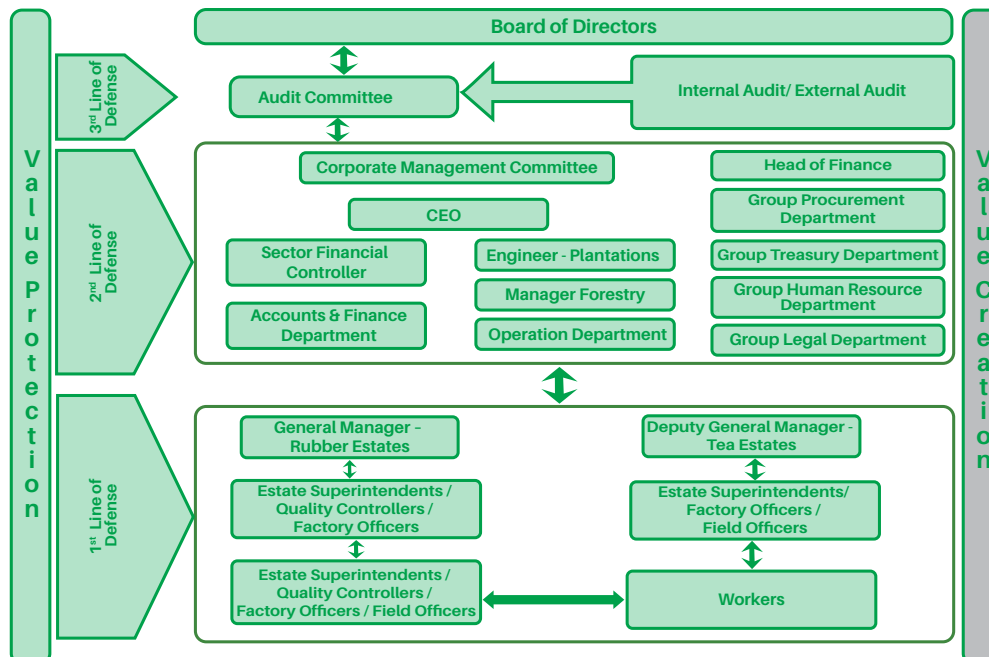
Risk Management Framework

KPPLC employs the internationally recognized “Three Lines of Defense” model to ensure robust governance, effective risk management, and strong internal controls across all operations. This framework clearly defines roles and responsibilities, fostering a culture of accountability and continuous improvement in managing risks to our strategic objectives. The Risk Management Framework at KPPLC is critical to assuring the Company’s capacity to meet both short-term and long-term strategic goals. The major purpose of this framework is to detect, assess, and manage risks that could jeopardize the Company’s performance and sustainability. By incorporating risk awareness into all decision-making processes, KPPLC guarantees that its risk management approach is both proactive and strategic. This includes early detection and analysis of possible threats and opportunities, effective risk control and mitigation before they occur, and pursuing opportunities with acceptable risk levels to increase value creation.

Corporate Management is crucial in ensuring that risk management is viewed as a critical business component, with every employee and business partner actively involved in discovering, analyzing, and managing risks within the Company’s framework. KPPLC’s risk management methodology blends a top-down strategic perspective with bottom-up operational risk assessments, taking into account the external environment at all times. This complete approach is further supported by strategic risk studies, risk outlooks, and appraisals of important operations and investments, which enable the organization to successfully predict and reduce risks.

The framework also emphasizes the need to react to the changing nature of external risk sources. To this purpose, KPPLC publishes a major risk perspective bulletin on external and developing risks on a regular basis, ensuring that both the Board and Management are informed and ready to respond quickly and effectively. This disciplined and forward-thinking approach to risk management is critical to ensuring KPPLC’s long-term value and sustainability.

Risk Governance



RISK MANAGEMENT

Board Responsibilities

The Board of Directors of KPPLC is ultimately responsible for the Company's risk management structure, which ensures effective risk identification, assessment, and management at all levels. The Board's approach is comprehensive, addressing both internal and external threats to KPPLC's strategic goals, operational performance, and sustainability.

Key tasks include developing a strong risk governance structure, determining risk appetite, and approving regulations, all while monitoring the framework's efficacy. The Board also assures extensive risk identification and assessment processes, which cover a wide range of risk categories. By incorporating risk management into strategic planning, the Board integrates risk considerations with the Company's goals, increasing resilience and informing decision-making.

Regular monitoring and reporting, including management risk reports and internal audits, enable the Board to assess the effectiveness of controls and processes. The Board also monitors the development and implementation of Business Continuity Management plans, assuring the Company's readiness for crises and disruptions.

The Board prioritizes open communication with stakeholders regarding KPPLC's risk management methods to build confidence and align risk management with long-term value generation. By carrying out these obligations, the Board increases KPPLC's resilience, promotes sustainable growth, and protects stakeholder value.

Audit Committee

The Audit Committee oversees the Internal Audit Program to ensure it effectively addresses the Company's key operational areas. The Head of Group Internal Audit attends all Committee meetings, presenting key findings from internal audits and inquiries. The Committee reviews management's responses to audit findings and monitors the implementation of recommended corrective actions.

In addition to audit oversight, the Committee is responsible for reviewing underperforming or loss-making estates, developing turnaround strategies, and recommending appropriate remedial measures.

The Audit Committee also plays a critical role in overseeing the Company's risk management framework. It assesses the suitability of risk response strategies, monitors their implementation, and evaluates the effectiveness of mitigation measures. To ensure thorough oversight, the Committee obtains and reviews risk reports from Senior Management, Estates Management, Internal Auditors, and External Auditors. It contributes to the development of risk management strategies and policies aligned with the Company's risk appetite, attitudes, and exposures, and provide recommendations to the Board of Directors. The Committee also keeps the Board updated on significant risk related issues and proposes appropriate actions. As part of its ongoing responsibilities, the Committee continuously monitors and adapts risk management processes in response to the Company's evolving operational environment.

Internal Audit

The Internal Audit Department plays a key role in enhancing controls, reinforcing the Company's overall risk management and governance framework. It provides independent, risk-based assurance and advisory support efficient and compliant operations.

The department conducts regular reviews of Financial Statements, operational processes, and internal controls of Estates and Head Office. It provides recommendations to strengthen the internal control environment and reports audit findings to the Audit Committee and Senior Management. Through its oversight of compliance with regulatory requirements, Company policies, and procedures, Internal Audit helps protect KPPLC's assets, enhance operational effectiveness, and ensure the Company remains on track to meet its strategic goals.

External Audit

The External Audit provides an independent evaluation of KPPLC's Financial Statements to ensure they fairly represent the Company's financial position and comply with relevant accounting standards and regulations. As part of their review, external auditors assess the effectiveness of financial reporting and internal controls related to financial processes.

Audit findings, including any identified risks, control weaknesses, and recommendations for improvement, are communicated to management through the Management Letter. The Management Letter serves as a formal channel for the external auditors to highlight key issues and suggest corrective actions. The Audit Committee reviews the Management Letter and discusses these findings with both management and the external auditors to ensure appropriate follow-up.



Corporate Management Team & Corporate Management Committee

The Corporate Management Team is responsible for developing division-specific risk appetite statements, policies, controls, and procedures, in alignment with the Board's overall Risk Appetite Statement and the Risk Management Frameworks approved by the Board of Directors. Each Head of Department assesses operational risks in consultation with operational managers or superintendents and escalates significant risks to the Corporate Management Committee.

The Corporate Management Team also conducts monthly reviews of estate accounts through regular management meetings to ensure timely responses to internal audit findings and external auditors' Management Letters, with appropriate follow-up on all compliance-related recommendations. Further it reviews reported risks, performs detailed analysis, and ensures that suitable mitigation measures are implemented at the operational level. Proactive risk analysis is undertaken through ongoing engagement with estate and operational management, enabling the timely identification and resolution of emerging risks.

In addition, the Committee formulates and recommends appropriate risk response strategies to the Board, enforces adherence to risk policies and procedures, and fosters a strong risk-aware culture across the organization. The Corporate Management Committee meets twice a month to review operational performance and monitor risk management progress.

Operational level Risk Management Process

At KPPLC, operational-level risk management is overseen by the General Manager - Rubber Estates and the Deputy General Manager - Tea. They assess risks in alignment with the Board's overall Risk Appetite and the Risk Management Frameworks approved by the Board of Directors, while also considering guidance from the Corporate Management Team and Internal Audit.

Estate Superintendents submit regular risk reports, which are promptly reviewed. Immediate feedback is provided to the Superintendents, and significant risks are escalated to the Corporate Management Team for further evaluation and direction.

As a Company operating in the plantation sector, KPPLC acknowledges that estate operations are particularly exposed to substantial risks, including land encroachments, worker strikes, accidents, labour shortages, and environmental challenges. The operational-level risk management process is therefore proactive, responsive, and embedded in daily estate management to ensure business continuity and long-term resilience.

ESG Risk Management and Sustainable Value Creation

At KPPLC, our commitment to sustainable growth is intrinsically linked to robust ESG risk management. We understand that effective management of environmental, social, and governance factors is paramount for long-term resilience and value creation, particularly within the dynamic economic landscape of this island nation. Our approach is meticulously designed to not only mitigate potential challenges but also to identify and capitalize on emerging opportunities. This commitment is underpinned by a dynamic Risk and Opportunity Management Framework that ensures we remain agile and forward-thinking in a world characterized by increasing climate variability, global economic shifts, and evolving social and political dynamics.

Central to our sustainability efforts is the systematic measurement of the impacts of our metrics and targets. We employ robust measurement frameworks to track progress, quantify outcomes, and evaluate the effectiveness of our sustainability goals. This rigorous process allows KPPLC to tangibly demonstrate the value generated by our initiatives, strengthen accountability to all stakeholders, and cultivate a culture of continuous improvement. These performance insights are crucial for driving us towards a more environmentally sound, socially responsible, and economically resilient future for the country, and are integral to our SLFRS S1 and S2 disclosures, ensuring our reporting aligns with the standards for sustainability-related financial information.

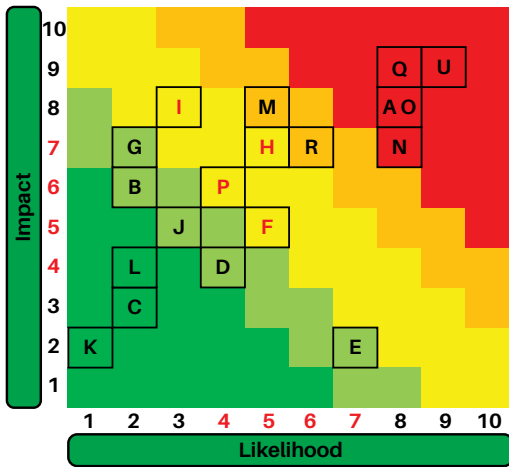
Furthermore, we are dedicated to transparently disclosing risk-related metrics and targets within our reporting. This vital aspect of our Enterprise Risk Management (ERM) framework, aligned with SLFRS S1 and S2, provides our stakeholders with clear insights into KPPLC's risk profile. Through quantifiable measures and established goals, we communicate how we monitor and manage our exposure to significant risks, showcasing our proactive efforts to mitigate potential negative impacts and our progress in achieving key risk management objectives. This level of detail underscores our unwavering commitment to effective risk management and the strategic leveraging of opportunities, thereby significantly enhancing transparency and accountability for our stakeholders. Our dedication to sustainable growth is prominently reflected in the seamless integration of Climate-Related Risks and Opportunities (CRRO) and Sustainability-Related Risks and Opportunities (SRRO) directly into our core risk reporting processes, a strategic advancement that deepens the relevance and comparability of our disclosures in line with SLFRS S1 and S2 standards. Our comprehensive risk management system, therefore, ensures consistency, adaptability, and strategic alignment, reinforcing KPPLC's enduring commitment to creating lasting value for all our stakeholders in this island nation and beyond.



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Risk Matrix

Our robust risk management framework utilizes the Risk Matrix as a fundamental tool to systematically assess and prioritize potential threats and opportunities. This rigorous approach ensures our resources are strategically focused on the most critical areas, informing well-informed decisions and establishing clear roles and responsibilities across all levels of the organization.



Strategic Risks

- A. Fiscal Policy Changing Risk
- B. Reputation Risk
- C. Corruption Risk

Financial Risk

- D. Currency Risk
- E. Interest Rate Risk & Gearing Risk
- F. Liquidity & Cash Management Risk
- G. Capital Investments Risk
- H. Credit Risk

Operational Risk

- I. Inventory & Asset Risk
- J. Product Risk & Risk of Competition
- K. Procurement Risk
- L. Industrial Accident Risk

Climate Related Risks (CRR)

- M. Extreme weather
- N. Soil health
- O. Impact of Climate Change
- P. Pest and Disease Outbreaks

Sustainability Related Risks (SRR)

- Q. Human Capital & Labor Risk
- U. Global market dynamics
- R. Technology Adaptation

Risk/Risk Assessment	Potential Impact	Risk Mitigation Strategies	Outlook
Strategic Risk			
Fiscal Policy Changing Risk Likelihood : High Impact : High	<ul style="list-style-type: none"> ◇ The Company may be directly impacted by modifications to environmental legislation, land use restrictions, or export tariffs. ◇ The operational viability of the business might be threatened by any government action to nationalize plantation estates or redistribute land. ◇ Company’s profitability may be impacted by international trade agreements and legislation. 	<ul style="list-style-type: none"> ◇ Make sure that all operations adhere to the rules and regulations in order to prevent fines and other consequences. ◇ Maintain contacts with legislators EFC, labour unions and government officials to keep up with any upcoming regulatory changes. ◇ Make sure that leases and land titles are properly documented and legally sound to prevent disagreements over property ownership. 	Regulatory Vigilance & Stakeholder Engagement
Reputation Risk Likelihood : Low Impact : Moderate	<ul style="list-style-type: none"> ◇ Reputational harm and loss of access to global markets can result from noncompliance with sustainability criteria, Rainforest Alliance certification. ◇ The Company’s unethical actions may cause it to lose customers. 	<ul style="list-style-type: none"> ◇ Obtain global certifications for sustainability, such as Rainforest Alliance. ◇ Put in place traceability mechanisms that let stakeholders and customers confirm the origin of plantation goods. ◇ Create and carry out CSR initiatives that help the neighborhood, such offering financial aid for schooling, constructing infrastructure, or assisting small Companies. 	Transparent Communication & Stakeholder Trust-Building



<p>Corruption Risk</p> <p>Likelihood : Low Impact : Low</p>	<ul style="list-style-type: none"> ◇ Corruption leads to legal sanctions, financial losses, disrupted operations, and reputational damage. 	<ul style="list-style-type: none"> ◇ Enforce a strict anti-corruption policy, supported by regular internal audits. ◇ Employee awareness programs. ◇ Confidential whistleblower mechanism. ◇ Maintain transparent procurement procedures. ◇ Ensure compliance with all relevant regulations. 	<p>Strong Governance & Ethical Compliance Culture</p>
Financial Risk			
<p>Currency Risk</p> <p>Likelihood : Moderate Impact : Moderate</p>	<ul style="list-style-type: none"> ◇ Productivity and operating expenses may be impacted by changes in worker availability, pay, and union demands. ◇ Revenues may be impacted by changes in the value of the Sri Lankan Rupee relative to other major currencies, such as the US dollar, particularly if the local currency depreciates. ◇ Profit margins may be squeezed by increases in the price of inputs like gasoline, fertilizer, and insecticides, particularly when inflation is high. 	<ul style="list-style-type: none"> ◇ Lock in commodity prices by using hedging tools or entering into forward contracts. ◇ Concentrate on increasing operational efficiency through automation, technology, and cost-cutting strategies for things like labour, fuel, and inputs. ◇ Reducing reliance on a single commodity or market by diversifying crop varieties. 	<p>Exchange Rate Monitoring & Flexible Procurement</p>
<p>Interest Rate Risk & Gearing Risk</p> <p>Likelihood : Moderate Impact : Low</p>	<ul style="list-style-type: none"> ◇ Changes in interest rates can affect the cost of borrowing. ◇ Over-leveraging can lead to financial distress if the Company is unable to generate sufficient revenue to meet debt obligations. 	<ul style="list-style-type: none"> ◇ Choose fixed-rate bonds or loans to lock in borrowing costs and protect the business from changes in interest rates. ◇ Evaluate the Company's debt load on a regular basis and control leverage levels to prevent taking on too much debt. ◇ Maintain a healthy debt-to-equity ratio to balance leverage and equity funding. ◇ Create a long-term budget and financial strategy to make sure the business can pay off its debts without sacrificing its ability to run efficiently. 	<p>Strategic Financing & Cost Management</p>
<p>Liquidity & Cash Management Risk</p> <p>Likelihood : Moderate Impact : Moderate</p>	<ul style="list-style-type: none"> ◇ Due to long crop cycles, Company may face cash flow challenges during off-seasons or when crops are not ready for harvest. ◇ Shortage of liquidity to cover short-term expenses like wages, operating costs, or loan repayments. 	<ul style="list-style-type: none"> ◇ Implement a robust cash flow forecasting system to predict cash inflows and outflows and manage liquidity needs effectively. ◇ Set up a financial reserve or emergency fund during busy times in order to supply liquidity during lean times. ◇ Consider diversifying the revenue base through agro tourism or value-added product investments to mitigate seasonal cash flow fluctuations. 	<p>Cash Flow Discipline & Working Capital Controls</p>



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<p>Capital Investments Risk</p> <p>Likelihood : Low Impact : Moderate</p>	<ul style="list-style-type: none"> ◆ Difficulties in finding the most suitable investment opportunity to maximize shareholder wealth. 	<ul style="list-style-type: none"> ◆ Adopting a stringent approval procedure for Capital expenditure. ◆ In depth analysis of investment in both long term and short term capital employments. ◆ Use various approaches for systematically analyze the feasibility of capital budgeting including NPV, Payback, Profitability ratio etc. 	<p>Strategic Prioritization & ROI-Based Planning</p>
<p>Credit Risk</p> <p>Likelihood : Moderate Impact : Moderate</p>	<ul style="list-style-type: none"> ◆ Financial losses occur when customers, suppliers, or financial institutions default on their financial obligations. 	<ul style="list-style-type: none"> ◆ Before granting credit, do comprehensive credit evaluations of counterparties and consumers. ◆ To reduce the chance of late or non-payment, provide advantageous arrangements for payments. ◆ Not depending too much on a select few clients. 	<p>Customer Assessment & Diversified Market Exposure</p>
<p>Operational Risk</p>			
<p>Inventory & Asset Risk</p> <p>Likelihood : Low Impact : High</p>	<ul style="list-style-type: none"> ◆ Stock obsolescence, fire and theft risks, stock holding expenses, and machinery and equipment malfunction. 	<ul style="list-style-type: none"> ◆ Frequent physical check and adapting to a monthly declaration policy. ◆ Identify slow moving stocks and effectively laying out a channel for these to be sold off. ◆ Obtaining comprehensive insurance covers for all tangible assets. ◆ Carrying out mandatory preventive maintenance programs. ◆ Carrying out frequent employee training programs in areas such as fire prevention. 	<p>Regular Audits & Asset Tracking Systems</p>
<p>Product Risk & Risk of Competition</p> <p>Likelihood : Low Impact : Moderate</p>	<ul style="list-style-type: none"> ◆ Challenges and uncertainties related to the Company's core product. ◆ Challenges posed by both direct competitors and market forces that may reduce a Company's market share or profitability. 	<ul style="list-style-type: none"> ◆ Ensure high standards of quality of Products through obtaining local and global Certificates and recognition such as ISO certificates. ◆ Increasing productivity and efficiency in order to ensure an adequate margin despite increasing wage, energy and transportation cost. ◆ Carrying out Research & Development activities to meet the competition. ◆ Regular attention towards competitor behavior to secure and improve the market. 	<p>Quality Assurance & Market Differentiation</p>
<p>Procurement Risk</p> <p>Likelihood : Low Impact : Low</p>	<ul style="list-style-type: none"> ◆ Risks connected with material pricing and availability. 	<ul style="list-style-type: none"> ◆ Continuous replanting activities of all crops to meet the increasing demand. ◆ Ensure the availability of all required materials through regular investigation of Procurement. ◆ Establishing relationships with many suppliers for latex and bought leaf in order to reduce over-dependency on a single supplier. ◆ Entering into forward contracts for purchases of certain raw material items. 	<p>Supplier Diversification & Contractual Safeguards</p>



<p>Industrial Accident Risk</p> <p>Likelihood : Low Impact : Moderate</p>	<ul style="list-style-type: none"> Risks of hazards and accidents that can occur during the operations, processing, or maintenance of plantation activities. 	<ul style="list-style-type: none"> Implementing safety measures in the factories and estates. Improving the awareness of the employees on the possible accidents. Facilitating the employee education on first aid treatment. Aligning the production processes with relevant safety standards and providing workers with necessary PPE. Ensure workers are covered by insurance policies. 	<p>Safety Protocols & Training Programs</p>
<p>Climate Related Risks (CRR)</p>			
<p>Extreme weather (Acute Physical Risk)</p> <p>Likelihood : Moderate Impact : High</p>	<ul style="list-style-type: none"> Heavy rains, strong winds, and Droughts cause infrastructure damage, crop loss, supply chain disruptions, and worker safety risks. Severe water scarcity, reduced yields & crop stress, increased wildfire risk and increased operational costs. 	<ul style="list-style-type: none"> Analyze weather patterns, gather rainfall details data Early warning systems, resilient infrastructure, Making fire gaps among trees, contingency stockpiling, crop diversity & staggered planting Educating community on Fire prevention Financial Preparedness 	<p>Enhanced Preparedness & Rapid Response Capability</p>
<p>Pest and Disease Outbreaks (Acute Physical Risk)</p> <p>Likelihood : Moderate Impact : Moderate</p>	<ul style="list-style-type: none"> Increased incidence & severity emergence of new threats Yield & quality loss Increased chemical reliance 	<ul style="list-style-type: none"> Integrated Pest Management, daily monitoring & early detection, resistant crop varieties/clones, biological control agents, climate-smart agriculture. 	<p>Vigilant Monitoring & Adaptive Management</p>
<p>Impact of Climate Change (Chronic Physical Risk)</p> <p>Likelihood : High Impact : High</p>	<ul style="list-style-type: none"> Yield decline & quality degradation Increased heat stress on workers. 	<ul style="list-style-type: none"> Climate Resilient Crop Varieties/clones that are more tolerant to heat, drought, or altered rainfall patterns. Implement shade management for tea estates, windbreaks, and improved irrigation to mitigate temperature extremes and moisture stress. Water Resource Development Diversification: Introduce more resilient or high-value crops suitable for changing conditions Worker Welfare Programs: Provide adequate shade, hydration, flexible working hours, and health monitoring during hot periods 	<p>Proactive Adaptation & Long-Term Strategic Planning</p>



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<p>Soil health (Chronic Physical Risk)</p> <p>Likelihood : High Impact : High</p>	<ul style="list-style-type: none"> ◇ Erosion & nutrient depletion, reduced fertility, increased fertilizer costs. 	<ul style="list-style-type: none"> ◇ Agroforestry & Shade Management ◇ Integrate diverse nitrogen-fixing trees species such as “Gliricidia” trees within plantations to improve soil structure, reduce erosion, and add organic matter ◇ Cover Cropping & Mulching plant ground cover crops and use organic mulches to protect soil from direct rain impact, reduce evaporation ◇ Terracing & Contour Planting: Implement physical barriers on slopes to slow water runoff and prevent erosion ◇ Optimize fertilizer use based on soil testing, incorporate organic fertilizers 	<p>KPPLC Continuous Investment & Sustainable Practice Integration</p>
<p>Sustainability Related Risks (SRR)</p>			
<p>Human Capital & Labour Risk</p> <p>Likelihood : High Impact : High</p>	<ul style="list-style-type: none"> ◇ Significant decline in the productive labour force due to over-aged labour retirement and a pervasive issue of younger generations not entering the plantation industry, leading to a critical shortage for key tasks like plucking and tapping ◇ Loss of Traditional Skills & Knowledge:, The aging workforce means crucial, specialized agricultural skills are not being passed on ◇ Operations can be disrupted and productivity impacted by labour strikes or unrest ◇ Land rights and resource usage disputes with local communities might result in legal issues and harm to one’s image ◇ Companies’ reputations can be harmed by unfavourable press on human rights abuses, such as subpar living and working circumstances for plantation workers, particularly on estates that have not undergone modernization 	<ul style="list-style-type: none"> ◇ Improved Worker Welfare & Invest in upgrading housing, sanitation, healthcare, and educational facilities; implement competitive productivity based incentive structures ◇ Providing decent working conditions, and communicating with labour unions, to cultivate strong, enduring connections with employees. ◇ Launch targeted programs to attract young talent, providing training in modern agricultural techniques such as machine plucking in Udupussellawa region ◇ Providing Personal Protective Equipment to chemical spraying labours ensuring the safe working conditions and conduct frequent healthcare programs with the estates 	<p>Critical Focus on Welfare & Retention</p>



<p>Global Economic Risk</p> <p>Likelihood : High Impact : High</p>	<ul style="list-style-type: none"> ◆ Price Volatility: Fluctuations for commodities impacting revenue ◆ Changing Consumer Preferences for ethically sourced, organic, or certified products ◆ Trade Barriers & Tariffs: Reducing competitiveness and market access 	<ul style="list-style-type: none"> ◆ Market Diversification, including European Nations: Explore and penetrate new export markets, with a strategic focus on finding export markets in European nations to broaden reach and reduce reliance on traditional markets ◆ KPPLC actively work on improving product mixture (Organic rubber, Sole crape) ◆ Sustainability Certifications such as Rainforest Alliance, Ethical Tea Partnership, FSC (Forest Stewardship Council) ◆ Analyzing global financial trends and entering into negotiations with foreign buyers 	<p>Proactive Market Diversification & Value Addition</p>
<p>Technological Risk</p> <p>Likelihood : High Impact : Moderate</p>	<ul style="list-style-type: none"> ◆ Obsolete Practices are leading to lower efficiency and competitiveness ◆ Inability to use real-time data for optimized decision making ◆ High Investment Costs is a Barrier to adoption ◆ Lack of skilled workforce for new tech ◆ Cybersecurity Risks 	<ul style="list-style-type: none"> ◆ Optimization of Existing Systems to maximize the efficiency, KPPLC Variable Frequency Drive (VFD) for motors to reduce the electricity cost while increasing the efficiency ◆ Invest in training current staff on advanced features of existing systems and prepare them for future technological shifts ◆ Make certain that employees receive instruction in contemporary farming methods, agricultural technology, and digital tools ◆ Implement new technologies on a small scale to demonstrate value and build internal buy-in before larger investments ◆ Collaborate with research institutions or tech providers for tailored solutions ◆ Cybersecurity Reinforcement will Proactively identify and address vulnerabilities in existing systems and build a robust framework for new integrations 	<p>Acknowledged Current Management, but Future Strategic Investment is Imperative to Avoid Growing Disadvantage</p>
<p>Climate-Related Opportunities (CROs)</p>			
<p>Diversification of Crops</p>	<ul style="list-style-type: none"> ◆ Increased Revenue Streams from new high-value crops ◆ Enhanced Climate Resilience by Reducing reliance on single crops vulnerable to specific climate impacts ◆ Meeting demand for diverse and sustainable products 	<ul style="list-style-type: none"> ◆ KPPLC aims to increase revenue and enhance climate resilience by reducing reliance on single crops. The Company has already invested in expanding its cultivation of Coconut, Coffee, Agarwood, Vanilla and Spices 	

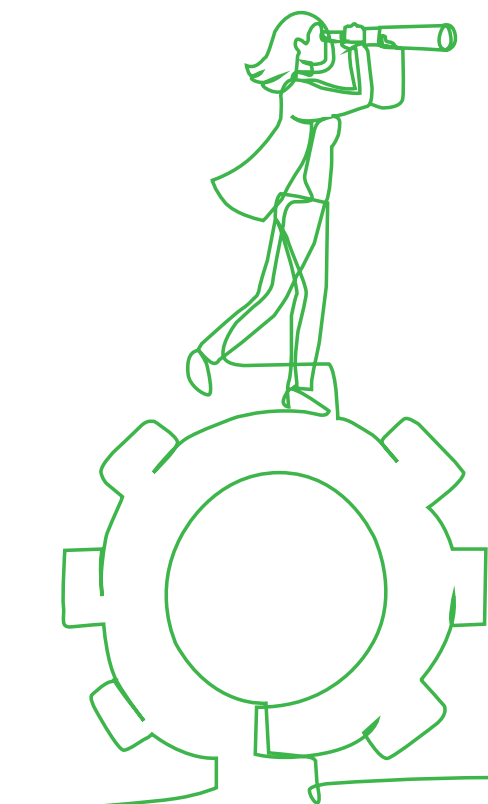


RISK MANAGEMENT

<p>On-site Energy Production & Cost Reduction</p>	<ul style="list-style-type: none"> ◆ Significant Cost Savings: Reduced reliance on grid electricity and fossil fuels ◆ New Revenue Streams, Selling excess energy to the national grid ◆ Reduced GHG Emissions, Lowering operational carbon footprint ◆ Independence from external energy supply fluctuations 	<ul style="list-style-type: none"> ◆ This initiative is designed to achieve significant cost savings by reducing dependence on grid electricity and fossil fuels, thereby lowering the operational carbon footprint and enhancing energy security. KPPLC’s plan includes cultivating fuel wood for Boilers/Driers and currently doing feasibility studies on installing solar panels on factory rooftops
<p>Reforestation Projects</p>	<ul style="list-style-type: none"> ◆ Enhanced Biodiversity & Ecosystem Services, Improved soil health, water retention, and natural pest control. ◆ Long-term Timber/Diversified Products, potential for future timber harvesting or other forest products. ◆ Improved Climate Resilience, through enhanced microclimates and reduced erosion ◆ Carbon Sequestration & Credits, potential for new revenue streams from carbon markets 	<ul style="list-style-type: none"> ◆ These projects are intended to generate new revenue streams through carbon sequestration and credits, improve biodiversity and ecosystem services (soil health, water retention, natural pest control), and potentially offer long-term timber or diversified products. Reforestation also enhances climate resilience by improving microclimates and reducing erosion. The strategic plan involves selecting native tree species appropriate for local ecosystems and climate
<p>Sustainability-Related Opportunities (SRO)</p>		
<p>Waste-to-Energy/ Value Creation</p>	<ul style="list-style-type: none"> ◆ Reduced Operational Costs, Lowering reliance on purchased fossil fuels and waste disposal costs. ◆ New Revenue Streams, from selling fuelwood ◆ Environmental Benefits, reducing GHG emissions and landfill burden. ◆ Resource Efficiency, optimizing use of all plantation resources 	<ul style="list-style-type: none"> ◆ This includes utilizing the roots of uprooted rubber trees as a sustainable fuel source for our boiler operations, greatly reducing our reliance on conventional energy. <p>Furthermore, we are actively converting organic waste and “Gliricidia” trees into nutrient-rich natural fertilizers for our estates, enhancing soil health and minimizing chemical inputs. Our dedication to innovation extends to exploring various pioneering uses for other waste by-products, seeking to maximize value from all our operational outputs</p>



<p>Sustainable Water Management</p>	<ul style="list-style-type: none"> ◆ Cost Savings & Operational Efficiency and reduce water consumption and pumping costs ◆ Ensuring water availability during droughts ◆ Reduced Environmental Impact by minimizing water pollution and over-extraction ◆ Improved Community Relations, by benefiting local communities sharing water resources 	<ul style="list-style-type: none"> ◆ Our commitment to responsible water management is evident across our operations. In our nurseries, we have successfully implemented efficient irrigation technologies, including advanced sprinkler and precision systems, ensuring optimal water delivery and minimizing waste. A key focus for our factories is enhancing the efficiency of our Effluent Treatment Plants (ETPs), guaranteeing responsible water discharge that meets or exceeds regulatory
<p>Biodiversity Conservation & Ecosystem Services</p>	<ul style="list-style-type: none"> ◆ Enhanced Ecosystem Resilience: Leading to natural pest control, improved pollination, and better soil health ◆ Increased Brand Value & Market Access: Attracting eco-conscious consumers and premium markets ◆ Regulatory Compliance & Reduced Risk, Proactive conservation reduces non-compliance risk. 	<ul style="list-style-type: none"> ◆ Our commitment to biodiversity conservation is integral to our sustainable operations. We actively implement agroforestry and intercropping, integrating native species and diverse crops to enhance ecological resilience. Key efforts include the protection of natural habitats like forest patches and wetlands, alongside minimizing chemical use through IPM and organic farming. We also establish wildlife corridors and conduct regular biodiversity monitoring to safeguard and enhance the natural ecosystems within and around our estates.



“KPPLC Risk Management strategy emphasizes the development and implementation of a comprehensive and adaptive framework that addresses both current and emerging risks. Key components include robust governance, a strong risk-aware culture, advanced monitoring tools, and continuous improvement. The strategy integrates risk management with strategic planning and ensures effective communication with stakeholders. By focusing on proactive risk identification, assessment, and mitigation, as well as strengthening business continuity and fostering innovation, KPPLC aims to safeguard its operations, enhance resilience, and support sustainable growth while maximizing shareholder value.”



CORPORATE GOVERNANCE

The foundation of any successful organization is corporate governance. In addition to bolstering the business's ongoing operations, it establishes the groundwork for long-term value creation, ethical behavior, and sustainable growth. Corporate governance helps businesses to accomplish strategic goals, traverse the complexities of today's business climate, and develop trust with stakeholders by promoting a culture of accountability, openness, and integrity.

Corporate governance guarantees that the management and board of directors of the Company behave in the best interests of stakeholders, including shareholders. Sustainable business practices and long-term wealth generation result from effective corporate governance, which strikes a balance between the interests of the Company, its shareholders, and other stakeholders.

Instead of focusing on short-term profits, our corporate governance framework encourages long-term value creation. While short-term gains might momentarily raise share prices, long-term shareholder wealth maximization depends on sustainable growth and profitability. Our governance procedures, which prioritize innovation, sustainability, and wise investments, contribute to the long-term prosperity of the business.

During the Financial Year 2024/2025, Kegalle Plantations PLC (KPPLC) significantly strengthened its corporate governance framework, a foundation of the Company's operational integrity and long-term strategic success. This robust framework is pivotal in achieving our strategic objectives, ensuring ethical conduct, and fostering enduring trust with all our stakeholders.

During the reporting period, KPPLC made notable advancements in fortifying its governance architecture. These included the proactive adoption of new Policies in alignment with the latest regulatory amendments, particularly those stemming from the Colombo Stock Exchange (CSE) Listing Rules concerning Corporate Governance. A key highlight was the appointment of two new Independent Directors in 2024/2025, further enhancing Board oversight and diversity. Our commitment also extended to integrating improved sustainability governance practices.

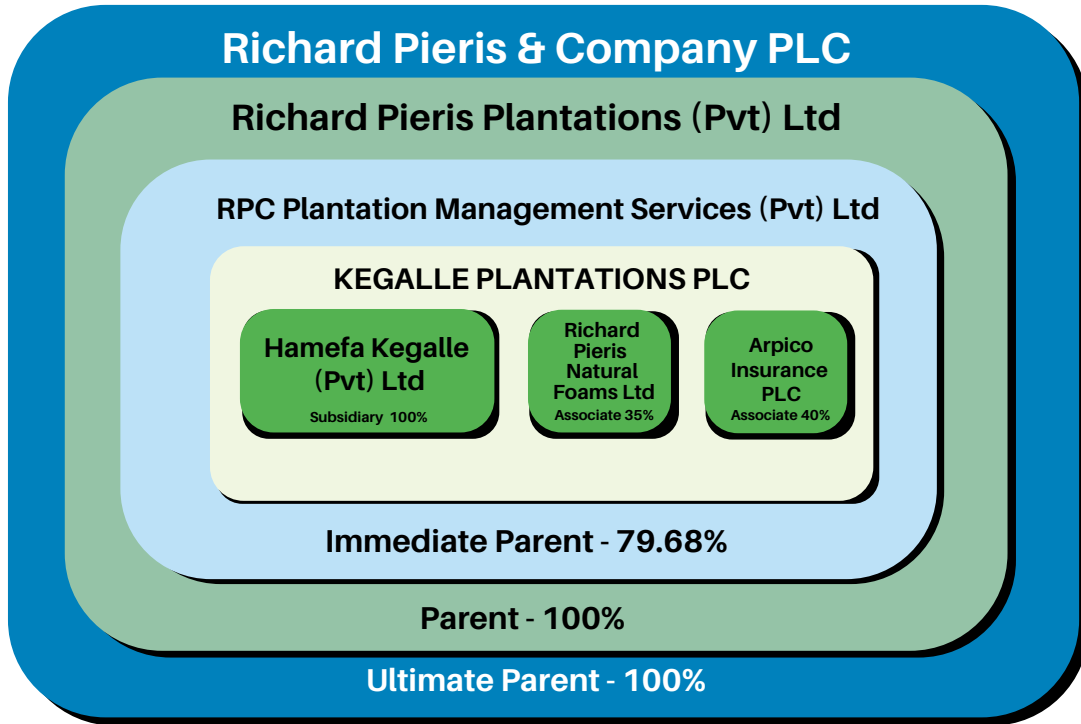
KPPLC's established governance system demonstrated its inherent robustness and agility, allowing for the seamless integration of these new requirements without necessitating a fundamental overhaul. The Board meticulously reviewed our governance arrangements, leading to the refinement of key policy frameworks and the Terms of Reference for Board Committees. This adaptive capacity ensures we consistently uphold high standards of transparency, accountability, and stakeholder engagement. Our dedication to robust governance directly contributes to KPPLC's overarching vision, underpinning our ability to innovate, adapt, and thrive in a dynamic landscape, and driving positive societal impact.

Changes in the Board & Corporate Management during 2024/25

Name	Event	Effective Date
Mr. J L A Fernando	Resignation from Non Executive Directorate	05 th July 2024
Prof. R C W M R A Nugawela (Non Independent Non Executive Director)	Impairment of Independence CSE 9.8.3	31 st December 2024
Dr. S S B D G Jayawardena (Non Independent Non Executive Director)	Impairment of Independence CSE 9.8.3	31 st December 2024
Mr. Lakshman Abeysekera (Independent Non Executive Director)	New Appointments	30 th September 2024
Dr. (Mrs.) Nayanie Samantha Aratchige (Independent Non Executive Director)	New Appointments Cessation	01 st January 2025 31 st March 2025
Dr. Lakshman Rodrigo (Independent Non Executive Director)	New Appointments	16 th April 2025
Mr. I S Doranegama (Chief Executive Officer)	New Appointments	12 th March 2025
Mr. P De S Gunasekara	Resignation of Acting Chief Executive Officer	12 th March 2025



Group Structure

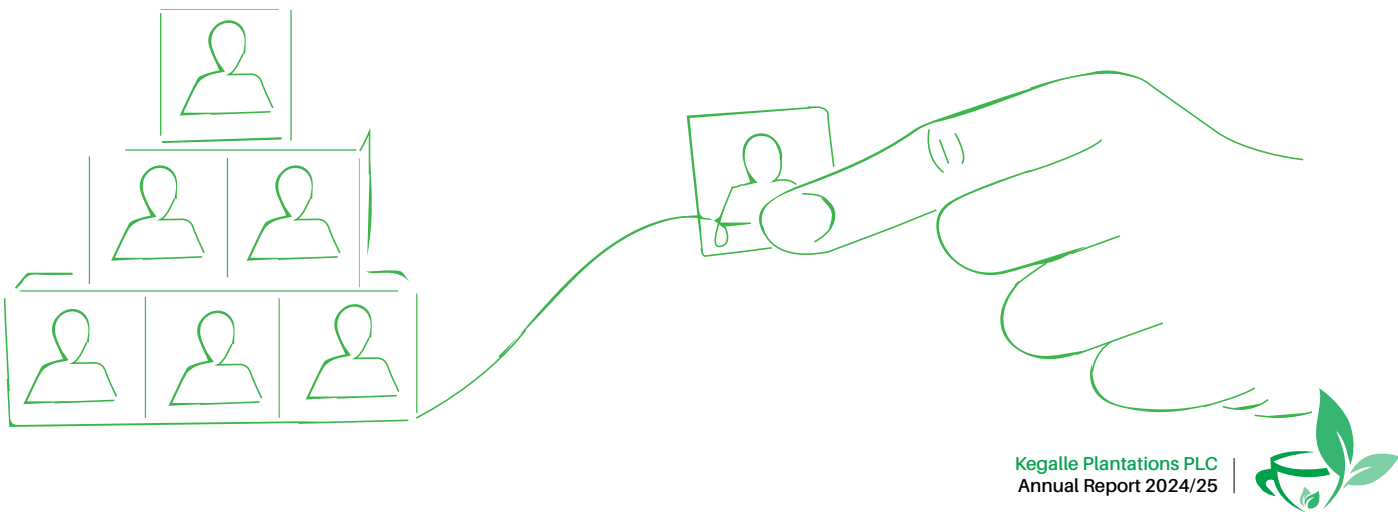


Governance Structure

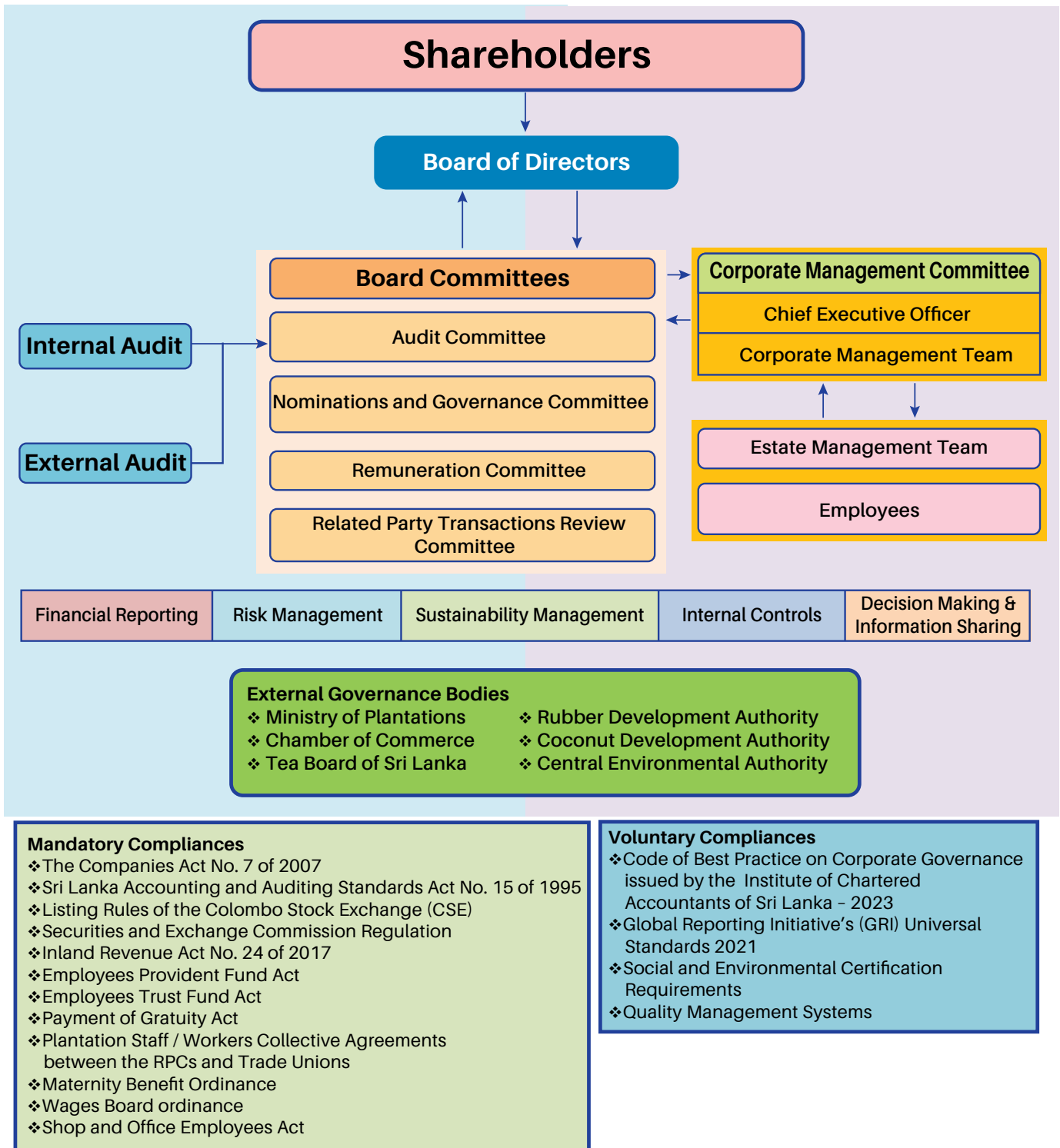
GRI: 2-9, 2-11, 2-15

The Board of Directors of KPPLC serves as the highest governing authority and ultimate decision making body of the Company. It holds comprehensive responsibility for setting strategic direction, overseeing executive performance, and ensuring effective risk management across economic, environmental, and social dimensions aligned with the Company’s defined risk profile and commitment to sustainability. The Board also maintains rigorous processes for the prevention and mitigation of conflicts of interest among its members and senior executives to ensure impartial decision-making. The Chairman of the Board serves in a Non-Executive capacity.

To ensure focused oversight and sound governance, the Board is supported by four specialized sub committees, the Audit Committee, Related Party Transactions Committee, Remuneration Committee and Nominations and Governance Committee. These committees are entrusted with oversight of key functional areas, allowing the full Board to concentrate on core strategic priorities. This well-defined governance structure promotes clear accountability and effective decision making, reinforcing the Company’s objective of long-term value creation.



CORPORATE GOVERNANCE

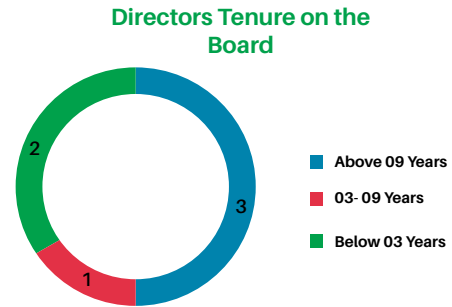
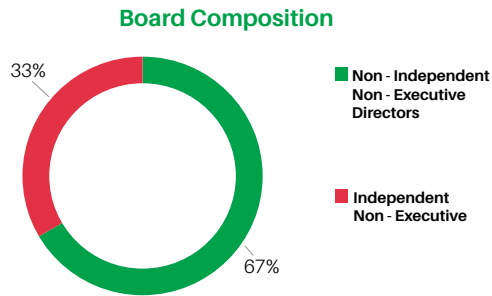


The responsibilities of the governance body are provided on pages 75-77.

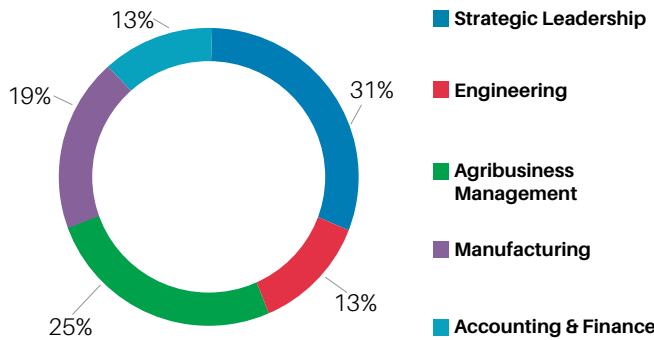


Board Composition and Diversity

GRI: 2-17



Board Expertise Composition



Committee Chairman/ Member	Audit Committee	Remuneration Committee	Related Party Transactions Committee	Nominations and Governance Committee
Mr. Lakshman Abeysekera	Chairman	Chairman	Chairman	Chairman
Dr. S S B D G Jayawardena	Member	Member	-	Member
Dr. Lakshman Rodrigo	Member	Member	Member	Member
Prof. R C W M R A Nugawela	-	-	Member	-

GRI: 2-27

Governance and Compliance with Laws and Regulations

KPPLC maintains a firm commitment to operating within the legal and regulatory frameworks that govern our industry. Compliance is not treated as a standalone requirement but is integrated into our day-to-day operations through structured policies, employee awareness programs, and ongoing internal monitoring. During the financial year ending March 31, 2025, we did not encounter any cases of significant non-compliance with applicable laws or regulations. No monetary fines or non-monetary penalties were imposed on the Company in this period. We assess significance based on the potential impact on our stakeholders, the environment, and the integrity of our operations. This outcome reflects the effectiveness of our governance systems and our ongoing efforts to foster a culture of accountability and ethical conduct across the organization.

GRI: 2-10

Nomination and Selection of the Board and Board Sub Committees

The integrity and effectiveness of KPPLC’s governance framework hinge upon a robust process for nominating and selecting members



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for both the Board of Directors and its Subcommittees. The Nominations and Governance Committee is primarily responsible for overseeing the comprehensive selection and nomination of new directors, guided by our stringent Policy on Corporate Governance, Nominations and Re-election. This involves a rigorous assessment of potential appointees based on their essential skills, qualifications, diverse experience, and demonstrated ability to contribute meaningfully to the Company's strategic objectives. The process rigorously emphasizes enhancing overall Board diversity, encompassing gender, ethnicity, and a broad spectrum of professional backgrounds, thereby ensuring a well-rounded and insightful governance body. The Committee then submits its recommendations for appointments to the Board, carefully considering both the strategic imperatives of the Company and the individual merits of each proposed director.

Furthermore, directors of KPPLC are subject to periodic re-election at the Annual General Meeting (AGM), in strict adherence to the Company's Articles of Association and the prevailing Colombo Stock Exchange (CSE) regulations. This re-election process is underpinned by a thorough Performance Evaluation conducted by the Board or the Nominations and Governance Committee. This evaluation is grounded in the Fit and Proper Assessment Criteria mandated by the Colombo Stock Exchange (CSE), and additionally considers each director's active contribution to Board discussions, consistent attendance at meetings, and unwavering adherence to corporate governance principles. The Company also maintains a structured Rotation and Term Limits policy, ensuring a specified number of directors retire and, if eligible, seek re-election at each AGM, thereby fostering both Board refreshment and continuity in governance. Ultimately, Shareholder Participation remains a cornerstone of this process, with shareholders retaining the fundamental right to vote on the re-election of directors at the AGM, thereby enhancing the Board's accountability and fostering greater shareholder confidence.

The Board of Directors of KPPLC serves as the highest governing authority and ultimate decision making body of the Company. It holds comprehensive responsibility for articulating a compelling long-term vision and setting the strategic direction, guiding the Company through market complexities and capitalizing on opportunities. The Board actively oversees executive performance, rigorously scrutinizing key performance indicators and ensuring the effective implementation of strategic imperatives. A cornerstone of its mandate is ensuring robust risk management across all dimensions economic, environmental, and social aligned meticulously with the Company's defined risk profile and unwavering commitment to sustainability. This includes the proactive identification and mitigation of emerging risks, such as those related to climate change impacts, social equity, and governance vulnerabilities.

Consistent with best governance practices and a commitment to independent oversight, the Chairman of the Board serves in a Non-Executive capacity. To ensure focused stewardship and sound governance, the Board is proficiently supported by four specialized subcommittees, the Audit Committee, Related Party Transactions Committee, Remuneration Committee, and Nominations and Governance Committee. These committees provide specialized insights and deeper analysis, enhancing the Board's overall effectiveness in complex areas. Each committee is entrusted with oversight of key functional areas, allowing the full Board to concentrate on core strategic priorities and the broader corporate agenda. In doing so, the Board, particularly through its Audit Committee, ensures the integrity of the Company's financial and non-financial reporting and the effectiveness of its internal control system. This robust oversight also extends to the Company's sustainability reporting; the Board is ultimately responsible for reviewing and formally approving the reported sustainability information, including the organization's identified material topics, a process diligently conducted with the support of its sub committees to ensure accuracy, completeness, and adherence to

relevant reporting standards. This definite governance structure, characterized by its clarity of roles and responsibilities, promotes clear accountability and effective decision-making, while also instilling a culture of integrity and ethical conduct throughout the organization. Ultimately, this framework reinforces the Company's objective of long-term value creation for all stakeholders.

The Chairman

The Chairman of Kegalle Plantations PLC (KPPLC) has a crucial and distinct role in providing strategic direction to the Board and upholding the highest standards of corporate governance. This position, encompassing duties both within and outside the boardroom, is essential for maximizing the effectiveness of the Board and each individual Director. A primary responsibility of the Chairman is to ensure the Board remains consistently focused on strategic initiatives and adheres rigorously to good governance practices. Furthermore, the Chairman serves as the Chief Executive Officer's primary point of contact, ensuring a seamless flow of communication and alignment. Externally, the Chairman represents the Company in key interactions, playing a vital role in developing and sustaining relationships with Association Members and other significant stakeholders.

With the diligent assistance of the Company Secretary, the Chairman ensures that the Board is consistently provided with timely, accurate, and easily understandable information, enabling informed deliberations. By possessing a thorough understanding of the business, its prevailing culture, and the broader industry landscape, the Chairman is uniquely positioned to foresee opportunities and emerging risks. This foresight is instrumental in facilitating proactive planning and robust strategic decision-making. The Chairman cultivates a collaborative environment, cooperatively exploring avenues and addressing new issues with Board members, which further enhances the efficacy of governance. At KPPLC, the Chairman embodies a fusion of strategic insight and a deep grasp of the business and industry, driving both excellent governance and strategic planning.

The Board of Directors

GRI: 2-12, 2-14



In his capacity as the Non-Executive Chairman of the Board, Dr. Sena Yaddehige provides crucial leadership and governance, establishing the optimal environment for the Board's and each Director's overall efficacy. He is responsible for ensuring the Board takes prompt and decisive action on all important matters. Dr. Yaddehige leads KPPLC's unwavering commitment to maintaining strict corporate governance standards, with comprehensive assistance from the Board, executive management, and the Company Secretary. He provides strategic leadership and oversight for the business's strategic, operational, and commercial growth, ensuring alignment with the Board-approved objectives. In this role, he guides the Executive Management Committee, which comprises Executive Directors and Heads of Strategic Business Units (SBUs) from the Ultimate Parent Company, towards the effective execution of the Company's strategic and operational objectives.

Statement of Compliance on Fit and Proper Assessment Criteria

The Board of Directors of KPPLC attests that all current Directors and the Chief Executive Officer consistently meet the stringent Fit and Proper Assessment Criteria. These criteria are meticulously stipulated by the Colombo Stock Exchange (through its Listing Rules).

This comprehensive evaluation rigorously assesses each individual's uncompromising integrity, sound ethical conduct, financial probity, and clear regulatory and legal standing, alongside their professional competence and responsible leadership. This rigorous process is fundamental to ensuring KPPLC's leadership upholds the highest standards of professionalism and ethical conduct, free from any disqualifying past conduct or regulatory breaches.

Furthermore, we confirm that there were no non-compliances by any Director or the Chief Executive Officer with these criteria throughout the financial year, demonstrating continuous adherence to these crucial standards.

Evaluation of the Performance of the Board and Sub Committees

GRI: 2-18

The Board of Directors of KPPLC undergoes an annual performance evaluation, primarily led by the Nominations and Governance Committee, with periodic independent external facilitation. This comprehensive process assesses the Board's collective effectiveness in overseeing the management of the Company's economic, environmental, and social impacts. Findings from these evaluations are critically reviewed, leading to actions such as targeted professional development, adjustments to Board and committee composition, and refinements in governance practices to continuously enhance leadership and oversight capabilities.

Individual Director Evaluations

Each Director undergoes self-evaluation to reflect on their contribution and effectiveness. Additionally, the Chairperson and Remuneration Committee conduct evaluations of individual Directors. These assessments consider attendance, participation, quality of contribution to Board and Committee discussions, peer feedback, demonstrated leadership, and relevant skills and expertise. Evaluations are conducted against predetermined criteria aligned with the Board Charter and responsibilities, particularly regarding their contribution to sustainability oversight.

The Composition of the Board

Name of the Director	Position	Executive	Non-Executive	Independent	Appointment to the Board	Board Meeting Attendance
Dr. Sena Yaddehige	Chairman	-	√	-	January - 2003	1/1
Prof. R C W M R A Nugawela	Non-Executive Director	-	√	-	May - 2008	1/1
Dr. S S B D G Jayawardena	Non-Executive Director	-	√	-	August - 2010	0/1
Mr. Shaminda Yaddehige	Non-Executive Director	-	√	-	March - 2016	1/1
Mr. Lakshman Abeysekera	Independent Non-Executive Director	-	√	√	September - 2024	1/1
Dr. Lakshman Rodrigo	Independent Non-Executive Director	-	√	√	April - 2025	N/A

Independence of Non-Executive Directors

Independent Non-Executive Directors are crucial for effective oversight, as they are able to exercise independent judgment precisely since they do not participate in regular management activities or maintain business relationships with the Company that could compromise their objectivity. Their distinguished profiles reflect their professional caliber and ensure that their perspectives carry significant weight in Board deliberations.

The Board determines the independence of Directors based on annual declarations submitted by each Director. This process is conducted in full compliance with the independence criteria specified in the Listing Rules of the Colombo Stock Exchange (CSE) and is aligned with



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the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

Currently, four of the five Non-Executive Directors satisfy the criteria for 'independence' as set out in the CSE Listing Rules. Each of these Independent Non-Executive Directors operates free from management influence and from any relationship that could interfere with their independent judgment. The Board has formally determined that Mr. Lakshman Abeysekera, and Dr. Lakshman Rodrigo qualify as Independent Non-Executive Directors. On pages from 12 to 14, there is brief biographies of the Directors.

Board Meetings

During the financial year under review, the Board of KPPLC convened on one occasion to provide strategic oversight, review the Company's operational and financial performance, and consider key business matters critical to the Company's growth and sustainability. These scheduled meetings serve as a formal forum where Directors deliberate on significant issues, assess risks, and ensure that the Company's activities are aligned with its strategic objectives and the expectations of its stakeholders.

In addition to these regular meetings, Special Board Meetings are convened as and when necessary to address urgent or unforeseen matters requiring prompt decision-making. This provision allows KPPLC to maintain the flexibility and responsiveness necessary in today's dynamic business environment, ensuring that the Company can act swiftly and effectively in the best interests of its shareholders and other stakeholders.

To support informed decision-making, the Board Secretariat circulates comprehensive meeting materials well in advance of each meeting. These materials include detailed analyses of both financial and non-financial performance, future projections, key strategic initiatives, risk management updates, and other relevant documentation related to the agenda items. A separate memorandum outlining official fees and administrative matters is also distributed at every meeting to maintain transparency and accountability.

The Board's approach to meetings and information dissemination complies fully with the governance standards prescribed by the Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka. This rigorous process ensures that Directors are well-equipped with the necessary information and insights to discharge their duties effectively.

Through these disciplined governance practices, KPPLC demonstrates its ongoing commitment to transparency, integrity, and sustainable business operations, fostering confidence among shareholders and stakeholders alike.

Sub Committees of the Board

Board Committees at KPPLC are essential to carrying out the Board's fiduciary and statutory responsibilities, with a focus on independent risk management and internal control supervision. The purpose of these committees is to free up the Board to concentrate on more general strategic and governance matters.

Every Committee functions according to its own set of Terms of Reference, which specify its goals, purview, responsibilities, and accountability. This structure guarantees unambiguous expectations and directs the Committees in their functions. The whole Board, which still has the final say in decisions, receives recommendations from committees.

Board subcommittees provide specialized supervision in areas like audit, compensation, and risk management, which improves the Board's efficacy and efficiency. It would not be feasible to thoroughly examine important topics during full Board sessions without this specialty. KPPLC expedites decision-making by assigning these Committees specific responsibilities, freeing up the entire Board to focus on strategic issues. The Committees are also essential in maintaining governance norms, guaranteeing legal compliance, and actively controlling risks. Their knowledge facilitates better decision-making and reaffirms KPPLC's dedication to strict corporate governance guidelines.

Audit Committee

One of the Group Companies of Richard Pieris & Company PLC is Kegalle Plantations PLC. Since Richard Pieris & Company owns the majority of the Company's shares, the Group Audit Committee serves as the Company's audit committee. The actions conducted throughout the Financial Year are detailed in the Audit Committee Report on pages from 101 to 102.

The Chairman of Audit Committee is Mr. Lakshman Abeysekera, an Independent Non-Executive Director of the Richard Pieris & Company PLC which is the Ultimate Parent Company.

The Audit Committee of Kegalle Plantations PLC (KPPLC) is essential to the supervision of internal controls, risk management, and financial reporting. By examining interim and annual reports prior to their submission to the Board and shareholders, it guarantees the correctness and conformity of financial accounts. In order to preserve the independence and objectivity of the auditors, the Committee also communicates with external auditors on audit scopes and results.

The Audit Committee also assesses how well KPPLC's internal control and risk management structures guard against fraud and noncompliance with regulations. By examining compliance reports and managing the internal audit function, which includes approving audit plans and examining financial controls, it guarantees regulatory conformance. The Committee promotes well-informed decision-making and upholds the highest standards of accountability and openness within the organization by informing the Board of its conclusions and suggestions.

Remuneration Committee

The Remuneration Committee of Kegalle Plantations PLC (KPPLC) is essential to the Company's management and supervision of its remuneration policies, ensuring that they are in line with its performance targets and strategic objectives. The Committee creates and evaluates pay plans to make sure they align with KPPLC's strategic objectives and are competitive. In order to maintain appealing and suitable compensation packages, this entails establishing pay



structures, incentive programs, and perks for executives and senior management in addition to benchmarking against industry norms.

In addition to examining and approving any modifications to these packages depending on individual performance, the Committee is in charge of approving the basic salary, incentives, and stock options for the CEO and other senior executives.

The Committee monitors adherence to compensation rules, makes suggestions for necessary adjustments, and assures compliance with legal and regulatory obligations. By guaranteeing thorough disclosure in the annual report and informing stakeholders of pay strategy and choices, it also supervises the transparency of compensation processes.

Through these initiatives, KPPLC's Remuneration Committee supports a performance-driven culture and long-term success by ensuring that compensation policies are fair, open, and in line with the organization's strategic objectives. The Remuneration Committee's Report, which outlines its main initiatives, is included on page 103.

Related Party Transactions Review Committee

In order to maintain fairness, openness, and adherence to legal and regulatory requirements, Kegalle Plantations PLC (KPPLC) relies heavily on the Related Party Transactions Review Committee to supervise related party transactions. The Committee is in charge of assessing and authorizing related party transactions, making sure they are carried out fairly and at arm's length. This entails evaluating the terms, price, and type of transactions in order to avoid conflicts of interest and make sure they comply with corporate guidelines.

By examining compliance with pertinent laws and accounting standards, including disclosure requirements, the Committee also guarantees regulatory compliance. It keeps an eye on current transactions to make sure they adhere to authorized terms and takes care of any changes. The Committee communicates its conclusions to the Board of Directors, and adequate disclosure in Financial Statements and annual reports upholds transparency. In order to protect the interests of KPPLC and its shareholders, the Committee also handles possible conflicts of interest by putting policies in place to lessen undue influence or favoritism.

Page 104 of the Related Party Transactions Review Committee's Report lists the committee's primary initiatives.

Nominations and Governance Committee

The KPPLC Nomination Committee is essential to maintaining the leadership of the Company's efficacy, accountability, and alignment with the organization's strategic objectives. Finding, assessing, and recommending suitable candidates for appointment to the Board of Directors and other senior leadership roles is the committee's main duty. In order to support effective governance and decision-making, the committee strives to guarantee a varied and balanced combination of abilities, experience, and knowledge within the leadership structure. The Nomination Committee is in charge of assessing the Board of Directors' makeup to make sure it is made up of people who, taken together, have the abilities, know-how, and experience needed to successfully lead the business.

To ensure fairness and objectivity in the nomination process, the Nomination Committee is usually made up of a majority of independent non-executive directors. The committee convenes at least once a year, or more frequently if necessary to carry out its duties. To encourage accountability and openness, an independent director chairs the sessions. The Nomination Committee contributes to the long-term viability and success of the Company by ensuring that [Plantation Company Name] upholds a high quality of leadership, governance, and strategic direction.

GRI: 2-23,2-24,2-25

Key Governance Policies

Kegalle Plantations PLC (KPPLC) has aligned with Colombo Stock Exchange (CSE) Listing Rule 9.2.3 by establishing and disclosing a comprehensive set of governance policies ahead of the rule's effective date. Approved by the Board, these policies are regularly reviewed and updated to reflect evolving regulatory and industry standards. This proactive approach demonstrates KPPLC's commitment to transparency, accountability, and ethical conduct. The governance framework ensures consistent and responsible decision-making across the organization. A summary of the key governance policies, along with their primary purpose and scope, is provided in the table below. Policies will be made available to shareholders upon written request and can also be accessed via the QR code.



Policy Name	Purpose and Scope
Policy on Matters Relating to the Board of Directors	Defines the roles, responsibilities, and operational guidelines for the Board, ensuring effective oversight and decision-making.
Policy on Corporate Governance, Nominations and Re-election	Governs the principles of corporate governance, including the nomination, selection, and re-election processes for directors.
Policy on Remuneration	Defines the principles and framework for executive and non-executive director remuneration, ensuring fairness, transparency, and performance alignment.
Policy on Internal Code of Business Conduct and Ethics for all Directors and employees	Establishes the expected standards of conduct and ethical behavior for all personnel, fostering a culture of integrity.



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Policy Name	Purpose and Scope
Policy on Risk management and Internal controls	Establishes the framework for identifying, assessing, mitigating, and monitoring significant risks, and ensuring the effectiveness of internal control systems.
Policy on Relations with Shareholders and Investors	Outlines the Company's approach to fostering strong, trust-based relationships with shareholders through effective communication and engagement.
Policy on Environmental, Social and Governance Sustainability	Defines the Company's strategy and commitment to environmental stewardship, social responsibility, and robust governance practices.
Policy on Control and Management of Company Assets and Shareholder Investments	Sets clear guidelines for the utilization, safeguarding & risk mitigation of Company assets & shareholder investments.
Policy on Corporate Disclosures	Ensures timely, accurate, and transparent communication of financial and operational information to all stakeholders and the market.
Policy on Whistleblowing	Provides a safe, confidential, and structured channel for employees & stakeholders to report concerns about unethical behavior or misconduct without fear of retaliation.
Policy on Anti-Bribery and Corruption	Establishes a zero-tolerance stance against bribery and corruption, providing guidelines for ethical conduct in all business dealings.

GRI: 2-13, 2-26

Delegation of Responsibility for Managing Impacts

Responsibility for managing sustainability impacts is delegated through a clear governance hierarchy, ensuring accountability and effective management from the highest governance body down to operational levels. The Board of Directors delegates primary operational responsibility to senior executives, including the Chief Executive Officer and the Corporate Management Team. These leaders, in turn, empower and guide operational teams across various departments to manage environmental, social, and economic impacts within their regular functions, guided by established policies, procedures, and relevant management systems. To ensure robust oversight, a structured reporting framework facilitates the flow of information back to the highest governance body. Operational teams regularly report impact performance data and reviews to their respective senior executives. These reports are then systematically consolidated and escalated by senior executives to relevant Board committees. Finally, the full Board of Directors conducts its comprehensive review, relying on these reports to assess the overall effectiveness of impact management and provide strategic direction for continuous improvement.

Corporate Management Committee

The Corporate Management Committee, comprising the Chief Executive Officer

(CEO) and other members of senior management, is entrusted with the vital responsibility of formulating strategic initiatives, obtaining the necessary approval from the Board of Directors, and ensuring their effective execution in alignment with the policy framework established by the Board. In addition, the Committee actively reviews and evaluates the Company's annual budget, sets operational goals, monitors monthly performance against approved targets, and assesses capital expenditure proposals before submitting well-considered recommendations to the Board. Risk management and internal controls are jointly overseen by the Audit Committee and the Corporate Management Committee. Together, they ensure that risks are properly identified, internal control systems remain robust, records are accurate, assets are safeguarded, and timely information flows across all levels of management.

Chief Executive Officer

At Kegalle Plantations PLC (KPPLC), the CEO plays a crucial role in maintaining corporate governance standards according to the listing regulations of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance. Managing the day-to-day operations of the business in accordance with the strategic goals established by the Board is the chief executive officer's main duty. This entails carrying out Board plans, delivering precise performance reports, and making certain

that every business activity advances the Board's objectives. For the Board to be able to make well-informed decisions, performance reporting must be transparent.

The CEO is also crucial in maintaining regulatory compliance and encouraging an ethical culture inside the Company. The CEO complies with legal and ethical requirements by enforcing strict adherence to the Company's code of conduct and keeping strong internal controls. Working closely with the Board, providing the information that is required, creating agendas for meetings, and carrying out Board decisions are all part of the job. The CEO's responsibility to uphold accountability, openness, and efficient governance at KPPLC is further reinforced by effective stakeholder management, which includes interaction with shareholders, staff, and regulatory agencies.

Mr. Saman Doranegama appointed as the Chief Executive Officer of the Company with effect from 12th March 2025. As of right now, Mr. Saman Doranegama has no stakes in the Company. His broad market knowledge and industry experience help to shape the Company's strategic orientation. With the exception of issues designated for the Board or given to Board Committees, the CEO is crucial in choices pertaining to operations, performance, and strategy. He makes sure that the Company's actions are in line with its strategic goals with the help of the management team.



GRI: 2-16

Communication of Critical Concerns

Kegalle Plantations PLC fosters transparency and accountability through clear mechanisms for raising critical concerns regarding ethics, integrity, and impacts (economic, environmental, social). These include internal reporting lines, a formal Whistle-blowing Policy, direct access to Non-Executive Directors, and escalation through relevant Board subcommittees (and the Internal Audit Function).

For the financial year ended March 31, 2025, no critical concerns were communicated to the Board or senior executives regarding organizational integrity or its impacts. Consequently, details on types, status, resolution, or any resulting fines, penalties, or non-monetary sanctions are not applicable for this reporting period.

Company Secretary

Richard Pieris Group Services (Pvt) Ltd serves as the Company's Secretariat and is present at all board meetings. The Company Secretary at KPPLC is essential to the efficient application of corporate governance procedures as specified by the Code of Best Practice on Corporate Governance and the listing regulations of the Colombo Stock Exchange (CSE). In addition to assisting the Board's operations and decision-making procedures, the Company Secretary is in charge of advising the Board on governance-related issues and making sure that legal and regulatory obligations are met.

Organizing and recording Board and Committee meetings is one of the main duties, as is making sure that directors have access to timely and accurate information so they can make wise choices. In addition, the corporate Secretary is in charge of ensuring that the Board and stakeholders communicate effectively, maintaining accurate corporate records, and adhering to disclosure requirements.

The Company Secretary supports the Board and its Committees by documenting meeting minutes, ensuring adherence to legal obligations and Board regulations, and fostering the advancement of corporate governance policies and practices.

Internal Controls

For KPPLC to run effectively, adhere to legal and regulatory standards, and protect its assets, internal controls are crucial. Transparency and accountability are increased when financial reporting is supported by accurate and reliable internal controls.

Strong internal controls have a major effect on KPPLC's corporate governance. By lowering the possibility of mistakes, fraud, and inefficiencies, they give the Board and management the reassurance that the business's activities are carried out in a regulated and moral manner. As a result, the Company's governance structure is strengthened, guaranteeing the achievement of strategic goals and the preservation of stakeholder interests.

In addition to maintaining high standards of corporate governance, KPPLC's emphasis on internal controls boosts investor trust and advances the long-term viability and prosperity of the business.

Through quarterly reports and discussions with external auditors, the Board assessed the efficacy and sufficiency of the Company's risk management and internal control systems. The CEO and SFC gave the Board their word that financial records and statements would be accurately maintained and would present a genuine and fair picture of the business's financial situation and activities. In order to safeguard the interests of stakeholders, the CEO and auditors also attested to the deployment of sufficient and efficient risk management and internal control mechanisms. The Risk Management report, which is located on pages from 74 to 85, contains a full description of the Company's risk management strategies.

Internal Audit Function

An essential component of KPPLC's corporate governance structure, the internal audit function provides unbiased confirmation of the efficiency of the business's risk management, governance, and internal control procedures. The internal audit team improves the Company's control environment and lowers the risk of mistakes, fraud, and inefficiencies by making sure that policies, processes, and controls are correctly developed and executed.

By routinely examining and evaluating the business's operations, the internal audit role also improves accountability and transparency at all management levels. This continuous assessment promotes informed decision-making and upholds the integrity and accuracy of financial reporting. Furthermore, by seeing possible hazards and evaluating the efficacy of current tactics, the internal audit team contributes significantly to risk management, enabling KPPLC to proactively handle issues that can affect its operations and standing.

Additionally, by offering suggestions to strengthen procedures and controls, the role promotes ongoing improvement, increasing the operational efficacy and efficiency of the business. The Richard Peiris Group Company's Internal Audit Division is a stand-alone entity that functions independently of the commercial and corporate operations of the organization. It is in charge of carrying out internal audits in



CORPORATE GOVERNANCE

compliance with norms and rules for professional practice. The division, which reports directly to the chairman, evaluates the organization's internal control system on a regular basis. The findings are initially examined by the Audit Committee, after which the Board is informed of any noteworthy concerns. The Board is pleased with the efficacy of the current internal control processes after reviewing them.

In conclusion, KPPLC's internal audit function is a vital component of sound corporate governance, supporting the Board's supervision function and guaranteeing the Company's honesty, effectiveness, and responsibility.

Going Concern

The Company's capital management goals are to maximize shareholder value and guarantee the capacity of the Company to operate as a going concern. Management is in charge of assessing the Company's capacity to operate as a going concern when creating the Financial Statements. Unless management plans to liquidate the Company, stop operations, or has no practical option, this includes utilizing this foundation of accounting and reporting any pertinent difficulties pertaining to the going concern assumption.

Following a careful examination of KPPLC's financial situation and cash flow, the directors have attested to the adoption of the going concern premise in the financial statement preparation. The Company has enough resources to sustain operations for the foreseeable future, according to the Board of Directors.

Disclosures required by the Companies Act No. 07 of 2007;

Section Reference	Requirement	Annual Report Reference (Page/s)
168 (1) (a)	The nature of the business together with any change thereof during the accounting period	122
168 (1) (b)	Signed Financial Statements for the accounting period completed	116-120
168 (1) (c)	Auditors' Report on Financial Statements	113-115
168 (1) (d)	Accounting Policies and any changes therein	123-134
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	110
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	141
168 (1) (g)	Corporate donations made by the Company during the accounting period	109
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period	122
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	111,141
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	111
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board (Annual Report of the Board of Directors)	108-111

Corporate Governance Requirements listed under Section 7 & 9 of the Listing Rules issued by the Colombo Stock Exchange (CSE);

CSE Section Reference	Requirement	Status	Reference
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	In Compliance	Annual Report of the Board of Directors
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	In Compliance	Shareholder & Investor Information
7.6 (v)	Directors' and CEO's holding in shares	In Compliance	Annual Report of Board of Directors
7.6.(vi)	Material foreseeable risk factors of the entity	In Compliance	Risk Management
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity		Human Capital



7.6 (viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and Investment Properties	In Compliance	Our Plantations, Manufactured Capital & Notes to Financial Statements
7.6 (ix)	Number of shares representing the Entity's stated capital	In Compliance	Stated Capital, Shareholder & Investor Information
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	In Compliance	Shareholder & Investor Information
7.6 (xi)	Ratios and Market Price Information	In Compliance	Ten Year Summary, Shareholder & Investor Information
7.6 (xii)	Changes in the Entity's and its subsidiary's Fixed assets and the market value of land	In Compliance	Notes to Financial Statements, Note 14
7.6 (xv)	Disclosures pertaining to Corporate Governance 7.10.3 Disclosures relating to Directors 7.10.5 Remuneration Committee 7.10.6 Audit Committee	In Compliance In Compliance In Compliance	Corporate Governance Report
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets	In Compliance	Notes to Financial Statements, Note 37, Report of the RPT Review committee
7.10.1 (a) to (c)	Non-Executive Directors	In Compliance	
7.10.2 (a) to (b)	Independent Directors	In Compliance	
7.10.4	Criteria for defining "Independence"	In Compliance	
7.13	Rules on Minimum Public Holding	In Compliance	

Corporate Governance Requirements under Section 9 of the Listing Rules issued by the Colombo Stock Exchange

The corporate governance requirements applicable to listed entities were revised during the FY 2023/24 with effect from 01st October 2024. The status of compliance for the salient amendments of revised requirements is as follows,

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.1.3	A statement confirming compliance with Corporate Governance Rules.	The statement has includes in report of Annual Report of Board of Directors	Complied
9.2	Policies		
9.2.1	Policies	<p>The following policies which are mandated by the revised CSE listing rules are currently in place;</p> <ul style="list-style-type: none"> ◆ Policy on the matters relating to the Board of Directors ◆ Policy on Board Committees ◆ Policy on Corporate Governance, Nominations & Re-election ◆ Policy on Remuneration ◆ Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities ◆ Policy on Risk Management and Internal Controls ◆ Policy on Relations with Shareholders and Investors ◆ Policy on Environmental, Social and Governance Sustainability ◆ Policy on Corporate Disclosures ◆ Policy on Whistle Blowing ◆ Policy on Anti-Bribery and Corruption <p>Aforementioned polices includes in the Company website.</p>	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer section 9.2.1.	Complied



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9.2.4	Availability of Policies to Shareholders	The Company will provide any of the above policies to its shareholders, upon a written request.	Complied
9.3	Board Committees		
9.3.1	Establishment of Board Committees	The Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are in place.	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of existing Committees is in line with the revised CSE listing rules. The Responsibilities of these committees are in line with the rule set out and required disclosures have been made.	Complied
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	Record maintain	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Complied
9.4.2	Communication and relation with Shareholders and Investors	The company has a policy on effective communication and relations with shareholders and investors.	Complied
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on Matters relating to the Board of Directors	Complied
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors	Complied
9.6	Chairperson and CEO		
9.6.1	Chairperson and CEO	The Chairman and the Chief Executive Officer of the Company are separate individuals and not related by family. Additionally, the Chairman is not an Executive Director.	Complied
9.6.3	Senior Independent Director	The Company does not have a Senior Independent Director (SID).	Complied
9.6.3. (b)	Senior Independent Director	Not Applicable	Complied
9.6.3. (C)	Senior Independent Director	Not Applicable	Complied
9.6.3 (e)	Senior Independent Director	Not Applicable	Complied
9.7	Fitness of Directors and CEOs		
9.7.1 9.7.2 9.7.3	Appointment of "Fit and Proper" Persons	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules	Complied
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from directors and CEO before effective date	Complied
9.7.5	Disclosures in the Annual Report	Annual Report of the Board of Directors from Pages 108 to 111 provides the relevant disclosure.	Complied
9.8	Board Composition		
9.8.1	Board at minimum to consist of Five (5) Directors	The Board of Directors of the Company consists of Five (5) Directors as of 31st March 2025.	Complied
9.8.2	Minimum number of independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of two (2) Independent Directors as of 31st March 2025.	Complied
9.8.3 9.8.4 9.8.5	Criteria for determining independence & Declarations	Company assesses the independence of directors according new revised rules.	Complied
9.9	Alternate Directors		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A

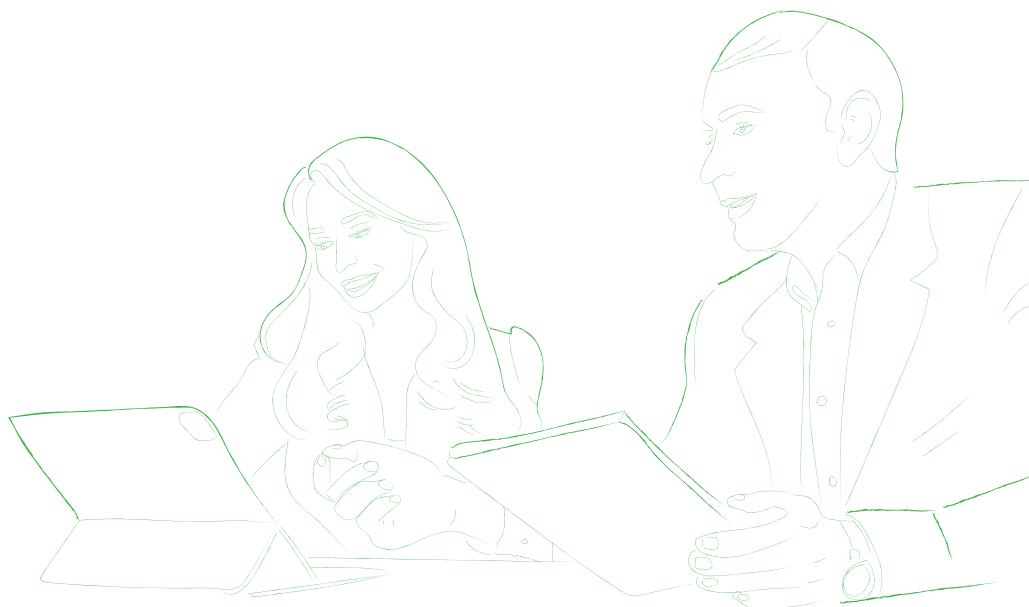


9.10	Disclosures relating to Directors		
9.10.1	Policy on the maximum number of Directorships	Policy on maximum number of Directorships which a Director can hold in listed Companies is 07.	Complied
9.10.2	Appointment of new Director	Disclose the appointments of new Directors to the Colombo Stock Exchange, including a brief resume, their directorship capacity, and any relevant interest in shares of the Listed Entity. Please refer from pages 12 to 14 for the brief resume of each Director.	Complied
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Complied
9.10.4	Disclosures in the Annual Report	Please refer pages from 12 to 14 for profiles of Directors, names of Companies in which the Director serves in Directorships, names of committees in which the Director serves as Chairperson, the nature of Director's expertise. The Company does not have a Senior Independent Director. Please refer pages from 101 to 106 for details of meeting attendance.	Complied
9.11	Nominations & Governance Committee		
9.11.1	Nominations & Governance Committee	The Company has the Nominations & Governance Committee.	Complied
9.11.2	Formal Procedures	Company has a formal procedure for the appointment of new directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.11.4	Composition	The Committee comprises of two (2) Independent Non-Executive Directors.	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Nominations & Governance Committee Report given on page 106.	Complied
9.12	Remuneration Committee		
9.12.1	Definition of Remuneration	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Complied
9.12.2	Remuneration Committee	The Company's has Remuneration Committee which determines the remuneration for Executive and Non - Executive Directors.	Complied
9.12.3 9.12.4	Remuneration Policy - Executive Directors/ Non- Executive Directors	The remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non-discriminatory pay practices ensuring their independence is not impaired.	Complied
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.12.6	Composition	The Committee comprises of two (2) Independent Non-Executive Directors.	Complied
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 103.	Complied
9.13	Audit Committee		
9.13.1	Audit and Risk Committees	The Company has established Audit Committee to perform the Audit and Risk Functions.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied
9.13.3	Composition	The Audit Committee comprises of three Independent Non-Executive Directors. The Audit Committee met five times during the year. The Head of Finance and Group Internal Audit Manager of the Company attend the Committee meeting by invitation. The Chairman of the Audit Committee is a Senior Chartered Accountant.	Complied



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9.13.4	Functions	The Functions of the Committee are effectively summarized in the Audit Committee Report on pages from 101 to 102.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in pages given on 101 and 102.	Complied
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of Related Party Transactions Review Committee	The Company has Related Party Transactions Review Committee.	Complied
9.14.2(1) & (2)	Composition	The Committee comprises of two (2) Independent Non-Executive Directors.	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Committee Report on pages 104 and 105.	Complied
9.14.4	General requirements	The Related Party Transaction Committee met four times during the year.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said CSE listing rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Complied
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in note no. 37 of the Pages from 170 to 171. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on pages from 104 to 105.	Complied
9.14.9	Acquisition and Disposal of assets from/to related parties	There were no such transactions that required shareholder approval.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.16	Additional Disclosures		
9.16	(i) Declaration of all material interest (ii) Review of internal controls and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material Non-Compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on pages from 108 to 111. Material non-compliance with any Law or Regulation has not arisen during the year 2024/25.	Complied



REPORT OF THE AUDIT COMMITTEE

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee. Effective from 30th September 2024, the Company established a separate Audit Committee comprising of members who are not directors of the Ultimate Parent Company.

Purpose

The purpose of the Audit Committee is to:

1. Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
2. Review the system of internal controls and risk management.
3. Monitor and evaluate the effectiveness of the internal audit function.
4. Review the Company's process for monitoring compliance with laws and regulations.
5. Review the independence and performance of the external auditors.
6. To make recommendations to the Board on the appointment of external auditors and recommend their remuneration and terms of engagement.

Members of the Audit Committee

The Audit Committee consisted of three Independent Non-Executive Directors namely Dr. Jayatissa De Costa, Mr. Prasanna Fernando and Mr. J. F. Fernandopulle, the Chairman of the Committee, Mr. J. F. Fernandopulle until 30th September 2024.

In compliance with rule no. 9.13.3 of CSE Listing rules, committee members changed with effect from 30th September 2024. The Audit Committee comprised of three Independent Non-Executive Directors, namely Mr. Lakshman Abeysekera, Dr. S.S.B.D.G. Jayawardena and Prof. R C W M R A Nugawela. The Chairman of the Committee was Mr. Lakshman Abeysekera, a Senior Chartered Accountant. Richard Pieris Group Services (Private) limited which is the Secretary of the Company acts as the Secretary to the Committee.

In accordance with CSE Listing Rule No. 9.8.3 A (ix), Dr. S S B D Jayawardena and Prof. R C W M R A Nugawela were no longer Independent Directors of Kegalle Plantations PLC as of December 31, 2024. As a result, the Board Committees have been reconstituted. Dr. (Mrs.) Nyanie Samantha Aratchige has been appointed to the Directorate of the Entity as an Independent Non-Executive Director, effective 01st January 2025, pending approval from the Ministry of Plantation and Community Infrastructure. Therefore with effect from 01st January 2025, the committee comprised of Dr. (Mrs.) Nyanie Samantha Aratchige, an independent non-executive director, Dr. S.S.B.D.G. Jayawardena, a non-executive director and Mr. Lakshman Abeysekera, the chairperson until Dr. (Mrs.) Nyanie Samantha Aratchige ceased to be a member of the Board Committee with effect from 31st March 2025.

New Audit Committee w.e.f. 16th April 2025

Dr. Lakshman Rodrigo, Independent Non-Executive Director, was appointed to the Audit Committee with effect from 16th April 2025, in compliance with Rule No. 9.13.3 (1) of the CSE Listing Rules, following the cessation of Dr. (Mrs.) Nyanie Samantha Aratchige from the Board as an Independent Non-Executive Director, effective 31st March 2025.

Name of Committee Member	Position
Mr. Lakshman Abeysekera	Chairman of the Committee
Dr. S.S.B.D.G. Jayawardena	Member of the Committee
Dr. Lakshman Rodrigo	Member of the Committee

The principal activities of the Committee are detailed below;

Meetings of the Audit Committee

The Audit Committee held five meetings during the year under review and reviewed the process to assess the effectiveness of the internal control system to provide reasonable assurance that assets are safeguarded, and financial reporting system can be relied upon.

Name of Committee Member	30-May-2024	30-July-2024	27-August-2024	05-November-2024	10-February-2025
Mr. J. F. Fernandopulle	√	√	√	-	-
Dr. Jayatissa De Costa	√	√	√	-	-
Mr. Prasanna Fernando	√	√	x	-	-
Mr. Lakshman Abeysekera	-	-	-	√	√
Dr. S.S.B.D.G. Jayawardena	-	-	-	√	√
Prof. R C W M R A Nugawela	-	-	-	√	x
Dr. (Mrs.) Nyanie Samantha Aratchige	-	-	-	-	-



The Group Head of Finance, Chief Executive Officer, Sector Financial Controller, Finance Manager and Group Internal Audit Manager were invited if deemed necessary for audit committee meetings. Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

Internal Audit and Risk Management

The Committee examined the Internal Audit Program to make sure it addressed the main operational facets of the business.

All Audit Committee discussions were to be attended by the Group Internal Audit Manager. He gave an overview of the key conclusions drawn from every internal audit and inquiry his department conducted during that time. The Company's chief executive officer's reactions to the internal audit findings were examined, and when required, remedial action was suggested and its execution tracked. The Committee was also tasked with reviewing the Company's loss-making estates, coming up with plans to turn them around, and suggesting appropriate remedial measures.

The Committee also examined updates on important operational, financial, and compliance risks, evaluated the suitability of mitigation techniques, and tracked the efficacy of the enterprise risk management framework. The Committee is confident that the internal audit function is still functional and that the risk management procedures are strong enough to handle the difficulties in the present operating environment based on its oversight efforts.

Internal Controls

The Committee examined the Company's approach to its exposure to commercial and financial risks, as well as the efficacy and sufficiency of the internal control systems, during its sessions. Procedures are in place to protect the Company's assets and guarantee that the financial reporting system is dependable for the creation and display of Financial Statements. Every month, the Senior Management reviews the full Management Report and Accounts that emphasize all important performance metrics related to Kegalle Plantations PLC and its subsidiary.

The Board of Directors evaluates performance every three months or more frequently if necessary.

Financial Statements

Prior to publication, the Committee examined the Company's Quarterly Financial Statements, Annual Report, and Accounts for accuracy, consistency, and adherence to Sri Lanka Financial Reporting Standards and other legal obligations, such as the Companies Act, No. 7 of 2007. The suitability of information in the released Financial Statements was also examined.

External Auditors

The audit committee has examined the additional services the external auditors have rendered to the Company to make sure their impartiality as auditors has not been affected.

In addition to reviewing the External Auditors' Management Letters and the Management's response, the Committee also examined issues that were explicitly directed at them. The Audit Committee was continuously updated on any significant issues by the external auditors. When the Committee met with the auditors, they talked about the audit's problems and any necessary remedial measures.

Subject to shareholder approval at the next Annual General Meeting, the Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young be reappointed as auditors for the fiscal year ending 31st March 2025.

Conclusion

The Audit Committee is confident that the organization's control environment offers a fair level of confidence about the accuracy of the Company's financial reporting, that the assets are protected, and that the Colombo Stock Exchange's Listing Rules have been followed.



Mr. Lakshman Abeysekera
Chairman of the Audit Committee

28 August 2025



REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee of the Ultimate Parent Company acted as the Remuneration Committee of Kegalle Plantation PLC until 30th September 2024. The Company established a separate Remuneration Committee comprising of members who are not directors of the Ultimate Parent Company with effect from 30th September 2024.

Members of the Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors, consisted of three Independent Non-Executive Directors, Mr. Prasanna Fernando, Mr. J.F. Fernandopulle and Dr. Jayatissa De Costa, the chairman of the committee.

To ensure compliance with the requirements under rule no. 9.12.6 of CSE Listing rules, committee members changed with effect from 30th September 2024. The Remuneration Committee consisted of three Independent Non-Executive Directors, namely Mr. Lakshman Abeysekera, Dr. S.S.B.D.G. Jayawardena and Prof. R C W M R A Nugawela. The Chairman of the Committee was Dr. S.S.B.D.G. Jayawardena.

In line with CSE Listing Rule 9.8.3 A (ix), Dr. S. S. B. D. Jayawardena and Prof. R C W M R A Nugawela ceased to be Independent Directors of Kegalle Plantations PLC as of December 31, 2024, prompting a reconstitution of the Board Committees. Dr. (Mrs.) Nyanie Samantha Aratchige was appointed as an Independent Non-Executive Director effective January 1, 2025, pending ministerial approval. From that date, the committee included Dr. (Mrs.) Nyanie Samantha Aratchige, Dr. S. S. B. D. Jayawardena and Mr. Lakshman Abeysekera (the chairperson), until Dr. Aratchige stepped down from the committee on March 31, 2025.

Meetings of the Remuneration Committee

The Committee met on several occasions during the financial year. All committee members were attend to the meetings.

New Remuneration Committee w.e.f. 16th April 2025

Dr. Lakshman Rodrigo, Independent Non-Executive Director, was appointed to the Remuneration Committee with effect from 16th April 2025, in compliance with Rule No. 9.12.6 (1) of the CSE Listing Rules, following the cessation of Dr. (Mrs.) Nyanie Samantha Aratchige from the Board as an Independent Non-Executive Director, effective 31st March 2025.

Name of Committee Member	Position
Mr. Lakshman Abeysekera	Chairman of the Committee
Dr. S.S.B.D.G. Jayawardena	Member of the Committee
Dr. Lakshman Rodrigo	Member of the Committee

Purpose

The Remuneration Committee has reviewed and recommended the following to the Board of Directors:

1. Make recommendations to the Board of Directors regarding the framework of remuneration to the Executive Directors and Senior Management.
2. Policy on remuneration of the Executive Staff.
3. Specific remuneration package for the Executive Directors and Senior Management.
4. Recommend the annual salary increments and bonuses.

One of the Company's biggest challenges in a highly competitive industry is luring and keeping top-tier executives. When announcing the Company's overall compensation policy, the Committee considered market data, competitiveness, and business performance.

Remuneration Policy

In order to maximize stakeholder value, the Company's compensation policy is designed to draw in and keep top people while inspiring them to create and carry out the business plan. The Committee's responsibilities include determining senior management's salary and establishing rules for the Company's management staff's pay scale. When needed, the Senior Management provides the information and suggestions needed for the decision-making process.



Mr. Lakshman Abeysekera
Chairman - Remuneration Committee

28 August 2025



REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee of the Ultimate Parent Company acted as the Related Party Transactions Review Committee of Kegalle Plantations PLC. Effective from 30th September 2024, the Company established a separate Related Party Transactions Review Committee comprising of members who are not directors of the Ultimate Parent Company.

Members of the Committee

The Committee consists of three Independent Non-Executive Directors namely its' Chairman Dr. Jayatissa De Costa P.C., Mr. Prasanna Fernando and Mr. J. F. Fernandopulle of the Ultimate Parent Company until 30th September 2024.

Under Section 9.14.2 of CSE Listing rules, to ensure compliance with the requirements, committee members changed with effect from 30th September 2024. The Related Party Transactions Review Committee consisted of three Independent Non-Executive Directors, namely Dr. S.S.B.D.G. Jayawardena, Prof. R C W M R A Nugawela, and the Chairman of the Committee, Mr. Lakshman Abeysekera.

The Board Committee was reconstituted following the cessation of independent director status of Dr. S. S. B. D. Jayawardena and Prof. R C W M R A Nugawela. Dr. (Mrs.) Nayanie Samantha Aratchige was appointed to the Board as an Independent Non-Executive Director, effective 01st January 2025, subject to approval from the Ministry of Plantation and Community Infrastructure. Accordingly, from 01st January 2025, the committee comprised Dr. (Mrs.) Nayanie Samantha Aratchige (Independent Non-Executive Director), Dr. S. S. B. D. G. Jayawardena (Non-Executive Director), and Mr. Lakshman Abeysekera (Chairperson), until Dr. Aratchige ceased to be a member of the Committee with effect from 31st March 2025.

New Related Party Transactions Review Committee w.e.f. 16th April 2025

Dr. Lakshman Rodrigo, Independent Non-Executive Director, was appointed to the Committee with effect from 16th April 2025, in compliance with Rule No. 9.14.2 (1) of the CSE Listing Rules, following the cessation of Dr. (Mrs.) Nayanie Samantha Aratchige from the Board as an Independent Non-Executive Director, effective 31st March 2025.

Name of Committee Member	Position
Mr. Lakshman Abeysekera	Chairman of the Committee
Dr. Lakshman Rodrigo	Member of the Committee
Prof. R C W M R A Nugawela	Member of the Committee

Purpose

The Objectives of the Committee,

- ◆ To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE listing rules on the Related Party Transactions) of Kegalle Plantations PLC is carried out and disclosed in a manner consistent with the CSE listing rules.
- ◆ To advise and update the Board of Directors on the related party transactions of the Company on a quarterly basis.
- ◆ To ensure compliance with the CSE listing rules on the Related Party Transactions.
- ◆ To review policies and procedures of Related Party Transactions of Company.
- ◆ To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee developed and suggested a framework of policies for the Company to implement regarding Related Party Transactions. The committee took into consideration Related Party Transactions that need Board of Directors permission, as well as different thresholds established by the Colombo Stock Exchange's listing regulations and disclosure obligations, among other things.

Additionally, procedures for obtaining yearly disclosures from all KMPs were implemented throughout the Richard Pieris Group.

Meetings of the Committee

The Committee held four meetings during the period under review on following days,

Name of Committee Member	30-May-2024	30-July-2024	05-November-2024	10-February-2025
Dr. Jayatissa De Costa	√	√	-	-
Mr. J. F. Fernandopulle	√	√	-	-
Mr. Prasanna Fernando	√	√	-	-
Mr. Lakshman Abeysekera	-	-	√	√
Dr. S.S.B.D.G. Jayawardena	-	-	√	-
Prof. R C W M R A Nugawela	-	-	√	√
Dr. (Mrs.) Nayanie Samantha Aratchige	-	-	-	-

Meetings were attended by invitation only by the Chief Executive Officer, Sector Financial Controller, Finance, Manager, and Group Head of Finance. The Secretary of the Company, Richard Pieris Group Services (Private) Limited serves as the Committee's secretary. Through verbal briefings and the tabulation of Committee meeting minutes, the Board of Directors has been informed of the Committee's actions and opinions.



Task of the Committee

The Committee reviewed the related party transactions for compliance with applicable requirements and reported its findings to the Board. In the course of its review, the Committee acknowledged the adequacy and quality of the information provided by management, which facilitated an effective evaluation of the transactions.

Related Party Transactions during the year 2024/25

Details of the related party transactions entered into by the Company/Group are disclosed on pages 170 and 171.

Declaration

Refer to the Board of Directors' Annual Report on the Company's Affairs, pages from 108 to 111, for the Board of Directors' declaration that, aside from the information provided in note no. 37, the Company did not engage in any related party transactions that fall under the purview of the Listing Rules in 2024/25.

Disclosures

A detailed disclosure of all the related party transactions including Recurrent and Non-Recurrent related party transactions which are required to be disclosed under section 9.14.2 of the Listing Rules of the Colombo Stock Exchange has been made in note no. 37 to the Financial Statements given on Pages 170 and 171 to this report.



Mr. Lakshman Abeysekera
Chairman of the Related Party Transaction Committee

28 August 2025



REPORT OF THE NOMINATION AND GOVERNANCE COMMITTEE

The Nomination and Governance Committee ("the Committee") of the Company was established in September 2024 Under Section 09.11.4 of CSE Listing rules.

Members of the Committee

The Nomination and Governance Committee, appointed by and responsible to the Board of Directors, consisted of three Independent Non-Executive Directors, Mr. Lakshman Abeysekera, Dr. S.S.B.D.G. Jayawardena and Prof. R C W M R A Nugawela. The Committee chaired by Dr. S.S.B.D.G. Jayawardena with effect from 30th September 2024 in compliance with rule no 9.11.4 of CSE Listing Rules.

The Board Committee was reconstituted following the cessation of independent director status of Dr. S. S. B. D. Jayawardena and Prof. R C W M R A Nugawela. Dr. (Mrs.) Nyanie Samantha Aratchige was appointed to the Board as an Independent Non-Executive Director, effective 01st January 2025, subject to approval from the Ministry of Plantation and Community Infrastructure. Accordingly, from 01st January 2025, the committee comprised Dr. (Mrs.) Nyanie Samantha Aratchige (Independent Non-Executive Director), Dr. S. S. B. D. G. Jayawardena (Non-Executive Director), and Mr. Lakshman Abeysekera (Chairperson), until Dr. Aratchige ceased to be a member of the Committee with effect from 31st March 2025.

Meetings of the Committee

The Committee held one meeting during the period under review on following day,

Name of Committee Member	31-December-2024
Mr. Lakshman Abeysekera	√
Dr. S.S.B.D.G. Jayawardena	√
Prof. R C W M R A Nugawela	√
Dr. (Mrs.) Nyanie Samantha Aratchige	-

New Nomination and Governance Committee w.e.f. 16th April 2025

Dr. Lakshman Rodrigo, Independent Non-Executive Director, was appointed to the Committee with effect from 16th April 2025, in compliance with Rule No. 9.11.4 (1) of the CSE Listing Rules, following the cessation of Dr. (Mrs.) Nyanie Samantha Aratchige from the Board as an Independent Non-Executive Director, effective 31st March 2025.

Name of Committee Member	Position
Mr. Lakshman Abeysekera	Chairman of the Committee
Dr. Lakshman Rodrigo	Member of the Committee
Dr. S.S.B.D.G. Jayawardena	Member of the Committee

Purpose

- To describe the process by which the Committee assesses and suggests directors be appointed or reappointed to the Board and its Committees, making sure that applicants have the necessary training, expertise, and independence.
- To record the Committee's function in upholding a formal and open nomination procedure in accordance with corporate governance guidelines and legal specifications, such as those set out by the Colombo Stock Exchange (CSE).
- To provide a yearly assessment of the Board's and each Director's performance, along with any suggestions for enhancements or succession planning.
- To illustrate the Committee's duty to create and oversee governance procedures and policies that support openness, accountability, and conformity to industry best practices.
- To guarantee adherence to pertinent legal and regulatory frameworks, especially with regard to the independence of directors and modifications to the Board's composition.

Disclosure of Activities

The Committee undertook the following key activities:

- Reviewed the Board and Committees to ensure proper independence, expertise, and compliance with governance standards.
- Evaluated Independent Directors per CSE rules; Dr. Jayawardena and Prof. Nugawela ceased as Independent Directors on 31 December 2024.
- Recommended restructuring Board Committees to maintain effectiveness and regulatory compliance.
- Proposed appointment of Dr. (Mrs.) Nyanie Samantha Aratchige as Independent Non-Executive Director from 1 January 2025, pending approval.
- Reviewed governance policies to ensure ongoing compliance with legal requirements.
- Monitored adherence to CSE Listing Rules, reaffirming the Company's commitment to strong and transparent governance.

Through these endeavors, the Committee maintained its support for the Board's efficient operation and helped to strengthen the Company's good governance procedures.

Conclusion

The Committee remains dedicated to maintaining good governance standards and making sure that the Company and its stakeholders are served by board appointments and procedures.

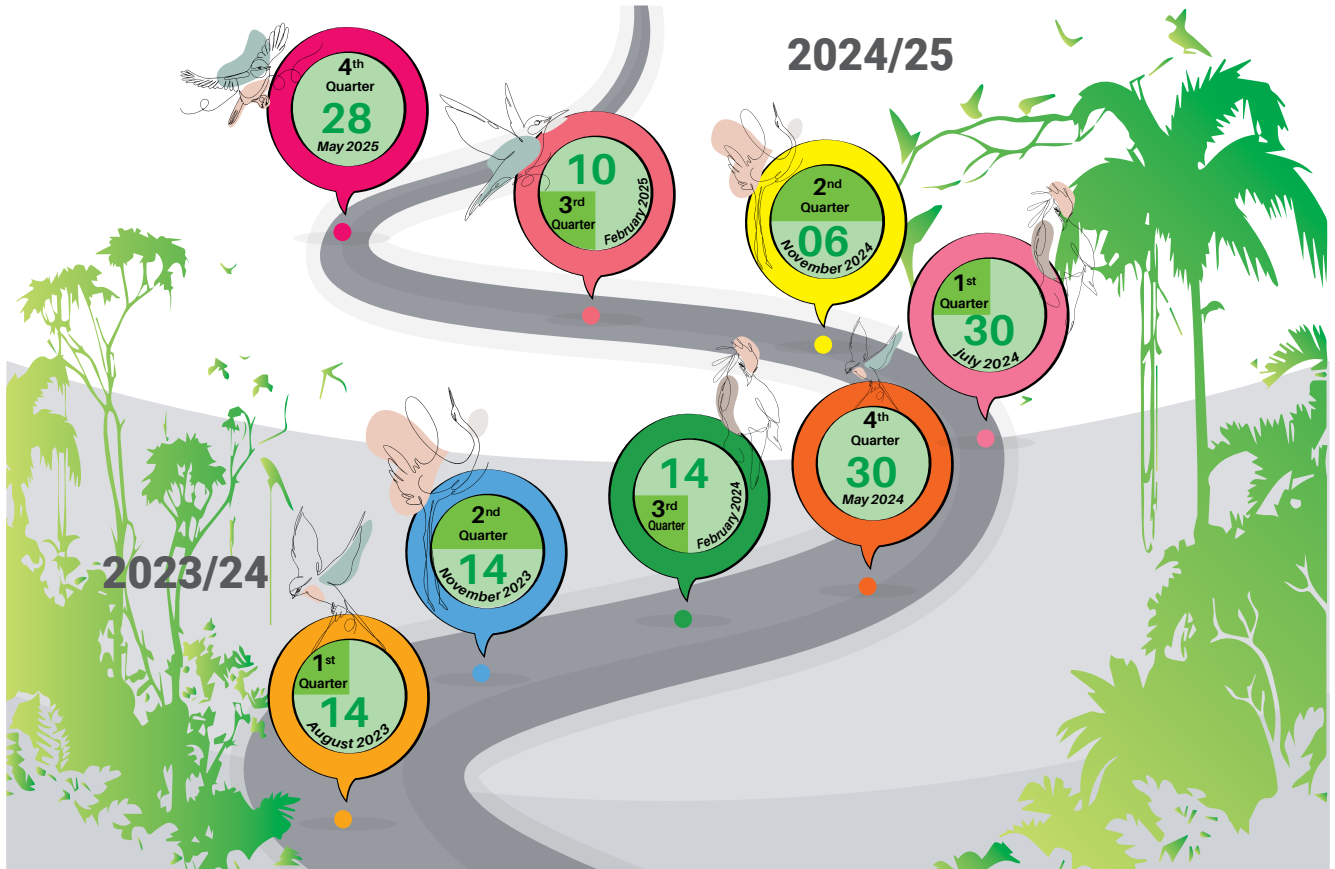


Mr. Lakshman Abeysekera
Chairman - Nomination and Governance Committee
28 August 2025



FINANCIAL CALENDAR

Interim Financial Statements



Dividend Announcements		2024/25	2023/24
Date of Announcement		21 February 2025	05 March 2024
Interim Dividend		Rs. 3.50 Per Share	Rs. 3.50 Per Share
Date of Payment		25 March 2025	04 April 2024

Annual Report	Published	Meetings	Date
2015/16	31 May 2016	23rd Annual General Meeting	30 June 2016
2016/17	31 May 2017	24th Annual General Meeting	30 June 2017
2017/18	30 May 2018	25th Annual General Meeting	29 June 2018
2018/19	12-Jun-2019	26th Annual General Meeting	26 July 2019
2019/20	28-Sep-2020	27th Annual General Meeting	12 February 2021
2020/21	31-Aug-2021	28th Annual General Meeting	11 January 2022
2021/22	31-Aug-2022	29th Annual General Meeting	29 September 2022
2022/23	31-Aug-2023	30th Annual General Meeting	27 September 2023
2023/24	30-Aug-2024	31st Annual General Meeting	27 September 2024
2024/25	29-Aug-2025	32nd Annual General Meeting	26 September 2025



ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of Kegalle Plantations PLC have pleasure in presenting to the Members, their report together with the Audited Financial Statements of the Company and its subsidiary for the year ended 31 March 2025 and the Auditor's Report thereon.

The Board of Directors approved this report at the Board meeting held on August 2025.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities and Exchange Commission and are guided by recommended best Accounting Practices. The Company's registration number is PQ 135.

Principal Activities and Operational Review

The principal activity of Kegalle Plantations PLC is cultivation and processing of Rubber, Tea, Coconut and other crops and remains unchanged from the previous year. The number of estates managed remained the same as last year - 17 estates with a total extent cultivated being 7,321 hectares (7,338 hectares in 2023/24).

The Company continues to be managed by RPC Plantation Management Services (Pvt) Ltd. The basis of computation of Management Fees was same as that of the previous year and was in accordance with the Agreement signed between both parties.

Future Development

Profound changes take place in the global commodity market. In order to stay ahead of its competitors, the strategic direction of the Company is regularly monitored by the Board of Directors in the key areas of operations and financial management, in pursuit of improving yields, value addition, diversification and product differentiation to reduce price sensitivity, to improve quality and get the best return on investment.

Review of the Company Performance

The Chairman's Review, Management Discussion & Analysis and other reports attached, briefly describe the performance of the Company and the Group in the current financial year. These Reports together with the Financial Statements reflect results and the state of affairs of the Company and its subsidiary.

Turnover

The Turnover of the Company was Rs. 3,923,701,892/- (2023/24 - Rs. 3,907,107,681/-) which is a 0.42% increase over last year, Composition of the Revenue is given in Note 6 to the Accounts.

Results and Appropriations

Summary of the results and appropriations are given below.

Year ended 31 March	2024/25 Rs.'000	2023/24 Rs.'000
Profit from operations after deducting all expenses, depreciation and all known liabilities	637,904	135,618
(-) Taxation	(121,033)	(114,385)
Profit After Tax	516,871	21,234
(+) Other Comprehensive Loss	(82,016)	(74,655)
Total Comprehensive Income	434,855	(53,421)
(+) Un-appropriated profit brought forward	3,055,681	3,210,921
Profit available for Distribution	3,490,536	3,157,499
Appropriation;		
Dividends Paid	(87,500)	(87,500)
Timber Reserve	(83,681)	(14,319)
Un-appropriated Profit carried forward	3,319,355	3,055,681

Details of the Company's profits are given on page 119.

Investments

Information relating to the movement of investments is given in Notes 17 and 18 to the Accounts.

Property, Plant and Equipment

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 474,123,621/- (2023/24 - Rs. 630,525,886/-), out of which expenditure on Biological Assets amounts to Rs. 437,626,947/- (2023/24 - Rs. 522,717,634/-). Further information relating to the movement of Fixed Assets is given in Notes 14 to 16 of the Accounts. Capital expenditure has been financed by either long or short-term borrowings depending on the pay-back period and or internally generated funds.

Loans & Borrowings

The total loans outstanding breakdown as at the Statement of Financial Position date is given in Note 25 to the Accounts.



Stated Capital

The Stated Capital of the Company as at 31 March 2025 was Rs. 250,000,010/-. A detail of the Stated Capital is given in Note 24 to the Financial Statements.

Reserves

The Reserves of the Company as at 31 March 2025 was Rs. 3,744,887,001/- (2023/24 - Rs. 3,397,531,837/-). The details are given in the Statement of Changes in Equity on Page 119 to the Financial Statements.

Corporate Donations

During the year under review the Company has not made any donations. (2023/24 - Nil).

Taxation

According to the New Inland Revenue Act No. 24 of 2017 (i.e. effective from 1 April 2018), the Company was liable to pay income tax at the rate of 14% on its agricultural business for the year of assessment 2019/20 and as per the Inland Revenue (Amendment) Act was passed in Parliament on 4 May 2021, The sale of produce from agro farming is exempt for a period of 5 years from 1 April 2019. Agro processing is taxed at a concessionary rate of 14% and all the other sources taxed at the standard rate of 24% from 1 January 2020 onwards.

The Company has used the new tax rate introduced in the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 1 October 2022) for income taxation. The following rates have been used for income tax calculation.

Source of Taxable income	Description	Effective tax rate (%)	
		2024/25	2023/24
Agro farming	Tax on Taxable Income	30%	Exempted
Agro processing	Tax on Taxable Income	30%	30%
Dividend Income	Tax on Dividend	15%	15%
Other Investment Income	Tax on balance Taxable Income	30%	30%

Share Information

Information on Earnings, Dividend, Net Assets and Market Value per share is given on Page 177 of this report.

Major Shareholders

The twenty five largest shareholders of the Company as at 31 March 2025 together with percentages held are given under the caption "Shareholder & Investor Information" on Page 178.

Directorate

The Names of the Directors who held Office during the year are given below. Their brief profile appears on Pages from 12 to 14.

Name of the Director	
Dr. Sena Yaddehige	Chairman
Prof. R C W M R A Nugawela	Director
Dr. S S B D G Jayawardena	Director
Mr. Shaminda Yaddehige	Director
Mr. Lakshman Abeysekera (appointed w.e.f 30th September 2024)	Director
Dr. Lakshman Rodrigo (appointed w.e.f 16th April 2025)	Director

Appointment, Re-election and Resignation

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, No. 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

- "That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, No. 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

- "That Dr. S S B D G Jayawardena of No. 134, Batagama (North) Ja -Ela, who is 83 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. S S B D G Jayawardena"

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, No. 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.



ANNUAL REPORT OF THE BOARD OF DIRECTORS

3. "That Prof. R C W M R A Nugawela of No. 58/7A, Lewella, Kandy who is 72 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Prof. R C W M R A Nugawela"

4. To elect Mr. Lakshman Abeysekera who retires in terms of Article 98 at the Annual General Meeting, a Director

5. To elect Dr. Lakshman Rodrigo who retires in terms of Article 98 at the Annual General Meeting, a Director

Directors' Interest in Contracts

Directors' interest in contracts in relation to transactions with related entities, transactions with Key Management Personnel and other related disclosures are stated in Note 37 (Related Party Disclosures) to the Financial Statements.

Interest Register

The Company maintains an interest register as required by the Companies' Act No. 07 of 2007. Information pertaining to directors' interest in contracts, their remuneration and their share ownership are disclosed in the interest register.

Directors'/CEO's Interest in Shares

Shareholding of Directors/CEO who held office during the financial year is as follows: -

Directors' and CEO's Shareholding		
Name of Director/CEO	As at 31/03/2025	As at 31/03/2024
Dr. Sena Yaddehige, Chairman	-	-
Prof. R C W M R A Nugawela, Director	-	-
Dr. S S B D G Jayawardena, Director	-	-
Mr. Shaminda Yaddehige, Director	-	-
Mr. J L A Fernando, Director (ceased to be a director w.e.f. 05 July 2024)	N/A	100
Mr. Lakshman Abeysekera (appointed w.e.f 30th September 2024)	-	-
Mr. Lakshman Rodrigo (appointed w.e.f 16th April 2025)	-	-
Mr. I S Doranegama, Chief Executive Officer (appointed w.e.f. 12 March 2025)	-	-
Mr. Prins D S A Gunasekara, Chief Executive Officer (ceased to be acting CEO w.e.f. 12 March 2025)	-	-

Directors' Remuneration and Other Benefits

The Remuneration of the Directors for the year ended 31 March 2025 is given in Note 8 of the Financial Statements.

Vision, Mission & Objectives

The Company's Vision, Mission, Long -Term Objectives and Values are given on Page 9 of this report.

Environmental Protection

The Companies activities can have both direct and indirect effects on the environment. It is the policy of the Company to minimize any adverse effects by recycling resources as much as possible and creating awareness among staff on current global environmental threats.

Employment Policy

The Company's recruitment and employment policy is non discriminatory. Appraisals of individual employees are carried out by the respective departmental heads in order to evaluate their performances and realize their potential and through this process to benefit the Company and themselves.

Statutory Payments

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

Events after the Reporting Date

No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or disclosure in the Accounts.

Health and Safety

The Company considers its human resource as the greatest asset and therefore stringent measures have been adopted among employees in Tea Centers, Factories and fields to control the outbreak of Corona Virus. The Company will continue its policy of Human Resources development to meet the future challenges that will arise in skill and competency levels.

In this context, ensuring health and safety of our employees is of paramount important and we have facilitated work from home for head office employees, sanitization and other safety measures have been implemented at all our estates and manufacturing facilities. Several welfare measures such as providing dry rations, cash advances to maintain livelihood of our estate employees during this period were undertaken.



Board Committees

The Board has delegated responsibilities to four Board Sub Committees which operate within clearly defined terms of reference. Their compositions and functions are given on Pages from 101 to 106 of this report.

Related Party Transactions

There are no non recurrent related party transactions which exceed 10 percent of the Equity or 5 percent of the total assets whichever is lower and the Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party Transactions. However, the Directors have disclosed the transactions that could be classified as related party transactions which are adopted in the presentation of the Financial Statements and accordingly given in note 37 on Pages from 170 to 171.

Corporate Governance and Internal Control

The policies adopted by the Company in relation to Best Practices and Good Corporate Governance are given on Pages from 86 to 100.

The Board has overall responsibility for the Group's system of Internal Financial Control. Although no system of Internal Control can provide absolute assurance against material misstatement or loss the Group's internal control system has been designed to provide the Directors with reasonable assurance that assets are safeguarded, transactions authorized and properly recorded and material errors and irregularities either prevented or detected within a reasonable period of time.

Directors' Responsibility for Financial Reporting

The Statement of Directors' Responsibility for financial reporting of the Company and the Group is set out on Page 112 of this report.

Compliance with Laws and Regulations

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

The Company is in compliance with the CSE rules on related party transactions which was made mandatory with effect from 01 October 2023.

Company Auditors

The Financial Statements for the year ended 31 March 2025 have been audited by Messrs. Ernst & Young, Chartered Accountants. The Auditors Report is given on Pages from 113 to 115.

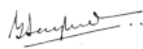
In accordance with the Companies Act No. 7 of 2007, a resolution proposing their re-appointment as Auditors to the Company and authorizing the Directors of the Company to fix their remuneration will be proposed at the Annual General Meeting.

The Audit Fee of Messrs. Ernst & Young for the current year was Rs. 5,092,134/- (2023/24 Rs. 4,629,211/-). In addition, Rs. 1,066,737/- (2023/24 Rs. 1,241,616/-) was paid by the Company for non-audit related work which consists mainly of certifications issued to the Department of Inland Revenue and Tax related work. As far as the Directors were aware the Auditors do not have any relationship other than that of an Auditor with the Company.

Annual General Meeting

Annual General Meeting of the Company will be held on 26 September 2025 at the Registered Office of the Company at No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka. The notice of the Annual General Meeting is on Page 194 of the report.

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



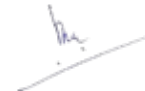
Dr. S S B D G Jayawardena
Director



Mrs. R J Siriweera
Company Secretary

Richard Pieris Group Services (Pvt) Ltd
Secretaries
No. 310, High Level Road
Nawinna
Maharagama.

28 August 2025



Prof. R C W M R A Nugawela
Director



STATEMENT OF THE DIRECTORS' RESPONSIBILITY

In keeping with the provisions under the Companies Act No.7 of 2007, the Directors of Kegalle Plantations PLC, acknowledge their responsibility in relation to financial reporting of both, the Company and that of its Group. These responsibilities differ from those of its Auditors, Messrs. Ernst & Young, which are set out in their report, appearing on pages from 113 to 115 of this report.

The Financial Statements of the Company and its subsidiary for the year ended 31 March 2025 included in this report have been prepared and presented in accordance with the Sri Lanka Financial Reporting Standards. They provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently and that all applicable accounting standards have been followed in the preparation of the Financial Statements given on pages from 123 to 134 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these Financial Statements are reasonable and prudent.

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

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud,

the Directors confirm that the prevalent internal control systems instituted by them which comprise internal checks, internal audit, financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors are of the view that the Company and its subsidiary have adequate resources to continue operations in the foreseeable future, as a going concern. Accordingly, the Directors have continued to use the going-concern basis in the preparation of these Financial Statements.

The Directors have provided the Auditors Messrs. Ernst & Young, Chartered Accountants, with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Company's Auditors, Messrs. Ernst & Young, Chartered Accountants have examined the Financial Statements together with all financial records and related data and express their opinion which appears as reported by them on pages 113 to 115 of this report. In arriving at their opinion, they have carried out reviews and sample checks on the system of internal controls.

By order of the Board,



Mrs. R J Siriweera
Company Secretary

Richard Pieris Group Services (Pvt) Ltd
Secretaries
No. 310, High Level Road
Nawinna
Maharagama.

28 August 2025



INDEPENDENT AUDITORS' REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Calle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysi@lk.ey.com
ey.com

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KEGALLE PLANTATIONS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kegalle Plantations PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at March 31, 2025, and its their 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 Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Measurement of Bearer Biological Assets</p> <p>As of 31 March 2025, the Group's bearer biological assets amounted to Rs. 3,937 Mn and represented 41% of the Group's total assets. Bearer Biological Assets comprised of Rs. 2,062 Mn Immature Plantations and Rs 1,874 Mn of Mature plantations, as disclosed in Notes 4.5 and 16.1 to the consolidated financial statements.</p> <p>This was a key audit matter due to:</p> <p>Measurement of Bearer Biological asset in the financial statements was a key audit matter due to following:</p> <ul style="list-style-type: none"> ◆ The materiality of the reported bearer biological asset balance; 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> ◆ Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations. ◆ Tested the significant expenses incurred by capital expenditure authorisations and other corroborative evidence.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), W D P L Perera ACA

A member firm of Ernst & Young Global Limited



INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How our audit addressed the key audit matter
Measurement of Bearer Biological Assets (Contd.)	
<p>and</p> <ul style="list-style-type: none"> ◆ The degree of management's judgement involved in identification of costs to be capitalized as immature plantations, point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Notes 4.5 and 16.1 to the financial statements. 	<ul style="list-style-type: none"> ◆ Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. ◆ Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indicators of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. <p>We also assessed the adequacy of the related disclosures made in Notes 4.5 and 16.1 to the financial statements.</p>
Measurement of Retirement Benefit Obligation	
<p>As disclosed in Note 4.2 and 26 to the consolidated financial statements, the Group's retirement benefit obligation amounted to Rs. 591 Mn and represented 13% of the group's total liabilities as of 31 March 2025. The value of retirement benefit obligation was based on the actuarial valuations carried out by an external valuer engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> ◆ The materiality of the reported retirement benefit obligation balance; and ◆ The degree of management judgements, assumptions and estimation uncertainties associated with measurement of the retirement benefit obligation. <p>Key areas of significant assumptions, judgements and estimates used in assessing the value of the retirement benefit obligation included judgements involved in ascertaining the discount rate and future salary/ wage growth rate as disclosed in Notes 4.2 and 26 to the consolidated Financial Statements.</p>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> ◆ Assessed the competence, capability and objectivity of the external actuary engaged by the Group. ◆ Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. ◆ Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. ◆ Assessed the reasonableness of the significant judgements, assumptions and estimates made by the external actuary such as discount rate and future salary/ wage growth rate in measuring the value of the retirement benefit obligation. <p>We also assessed the adequacy of the disclosures made in Notes 4.2 and 26 to the financial statements.</p>

Other information included in The Group's 2025 Annual Report

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

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

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

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

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SLAuS's 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 SLAuS's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company & Group.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Group. CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.

Ernst & Young



Chartered Accountants

28 August 2025
Colombo



STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue	6	3,923,702	3,907,108	3,923,702	3,907,108
Cost of Sale		(3,223,689)	(3,572,996)	(3,223,689)	(3,572,996)
Gross Profit		700,013	334,112	700,013	334,112
Gain on fair value of Biological Assets	16.4	86,830	16,275	86,830	16,275
Other Income	7	225,008	142,628	222,428	140,171
Administrative Expenses		(77,993)	(68,029)	(74,362)	(63,976)
Management Fee		(108,337)	(53,266)	(108,337)	(53,266)
Profit from Operations	8	825,521	371,719	826,573	373,315
Finance Income	9	1,926	(6,208)	1,926	(6,208)
Finance Cost	10	(190,596)	(231,488)	(190,596)	(231,488)
Share of Result of Equity Accounted Investees	11	(160,648)	(320,693)	-	-
Profit/ (Loss) Before Taxation		476,203	(186,671)	637,904	135,618
Tax Expenses	12.1	(32,166)	(86,504)	(121,033)	(114,385)
Profit / (Loss) After Taxation		444,038	(273,176)	516,871	21,234
Attributable to:					
Equity holders of the Parent		444,038	(273,176)	516,871	21,234
Non-controlling Interest		-	-	-	-
Profit/(Loss) for the year		444,038	(273,176)	516,871	21,234
Basic Earnings / (Loss) Per Share - Rs.	13	17.76	(10.93)	20.67	0.85
Dividend Per Share - Rs.	13.3	3.50	3.50	3.50	3.50

The accounting policies and notes on Pages 122 through 175 form an integral part of the Financial Statements.



STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Profit/(Loss) for the year		444,038	(273,176)	516,871	21,234
Other Comprehensive Income					
Other Comprehensive income that will not be reclassified to profit or loss in Subsequent periods (net of tax)					
Actuarial Losses on Defined Benefit Plans	26	(130,356)	(33,983)	(130,356)	(33,983)
Income tax effect	12.2	39,107	10,195	39,107	10,195
Other Comprehensive Loss that will not be reclassified to profit or loss in Subsequent periods (net of tax)		(91,249)	(23,788)	(91,249)	(23,788)
Share of Other Comprehensive Income of Equity Accounted Investees					
Other Comprehensive income that will not be reclassified to profit or loss in Subsequent periods					
Actuarial Losses on Defined Benefit Plans	11.2	(1,636)	(4,043)	-	-
Income tax effect	11.2	571	1,213	-	-
		(1,066)	(2,830)	-	-
Net Gain/(Loss) on Fair Value Through Other Comprehensive Income Financial Assets	11.2 & 17.1	65,063	7,449	13,191	(56,519)
Income tax effect	12.2	(3,957)	5,652	(3,957)	5,652
		61,106	13,101	9,234	(50,867)
Net Other Comprehensive income / (Loss) that will not be reclassified to profit or loss in Subsequent periods		60,040	10,271	9,234	(50,867)
Other Comprehensive income to be reclassified to profit or loss in Subsequent periods		-	-	-	-
Other Comprehensive Loss for the year, net of tax		(31,209)	(13,517)	(82,015)	(74,655)
Total Comprehensive Income/(Loss) for the year, net of tax		412,828	(286,692)	434,855	(53,421)
Attributable to:					
Equity holders of the Parent		412,828	(286,692)	434,855	(53,421)
Non-controlling Interest		-	-	-	-
Total Comprehensive Income for the year		412,828	(286,692)	434,855	(53,421)

The accounting policies and notes on Pages 122 through 175 form an integral part of the Financial Statements.



STATEMENT OF FINANCIAL POSITION

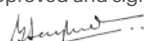
As at 31 March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
ASSETS					
Non Current Assets					
Right of Use Assets	14	815,040	721,334	815,040	721,334
Free hold Property, Plant and Equipment	15	420,221	859,337	412,651	848,685
Bearer Biological Assets	16.1	3,937,292	3,640,326	3,937,292	3,640,326
Consumable Biological Assets	16.2	339,825	245,605	339,825	245,605
Investment Properties	16.5	450,000	-	450,000	-
Financial Assets	17	189,511	176,320	189,511	176,320
Long Term Investments	18.2	1,706,959	1,727,934	491,850	491,850
Total Non Current Assets		7,858,849	7,370,856	6,636,169	6,124,120
Current Assets					
Produce on Bearer Biological Asset	16.3	13,898	10,750	13,898	10,750
Inventories	19	532,857	545,924	532,743	545,811
Trade and Other Receivables	20	1,018,468	834,379	1,016,847	832,758
VAT Recoverable		28,793	26,767	28,793	26,767
Income Tax Recoverable		16,131	16,131	16,131	16,131
Amounts due from Related Companies	21	11,469	13,522	32,039	36,219
Short Term Investments	22	163,217	234,352	163,217	234,352
Cash and Bank Balances	23	7,383	19,634	7,383	19,634
Total Current Assets		1,792,216	1,701,459	1,811,051	1,722,422
TOTAL ASSETS		9,651,065	9,072,315	8,447,220	7,846,541
EQUITY AND LIABILITIES					
Equity					
Stated Capital	24	250,000	250,000	250,000	250,000
General Reserve	24.1	225,000	225,000	225,000	225,000
Timber Reserve	24.2	151,932	68,251	151,932	68,251
Fair Value Through Other Comprehensive Income Reserve	24.3	48,588	48,588	48,600	48,600
Retained Earnings		4,513,100	4,271,453	3,319,355	3,055,681
Total Equity		5,188,620	4,863,292	3,994,887	3,647,532
Non Current Liabilities					
Interest-bearing Loans & Borrowings	25	66,636	254,144	66,636	254,144
Retiring Benefit Obligations	26	591,317	459,272	591,317	459,272
Deferred Income	27	241,837	232,976	241,837	232,976
Deferred Tax Liability	28	746,026	660,142	746,026	660,142
Lease Creditor	29.3	920,824	793,482	920,824	793,482
Total Non Current Liabilities		2,566,640	2,400,017	2,566,640	2,400,017
Current Liabilities					
Trade and Other Payables	30	507,286	396,700	502,314	391,813
Interest-bearing Loans & Borrowings	25	668,323	974,774	668,323	974,774
Lease Creditor	29.3	14,259	11,183	14,259	11,183
Dividend Payable	31	51,490	116,552	51,490	116,552
Amounts due to Related Companies	32	654,448	309,797	649,307	304,671
Total Current Liabilities		1,895,805	1,809,006	1,885,693	1,798,993
TOTAL EQUITY AND LIABILITIES		9,651,065	9,072,315	8,447,220	7,846,541

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


Dhammika Laksiri
Sector Financial Controller

The Board of Directors is responsible for these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of Kegalle Plantations PLC.


Dr. S S B D G Jayawardena
Director


Prof. R C W M R A Nugawela
Director

The accounting policies and notes on Pages 122 through 175 form an integral part of the Financial Statements.

28 August 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

Group	Stated Capital	General Reserve	Retained Earnings	FVTOCI Reserve	Timber Reserve	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 April 2023	250,000	225,000	4,659,964	48,588	53,932	5,237,484
Profit for the year	-	-	(273,176)	-	-	(273,176)
Other Comprehensive Income						
Actuarial Losses on Defined Benefit Plans	-	-	(23,788)	-	-	(23,788)
Share of Other Comprehensive Income of Equity Accounted Investees						
Net Gain on FVTOCI Financial Assets	-	-	13,101	-	-	13,101
Actuarial Losses on Defined Benefit Plans	-	-	(2,830)	-	-	(2,830)
Timber Reserve	-	-	(14,319)	-	14,319	-
Dividend Paid	-	-	(87,500)	-	-	(87,500)
Balance as at 31 March 2024	250,000	225,000	4,271,453	48,588	68,251	4,863,292
Profit for the year	-	-	444,038	-	-	444,038
Other Comprehensive Income						
Actuarial Losses on Defined Benefit Plans	-	-	(91,249)	-	-	(91,249)
Share of Other Comprehensive Income of Equity Accounted Investees						
Net Gain on Fair Value Through Other Comprehensive Income Financial Assets	-	-	61,106	-	-	61,106
Actuarial Losses on Defined Benefit Plans	-	-	(1,066)	-	-	(1,066)
Timber Reserve	-	-	(83,681)	-	83,681	-
Dividend Paid	-	-	(87,500)	-	-	(87,500)
Balance as at 31 March 2025	250,000	225,000	4,513,100	48,588	151,932	5,188,620

Company	Stated Capital	General Reserve	Retained Earnings	FVTOCI Reserve	Timber Reserve	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 April 2023	250,000	225,000	3,210,921	48,600	53,932	3,788,453
Profit for the year	-	-	21,234	-	-	21,234
Other Comprehensive Loss						
Timber Reserve	-	-	(14,319)	-	14,319	-
Dividend Paid	-	-	(87,500)	-	-	(87,500)
Balance as at 31 March 2024	250,000	225,000	3,055,681	48,600	68,251	3,647,532
Profit for the year	-	-	516,871	-	-	516,871
Other Comprehensive Loss						
Timber Reserve	-	-	(83,681)	-	83,681	-
Dividend Paid	-	-	(87,500)	-	-	(87,500)
Balance as at 31 March 2025	250,000	225,000	3,319,355	48,600	151,932	3,994,887

The Timber Reserve relates to the change in fair value of managed trees which includes commercial timber plantations cultivated on estates.

The accounting policies and notes on Pages 122 through 175 form an integral part of the Financial Statements.



STATEMENT OF CASH FLOW

Year ended 31 March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Net Profit /(Loss) before Taxation		476,203	(186,671)	637,904	135,618
ADJUSTMENTS FOR					
Interest Income	9	(1,926)	6,208	(1,926)	6,208
Depreciation/Amortisation	8	212,085	189,545	212,085	189,545
Provision for Defined Benefit Plan Costs	26	104,213	106,929	104,213	106,929
Amortisation of Grants	27	(14,396)	(13,745)	(14,396)	(13,745)
Finance Costs	10	68,066	126,210	68,066	126,210
Interest on Government Finance Lease	29	122,529	105,278	122,529	105,278
Impairment of Property, Plant & Equipment		3,082	3,598	-	-
Reassessment on Lease Liability		233	118	233	118
Gains on Fair Value of Biological Assets	16	(86,830)	(16,275)	(86,830)	(16,275)
Gains on Sales of Biological Assets		(89,760)	(53,198)	(89,760)	(53,198)
Share of Result of Associates	11	160,648	320,693	-	-
Operating Profit before Working Capital Changes		954,148	588,691	952,118	586,689
(Increase)/Decrease in Inventories		13,068	117,743	13,068	117,743
(Increase)/Decrease in Trade and Other Receivables		(186,115)	(173,408)	(186,114)	(174,293)
Increase/(Decrease) in Trade and Other Payables		110,586	15,769	110,501	15,739
(Increase)/Decrease in amounts due from Related Companies		2,053	6,339	4,181	13,129
Increase/(Decrease) in amounts due to Related Companies		344,651	92,257	344,637	88,384
Cash Generated from Operations		1,238,390	647,391	1,238,390	647,391
Interest on Government Finance Lease	29	(122,529)	(105,278)	(122,529)	(105,278)
Finance Costs Paid	10	(68,066)	(126,210)	(68,066)	(126,210)
Defined Benefit Plan Costs Paid	26	(102,525)	(129,606)	(102,525)	(129,606)
Net Cash from Operating Activities		945,270	286,297	945,270	286,297
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Investments in Projects	15.(a).	(18,318)	(14,233)	(18,318)	(14,233)
Interest Income	9	1,926	(6,208)	1,926	(6,208)
Grant/Subsidies Received	27	23,257	33,218	23,257	33,218
Proceeds from Disposal of Biological Assets		95,317	57,557	95,317	57,557
Field Development Expenditure	Note A	(437,627)	(522,718)	(437,627)	(522,718)
Purchase of Property, Plant & Equipment	Note B	(36,497)	(107,808)	(36,497)	(107,808)
Net Cash used in Investing Activities		(371,942)	(560,193)	(371,942)	(560,193)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Dividend Paid		(152,562)	(13,436)	(152,562)	(13,436)
Payment of Government Lease Rentals - Capital	29	(10,193)	(7,677)	(10,193)	(7,677)
Repayment of Loans	25	(275,008)	(275,008)	(275,008)	(275,008)
Net Cash used in Financing Activities		(437,763)	(296,121)	(437,763)	(296,121)
Net Increase / (Decrease) in Cash & Cash Equivalents		135,566	(570,017)	135,566	(570,017)
Cash & Cash Equivalents at the beginning of the year	Note C	(445,780)	124,237	(445,780)	124,237
Cash & Cash Equivalents at the end of the year	Note D	(310,214)	(445,780)	(310,214)	(445,780)

The accounting policies and notes on Pages 122 through 175 form an integral part of the Financial Statements.



NOTES TO THE CASH FLOW STATEMENT

NOTE A	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Investment in Field Development Expenditure				
Investment in Immature Plantations				
Rubber	367,460	407,698	367,460	407,698
Tea	2,795	1,081	2,795	1,081
Coconut	36,955	38,698	36,955	38,698
Unallocated	30,417	75,240	30,417	75,240
Total	437,627	522,718	437,627	522,718

NOTE B	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Investment in Property, Plant & Equipment				
Rubber	25,671	39,345	25,671	39,345
Tea	9,638	68,263	9,638	68,263
Unallocated	1,187	200	1,187	200
Total	36,497	107,808	36,497	107,808

NOTE C	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash & Cash Equivalents at the beginning of the year				
Cash & Bank Balances	19,634	21,273	19,634	21,273
Bank Overdrafts	(699,766)	(178,858)	(699,766)	(178,858)
Short Term Investments	234,352	281,822	234,352	281,822
Total	(445,780)	124,237	(445,780)	124,237

NOTE D	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash & Cash Equivalents at the end of the year				
Cash & Bank Balances	7,383	19,634	7,383	19,634
Bank Overdrafts	(480,815)	(699,766)	(480,815)	(699,766)
Short Term Investments	163,217	234,352	163,217	234,352
Total	(310,214)	(445,780)	(310,214)	(445,780)

The accounting policies and notes on Pages 122 through 175 form an integral part of the Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Kegalle Plantations PLC was incorporated on 22nd June 1992 under the Companies Act No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government-Owned Business Undertakings into Public Companies under Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No 310, High Level Road, Nawinna, Maharagama and Plantations are situated in the planting districts of Kegalle, Kurunegala and Badulla.

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

All Companies in the Group are limited liability Companies incorporated and domiciled in Sri Lanka.

The Consolidated Financial Statements of Kegalle Plantations PLC, as at and for the year ended 31 March 2025 comprise the Company, its Subsidiary and Associates namely, Hamefa Kegalle (Pvt) Ltd, Richard Pieris Natural Foams Ltd, and Arpico Insurance PLC respectively.

The Financial Statements of all Companies in the Group are prepared for a common financial year, which ends on 31st March.

1.2 Principal Activities and the Nature of the Operations

During the year, the principal activities of the Company were the producing and processing of Rubber, Tea, Coconut and Other produce.

Principal activities of other Companies in the Group are as follows.

Company	Relationship of Business	Nature of the Business	Principal Place of the Business
Hamefa Kegalle (Pvt.) Ltd	Subsidiary	Currently no business operation other than Rent Income.	Serapis Division, Eadella Estate, Polgahawela.
Richard Pieris Natural Foams Ltd	Associate	Manufacture of latex foam products.	Zone I, Export Processing Zone, Biyagama, Malwana, 11670.
Arpico Insurance PLC	Associate	Providing life insurance services.	No. 55/20, Vauxhall Lane, Colombo 02.

1.3 Holding Company

The Company is a subsidiary of RPC Plantation Management Services (Pvt) Ltd., which is a wholly owned subsidiary of Richard Peiris Plantations (Pvt) Ltd whose ultimate parent enterprise is Richard Peiris & Co. PLC.

1.4 Date of Authorization for Issue

The Financial Statements of Kegalle Plantations PLC for the year ended 31 March 2025 were authorized for issue in accordance with a resolution of the board of directors on 28 August 2025.

1.5 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company and the Group which comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes to the Financial Statements ("the Consolidated Financial Statements") have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

These Consolidated Financial Statements have been prepared in accordance with the historical cost convention other than the following material items in the Financial Statements, which are measured at fair value less cost to sell.

- ◆ Managed Consumable biological assets are measured at fair value.
- ◆ Harvestable Agricultural Produce growing on bearer biological assets are measured at fair value.
- ◆ Equity financial assets at fair value through other comprehensive income.
- ◆ Defined Benefit Obligation is measured using projected unit credit method.

Where appropriate, the specific policies are explained in the succeeding Notes.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.) which is the Group's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest rupee, unless stated otherwise.

2.4 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except the changes mentioned, all the accounting policies set out below have been applied consistently to all the periods presented in the Financial Statements.

3.1 New accounting standards, interpretations and amendments adopted by the Company.

The following amendments and improvements do not have a significant impact on the Company's Financial Statements during the year ended 31st March 2025.

- ◇ SLFRS 17 Insurance Contract.
- ◇ Amendments to LKAS 21 Lack of Exchangeability

3.2 Going Concern

The Consolidated Financial Statements have been prepared on the assumption that the Group is a going concern. The Directors have assessed the Group's ability to continue as a going concern in the foreseeable future. Furthermore, board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern and they do not intend either to liquidate or to cease operations of Group. Therefore, the Consolidated Financial Statements continue to be prepared on the going concern basis.

3.3 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries as at 31 March 2025. Subsidiaries are those entities controlled by the group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- ◇ Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- ◇ Exposure, or rights, to variable returns from its involvement with the investee
- ◇ The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ◇ The contractual arrangement with the other vote holders of the investee
- ◇ Rights arising from other contractual arrangements.
- ◇ The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Company level investments in subsidiaries are recognized at cost.

3.3.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any Non-Controlling Interest in the acquiree. For each business combination, the Group elects whether it measures the Non-Controlling Interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



NOTES TO THE FINANCIAL STATEMENTS

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.3.2 Equity Accounted Investees (Investment in Associates)

Equity accounted investees are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Equity accounted investees are accounted for using the equity method.

Under the equity method, the investment in the equity accounted investee is carried on the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the equity accounted investee. Goodwill relating to the equity accounted investee is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the equity accounted investee. Any change in OCI of those investees is presented as part of the Group's OCI. When there has been a change recognized directly in the equity of the equity accounted investee, the Group recognizes its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Unrealized gains and losses resulting from transactions between the Group and the equity accounted investee are eliminated to the extent of the interest in the equity accounted investee.

The consolidated Financial Statements include the Group's share of profit net of tax and equity movements of equity accounted investees from the date that significant influence commences until the date significant influence ceases. When the Group's share of losses exceeds its investment in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred obligations or has made payments on behalf of the investee.

The Financial Statements of the equity accounted investees are prepared for the same reporting period as the Group. After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in its equity accounted investee. The Group determines at each reporting date whether there is any objective evidence that the investment in the equity accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amounts of the equity accounted investee and its carrying value and recognizes the amount in the share of profit of an equity accounted investee, in the Statement of Profit or Loss.

Upon loss of significant influence over the equity accounted investee, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the equity accounted investee upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

In the Company level, investments in subsidiaries and associates are recognized at cost.

3.4 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- ◇ Expected to be realized or intended to be sold or consumed in normal operating cycle.
 - ◇ Held primarily for the purpose of trading.
 - ◇ Expected to be realized within twelve months after the reporting period.
- Or
- ◇ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- ◇ It is expected to be settled in normal operating cycle.
 - ◇ It is held primarily for the purpose of trading.
 - ◇ It is due to be settled within twelve months after the reporting period.
- Or
- ◇ It does not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 Fair Value Measurement

The Group measures financial instruments and non-financial assets at fair value at each Statement of Financial Position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- ◇ Managed Consumable Biological Assets - Note 16.2.1
- ◇ Produce Growing on Bearer Biological Assets - Note 16.3
- ◇ Equity investment at fair value through OCI, which are financial instruments - Note 17

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ◇ In the principal market for the asset or liability

Or

- ◇ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ❖ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ❖ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ❖ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as managed biological assets. Involvement of external valuers is decided upon annually by the Management Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.6 Foreign Currencies

The Group's consolidated Financial Statements are presented in Sri Lankan Rupees, which is also the parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of profit or loss are also recognized in OCI or statement of profit or loss, respectively).

3.7 Cash Dividend and Non-cash Distribution to Equity Holders of the Parent

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit or loss.

3.8 Property, Plant & Equipment

The Group applies the requirements of LKAS 16 on 'Property, Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services, for rental to other or for administration purpose and are expected to be used for more than one year.

3.8.1 Basis of Recognition

Property, Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

3.8.2 Measurement

Items of Property, Plant & Equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

3.8.3 Borrowing Cost

Borrowing costs that are directly attributable to acquisition, construction, or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the asset.



NOTES TO THE FINANCIAL STATEMENTS

Borrowing costs that are not capitalized are recognized as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss.

The amounts of the borrowing costs which are eligible for capitalization are determined in accordance with the in LKAS 23 - Borrowing Costs.

Borrowing costs incurred in respect of specific loans that are utilized for field development activities have been capitalized as a part of the cost of the relevant immature plantation. The capitalization will cease when the crops are ready for commercial harvest.

The amount so capitalized and the capitalization rates are disclosed in Notes 16.1.2 to the Financial Statements.

3.8.4 Cost of Owned Assets

The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long terms 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 and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets (major components) with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Profit or Loss Statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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.

3.8.5 Leases

The Group 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 consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liability to make lease payments and right to use of assets representing the right to use the underlying assets.

3.8.5.1 Right of Use Assets

The Group recognises right to use of 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 to use of assets includes the amount of lease liabilities recognized, 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 ownership of the leased asset transferred to the Group at the end of the lease period or the cost reflect the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3.8.5.2 Lease Liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects 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 Group uses its incremental borrowing rate at the lease commencement date because of the interest rate implicit in the lease is not readily determinable. After the commencement date, amount of 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.

3.8.6 Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit or loss when the asset is derecognized.

3.8.7 Land Development Cost

Permanent land development costs are those costs incurred in 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 impairments to land development costs are charged to the profit and loss Statement in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.8.8 Biological Assets

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

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

The entity recognizes the biological assets when, and only when, the entity controls the assets as a result of 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.

3.8.8.1 Bearer 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 & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations.

These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber) which comes into bearing during the year, is transferred to mature plantations.

3.8.8.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred.

3.8.8.3 Consumable Biological Asset

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to

sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 16.2.

The main variables in DCF model concerns.

Variable	Comment
Timber content	Estimate based on physical verification of girth, height and considering the growth of the each species in different geographical regions. Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company
Economic useful life	Estimated based on the normal life span of each species by factoring the forestry plan of the Company
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees in to saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.

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

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

3.8.8.4 Nursery Plants

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

3.8.9 Depreciation and Amortisation

a) Depreciation

Depreciation is recognized in Income Statement on a straight-line basis over the estimated useful economic lives of each part of an item of Property, Plant & Equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. 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 Group will have ownership by the end of the lease term. Lease period of land acquired from JEDB/SLSPC will be expired in year 2045. The estimated useful lives for the current and comparative periods are as follows:



NOTES TO THE FINANCIAL STATEMENTS

Asset Categories	No. of Years	Rate (%)
Buildings & Roads	40	2.50
Plant & Machinery	12	8.00
Furniture & Fittings	10	10.00
Motor Vehicle	05	20.00
Equipment	08	12.50
Computer Accessories	08	12.50
Right of Use Building	02	50.00

Mature Plantations (Replanting and New Planting)

	No. of Years	Rate (%)
Mature Plantations - Tea	33	3.30
- Rubber	20	5.00
- Coconut	50	2.00
- Oil Palm	20	5.00

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is less.

No depreciation is provided for immature plantations.

b) Amortisation

The leasehold rights of assets taken over from JEDB/SLSPC are amortized in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

	No. of Years	Rate (%)
Right of Use Land	23	4.35 (Over the remaining lease period)
Improvements to land	30	3.33
Mature Plantations (Tea & Rubber)	30	3.33
Machinery	15	6.67

3.8.10 Investment Properties

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

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

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

3.8.11. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite live are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.8.11.1 Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- ◆ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ◆ Its intention to complete and its ability and intention to use or sell the asset
- ◆ How the asset will generate future economic benefits
- ◆ The availability of resources to complete the asset
- ◆ The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset



begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

3.9 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.

3.9.1 Financial Assets

3.9.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial Assets at initial recognition depends on the financial assets' contractual cashflow characteristics and the group'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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Group's financial assets include Cash & bank, trade and other receivable and amount due from related parties.

3.9.1.2 Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified in four categories.

- ◇ Financial assets at amortized 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 amortized cost (Debt Instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost includes Trade Receivables and Amounts Due from Related Parties, Deposits, Advance, and Other Receivables.

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

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

c) Financial assets at fair value through OCI

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

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

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 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.



NOTES TO THE FINANCIAL STATEMENTS

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.

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

3.9.1.4 Impairment of Financial Assets

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

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

3.9.2 Financial Liabilities

3.9.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include Trade and Other Payables, Bank overdraft, Loans and Borrowings.

3.9.2.2 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

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 recognized in the statement of profit or loss.

b) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables, income tax payable and amounts due to related parties.

3.9.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Profit or loss.

3.9.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.10 Harvestable Agricultural Produce Growing on Bearer Biological Assets

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

For this purpose, quantities of harvestable agricultural produce ascertained based on 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 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 & transport.
- ◇ Rubber - Latex price (95% of current RSS1 Price) less cost of tapping & transport.
- ◇ Oil Palm - Bought Mill NSA less cost of harvesting & transport.
- ◇ Coconut - Farm Gate rate (current month) less cost of harvesting & transport.

3.11 Inventories

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.

Finish goods manufactured from agricultural produce of biological assets

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow-moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Input Material, Spares and Consumables

At actual cost on weighted average basis.

3.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.13 Impairment of Non-Financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss Statement net of any reimbursement.



NOTES TO THE FINANCIAL STATEMENTS

3.15 Employees Benefits

(a) Defined Contribution Plans - Provident Funds and Trust Fund

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

The Company contributes 12% on consolidated salary of the employees to Ceylon Planters' Provident Society (CPPS)/ Estate Staff Provident Society (ESPS)/ Employees' Provident Fund (EPF).

All the employees of the Company are members of the Employees' Trust Fund, to which the Company contributes 3% on the consolidated salary of such employees.

(b) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the "Projected Unit Credit" method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised as in retained earnings through other comprehensive income. Past service costs are recognised immediately in the statement of profit or loss.

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

The Liability is not externally funded.

The key assumptions used in determining the retirement benefit obligations are given in Note 26.

3.16 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group have been disclosed in the respective Notes to the Financial Statements.

3.17 Events occurring after the date of Financial Position

All material post events occurring after the date of financial position have been considered where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

3.18 Earnings per Share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.19 Deferred Income

3.19.1 Grants and Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is 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 Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Statement of Profit or Loss 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 are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant. Grants related to Property, Plant & Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant & Equipment as follows:

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

Buildings	40 years
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Grants received for forestry are initially deferred and credited to income once when the related blocks of trees are harvested.

3.20 Statement of Profit or Loss

For the purpose of presentation of Statement of Profit or Loss, the function of expenses method is adopted, as it represents fairly the elements of the group's performance.

3.20.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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. Revenue is recognised upon satisfaction of performance obligation.

The Group is in the business of cultivation, manufacture and sale of black tea, rubber, and other crops (Plantation Produce). Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in



exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

3.20.1.1 Revenue from contracts with customers

Sale of Plantation produce

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

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

3.20.1.2 Other Source of Income

Revenue recognition criteria for the other source of income as follows.

a) Rental Income

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

b) Dividend Income

Dividend income is recognized when the right to receive payment is established.

c) Interest Income

Interest income is recognized based on effective interest method.

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

Interest income of financial assets at amortized cost is calculated by using the effective interest method and is recognized as other income.

3.20.2 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit or loss for the period.

3.20.2.1 Financing Income and Finance Cost

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a

constant periodic rate of interest on the remaining balance of the liability. Foreign currency gains and losses are reported on a net basis

3.20.3 Taxes

3.20.3.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.20.3.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ◆ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ◆ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ◆ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ◆ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.



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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

3.21 Statement of Cash Flows

The Statement of Cash Flow has been prepared using the 'indirect method'. Interest paid is classified as operating cash flows, interest and dividends received are classified as investing cash flows while dividends paid and Government grants received are classified as financing cash flows, for the purpose of presenting the Statement of Cash Flow.

3.22 Segment Reporting

Segmental information is provided for the different business segments of the Company Business segmentation has been determined based on the nature of goods provided by the Company after considering the risk and rewards Segmental information is provided for the different business segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Company is primarily engaged in the production of tea, rubber and coconuts which are multiple business segment.

The Company evaluates the performance of its geographical segments. Therefore, geographical segments have been presented.

The activities of the segments are described in Note 06 in the Notes to the Financial Statements. The group transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

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 interest-bearing loans, borrowings, 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.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Group's Consolidated Financial Statements in conformity with SLFRS/LKAS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period and any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

4.1 Taxation

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

The prevailing tax rate is 30%.

Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The details of deferred tax computation are given in Note 28 to the Financial Statements.

4.2 Retirement Benefit Obligations

The present value of the retirement benefit obligation determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in



the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rate and expected future salary increase rates of the Company.

Further details about Retirement benefit obligations are provided in Note 26.

4.3 Fair Valuation of Consumable Biological Asset

The fair value of managed timber depends on number of factors that are determined on a discounted method using various financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the Note 16.2.1.

4.3.1 Impairment of Non-Financial Assets - Intangible Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets

and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

4.4 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Interpretation had an impact on its Financial Statements. The Company determined that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the Financial Statements of the Company.

4.5 Bearer Biological Assets

A mature plantation is an area of land developed with crops such as tea, rubber, oil palm and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

4.6 Leases - Estimating the Incremental Borrowing Rate

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

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

5.1 Lack of exchangeability - Amendment to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its Financial Statements to understand how the currency



NOTES TO THE FINANCIAL STATEMENTS

not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group.

5.2 SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- ◇ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ◇ A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted; provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The amendments are not expected to have a material impact on the Group.



6. REVENUE

6.1 Summary

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Sale of Goods				
Rubber	2,222,456	2,337,512	2,222,456	2,337,512
Tea	1,471,799	1,386,010	1,471,799	1,386,010
Coconut	72,728	70,195	72,728	70,195
Oil Palm	73,576	59,315	73,576	59,315
Other Crops	371	209	371	209
Sale of Rubber Trees	82,772	53,867	82,772	53,867
Total Revenue	3,923,702	3,907,108	3,923,702	3,907,108

6.2 Operating Segments

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Geographical Segments - Revenue				
Local Revenue	3,703,201	3,757,421	3,703,201	3,757,421
Export Revenue	220,501	149,687	220,501	149,687
Total Revenue	3,923,702	3,907,108	3,923,702	3,907,108



NOTES TO THE FINANCIAL STATEMENTS

6.3 Business Segments

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Rubber				
Revenue	2,222,456	2,337,512	2,222,456	2,337,512
Revenue Expenditure	(1,550,776)	(1,913,691)	(1,550,776)	(1,913,691)
Depreciation & Amortisation	(159,093)	(148,001)	(159,093)	(148,001)
Other Non Cash Expenditure - Gratuity	(54,964)	(68,852)	(54,964)	(68,852)
Segment Result - Gross Profit	457,622	206,966	457,622	206,966
Tea				
Revenue	1,471,799	1,386,010	1,471,799	1,386,010
Revenue Expenditure	(1,275,642)	(1,277,679)	(1,275,642)	(1,277,679)
Depreciation & Amortisation	(52,707)	(41,305)	(52,707)	(41,305)
Other Non Cash Expenditure - Gratuity	(49,249)	(38,077)	(49,249)	(38,077)
Segment Result - Gross Profit	94,201	28,949	94,201	28,949
Coconut				
Revenue	72,728	70,195	72,728	70,195
Revenue Expenditure	(41,131)	(52,584)	(41,131)	(52,584)
Segment Result - Gross Profit	31,597	17,611	31,597	17,611
Oil Palm				
Revenue	73,576	59,315	73,576	59,315
Revenue Expenditure	(40,021)	(32,745)	(40,021)	(32,745)
Segment Result - Gross Profit	33,555	26,570	33,555	26,570
Other Crops				
Revenue	371	209	371	209
Revenue Expenditure	(67)	(1)	(67)	(1)
Segment Result - Gross Profit	305	208	305	208
Sale of Rubber Trees				
Revenue	82,772	53,867	82,772	53,867
Revenue Expenditure	(38)	(59)	(38)	(59)
Segment Result - Gross Profit	82,734	53,808	82,734	53,808
Total Segments				
Revenue	3,923,702	3,907,108	3,923,702	3,907,108
Revenue Expenditure	(2,907,676)	(3,276,761)	(2,907,676)	(3,276,761)
Depreciation & Amortisation	(211,800)	(189,306)	(211,800)	(189,306)
Other Non Cash Expenditure - Gratuity	(104,213)	(106,929)	(104,213)	(106,929)
Total Segment Results - Gross Profit	700,013	334,112	700,013	334,112



	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Total Segment Results - Gross Profit	700,013	334,112	700,013	334,112
Gain on Fair Value of Biological Assets	86,830	16,275	86,830	16,275
Other Income	225,008	142,628	222,428	140,171
Administrative Expenses	(77,993)	(64,432)	(74,362)	(63,976)
Impairment Loss	(3,082)	(3,598)	-	-
Management Fee	(108,337)	(53,266)	(108,337)	(53,266)
Finance Income	1,926	(6,208)	1,926	(6,208)
Finance Cost	(190,596)	(231,488)	(190,596)	(231,488)
Share of Result of Associates	(160,648)	(320,693)	-	-
Profit/(Loss) Before Tax	473,121	(186,671)	637,904	135,618
Tax Expense				
Income Tax	88,867	27,880	-	-
Deferred Tax	(121,033)	(114,385)	(121,033)	(114,385)
Profit/(Loss) After Tax	440,956	(273,176)	516,871	21,234

6.4 Business Segments - Assets

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Non Current Assets				
Rubber	2,966,664	2,681,552	2,966,664	2,681,552
Tea	955,360	925,491	955,360	925,491
Other Crops	711,877	671,832	711,877	671,832
Unallocated	3,224,947	3,091,981	2,002,268	1,845,245
Total Non Current Assets	7,858,849	7,370,856	6,636,169	6,124,120
Current Assets				
Rubber	1,243,032	1,053,846	1,243,032	1,053,846
Tea	323,484	332,320	323,484	332,320
Other Crops	35,998	37,094	35,998	37,094
Unallocated	189,701	278,198	208,536	299,162
Total Current Assets	1,792,216	1,701,459	1,811,051	1,722,422

6.5 Business Segments - Liabilities

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Non Current Liabilities				
Rubber	124,022	93,804	124,022	93,804
Tea	371,068	312,245	371,068	312,245
Other Crops	269,233	229,166	269,233	229,166
Unallocated	1,802,316	1,764,802	1,802,316	1,764,802
Total Non Current Liabilities	2,566,639	2,400,017	2,566,639	2,400,017
Current Liabilities				
Rubber	207,043	203,001	207,043	203,001
Tea	173,768	146,227	173,768	146,227
Other Crops	22,719	19,726	22,719	19,726
Unallocated	1,492,276	1,440,051	1,482,165	1,430,038
Total Current Liabilities	1,895,805	1,809,006	1,885,694	1,798,993



NOTES TO THE FINANCIAL STATEMENTS

6.6 Segment Capital Expenditure

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Rubber	393,131	447,043	393,131	447,043
Tea	12,433	69,344	12,433	69,344
Coconut	36,955	38,698	36,955	38,698
Unallocated	31,604	75,441	31,604	75,441
Total Capital Expenditure	474,124	630,526	474,124	630,526

6.7 Segement Cash Flow Activities

6.7. a) Group

	Rubber		Tea		Other Crops		Unallocated		Total Group	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Operating Activities	617,955	177,347	127,206	24,806	88,389	38,036	111,720	46,107	945,270	286,297
Investing Activities	(369,874)	(413,826)	(12,433)	(69,344)	(36,955)	(38,698)	47,320	(38,325)	(371,942)	(560,193)
Financing Activities	(32,477)	(20,881)	(53,448)	(32,255)	(28,640)	(17,510)	(323,198)	(225,474)	(437,763)	(296,121)
Net Increase/ (Decrease) in Cash & Cash Equivalents	215,604	(257,360)	61,325	(76,793)	22,794	(18,173)	(164,157)	(217,691)	135,566	(570,017)

6.7. b) Company

	Rubber		Tea		Other Crops		Unallocated		Total Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Operating Activities	617,955	177,347	127,206	24,806	88,389	38,036	111,720	46,107	945,270	286,297
Investing Activities	(369,874)	(413,826)	(12,433)	(69,344)	(36,955)	(38,698)	47,320	(38,325)	(371,942)	(560,193)
Financing Activities	(32,551)	(20,931)	(53,569)	(32,332)	(28,705)	(17,552)	(322,937)	(225,305)	(437,763)	(296,121)
Net Increase/ (Decrease) in Cash & Cash Equivalents	215,531	(257,410)	61,203	(76,870)	22,729	(18,214)	(163,897)	(217,523)	135,566	(570,017)

7. OTHER INCOME

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Amortisation of Capital Grants/Subsidy	14,396	13,745	14,396	13,745
Rental income derived from Investment Properties	60,000	-	60,000	-
Sundry Income	150,612	128,883	148,032	126,426
Total Other Income	225,008	142,628	222,428	140,171

There are no unfulfilled conditions or contingencies attached to the grants.



8. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING FOLLOWING

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Auditors' Remuneration	5,830	5,809	5,830	5,809
Depreciation & Amortization	212,085	189,545	212,085	189,545
Directors' Remuneration	1,340	800	1,340	800
Defined Benefit Plan Cost	104,213	106,929	104,213	106,929
Defined Contribution Plans - EPF & ETF	193,049	169,592	193,049	169,592
Others - Staff Cost	1,248,931	1,125,745	1,248,931	1,125,745

9. FINANCE INCOME

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Exchange Gain/ (Loss)	(3,344)	(26,871)	(3,344)	(26,871)
Interest Income from Treasury Bills, Savings and FDs	5,270	20,663	5,270	20,663
Total Finance Income	1,926	(6,208)	1,926	(6,208)

10. FINANCE COST

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Overdraft Interest	66,288	86,912	66,288	86,912
Lease Interest on JEDB Lease	122,529	105,278	122,529	105,278
Interest on lease Liabilities (right-of-use assets) - SLFRS 16	399	376	399	376
Term Loan Interest	46,363	97,149	46,363	97,149
	235,580	289,715	235,580	289,715
Less: Interest Capitalised	(44,984)	(58,227)	(44,984)	(58,227)
Total Finance Cost	190,596	231,488	190,596	231,488



NOTES TO THE FINANCIAL STATEMENTS

11. SHARE OF RESULT OF ASSOCIATES

The Group can influence upto 35.11% of the voting rights of the Richard Pieris Natural Foams Ltd and upto 40.29% of the voting rights of the Arpico Insurance PLC.

The Group's share of the income of the entities for the years ending 31 March 2025 and 2024, which are accounted under the Equity Method are as follows.

11.1 Statement of Profit or Loss

	Group	
	2025 Rs. '000	2024 Rs. '000
Richard Pieris Natural Foams Ltd		
Group's Share of Profit/(Loss) Before Tax	(201,373)	(47,612)
Tax on Associate Results	48,891	28,810
Group Share of Profit/(Loss) After Tax	(152,482)	(18,802)
Arpico Insurance PLC		
Group's Share of Profit/(Loss) Before Tax	40,724	(273,081)
Tax on Associate Results	39,977	(930)
Group Share of Profit/(Loss) After Tax	80,701	(274,011)
Total Group Share of Result		
Group's Share of Profit/(Loss) Before Tax	(160,649)	(320,693)
Tax on Associate Results	88,867	27,880
Group Share of Profit/(Loss) After Tax	(71,782)	(292,813)



11.2 Statement of Other Comprehensive Income (OCI)

	Group	
	2025 Rs. '000	2024 Rs. '000
Richard Pieris Natural Foams Ltd		
Gain/(Loss) on Actuarial Valuation	(1,902)	(4,043)
Income Tax Effect	571	1,213
Group Share of Other Comprehensive Income/(Loss)	(1,332)	(2,830)
Arpico Insurance PLC		
Gain/(Loss) on Actuarial Valuation	266	-
Net Gain on FVTOCI Financial Assets	51,872	63,969
Group Share of Other Comprehensive Income	52,138	63,969
Total Group Share of Result		
Gain/(Loss) on Actuarial Valuation	(1,636)	(4,043)
Net Gain / (Loss) on FVTOCI Financial Assets	51,872	63,969
Income Tax Effect	571	1,213
Total	50,806	61,138

12. CURRENT TAX EXPENSES

12.1 Statement of Profit or Loss

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
(I) Current Income Tax:				
Current income tax charge/(reversal)	(88,867)	(27,880)	-	-
Tax on dividend paid by Group Companies	-	-	-	-
(II) Deferred Tax (Note 28.1):				
Relating to origination and (reversal) of temporary differences	121,034	114,385	121,034	114,385
Differed Tax Adjustment for prior year	-	-	-	-
Income Tax charge/(reversal) reported in Statement of Profit or Loss	32,167	86,505	121,034	114,385

12.2 Statement of Other Comprehensive Income (OCI)

Deferred tax relating to items (charges)/credited directly to OCI during the year:

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Net gain/(loss) on actuarial gains and losses on defined Benefit Plans (Note 28.1)	39,107	10,195	39,107	10,195
Net gain/(loss) on fair value through OCI financial assets (Note 28.1)	(3,957)	5,652	(3,957)	5,652
Income Tax charge directly to Other Comprehensive Income	35,150	15,847	35,151	15,847



NOTES TO THE FINANCIAL STATEMENTS

12.3 Reconciliation between Current Tax Expense and Accounting Profit/(Loss)

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Accounting Profit/(Loss) Before Tax	476,203	(186,671)	637,904	135,618
Aggregate Disallowed Items	450,099	440,490	450,099	440,490
Aggregate Allowable Items	(626,593)	(797,530)	(626,593)	(797,530)
Total Statutory Income/(Loss)	299,709	(543,711)	461,410	(221,422)
Statutory Income from Agro Farming	59,690	(141,572)	59,690	(141,572)
Statutory Income from Agro Processing	401,720	(79,850)	401,720	(79,850)
	461,410	(221,422)	461,410	(221,422)
Tax exempt income from Agro Farming/Interest	440,771	(137,442)	440,771	(137,442)
Interest Income	2,742	16,533	2,742	16,533
Total tax exempt income	(440,771)	137,442	(440,771)	137,442
Tax refund claimed during the year	(2,742)	(16,533)	(2,742)	(16,533)
Total Assessable Income / Taxable Income - (Loss)	-	-	-	-
Income Tax @ 10.5%	-	-	-	-
Income Tax @ 14%	-	-	-	-
Income Tax @ 15%	-	-	-	-
Income Tax @ 22.5%	-	-	-	-
Income Tax @ 24%	-	-	-	-
Income Tax @ 30%	-	-	-	-
Income Tax on Current Year Profits	-	-	-	-
ESC write off	-	-	-	-
Share of Equity Accounted Investees' Income Tax Expenses/(Reversal)	(88,867)	(27,880)	-	-
Current Income Tax Expenses/(Reversal)	(88,867)	(27,880)	-	-
Details of Business Losses Carried Forward				
Loss Brought Forward	1,385,749	1,305,898	1,385,749	1,305,898
Loss incurred during the year	(401,720)	79,850	(401,720)	79,850
Loss Appropriate during the year	-	-	-	-
Loss Carried Forward	984,029	1,385,749	984,029	1,385,749



13. EARNINGS PER SHARE

13.1 The calculation of the basic earnings per share is based on after tax profit for the year divided by the weighted average number of ordinary shares outstanding during the period.

13.2 The following reflects the income and share data used in the basic earnings per share computations.

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Amounts used as the Numerator :				
Net profit applicable to Ordinary Shareholders for basic earnings per share	444,038	(273,176)	516,871	21,234
	444,038	(273,176)	516,871	21,234
Amounts used as the Denominator :				
Weighted average number of Ordinary Shares in issue applicable to basic earnings per share	25,000	25,000	25,000	25,000
	25,000	25,000	25,000	25,000
Earnings/(Loss) Per Share (EPS) - Rs.	17.76	(10.93)	20.67	0.85

13.3 Dividend Per Share

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Interim Dividend - Rs. 3.50 per share (Rs.3.50 for the year 2023/24)	87,500	87,500	87,500	87,500
Dividend Per Share (DPS) - Rs.	3.50	3.50	3.50	3.50

Interim dividend of Rs. 3.50 per share for the financial year ended 31 March 2025 was declared on 21st February 2025 and was paid on 25th March 2025.

14. RIGHT OF USE ASSETS

As at 31 March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Right of use of land	14.1	810,222	710,355	810,222	710,355
Right of use asset - Building	14.2	1,936	1,936	1,936	1,936
Right of use Immovable leased bearer biological assets	14.3	2,877	9,037	2,877	9,037
Right of use Immovable Leased assets (other than right of use land and bearer biological assets)	14.4	5	5	5	5
		815,040	721,334	815,040	721,334

14.1 Right Of Use of Land (Revalued)

"Right Of Use of Land on Lease" was previously accounted under Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka dated 21 August 2013. However, SLFRS 16 was applicable with effect from 01 January 2019, and therefore, above "Right-To-Use of Land " has accounted in accordance with SLFRS 16 with effect from 01 April 2019. "Right Of Use of Land" have been executed for all estates for a period of 53 years. The Unexpired period of the lease as at the statement of Financial Position date is 21 years.

The effect to the Statement of Financial Position and amortization of the right to use of land up to 31 March 2025 are as follows:



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	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Capitalised Value				
As at 01 April 2024	824,124	558,533	824,124	558,533
Transition adjustment due to initial application of SLFRS 16	-	-	-	-
Adjustment on Reassessment of lease Liability at 01st April	140,377	265,591	140,377	265,591
As at 31 March 2025	964,501	824,124	964,501	824,124
Amortisation				
As at 01 April 2024	113,769	79,942	113,769	79,942
Transferred out due to initial application of SLFRS 16	-	-	-	-
Amortization charge for the year	40,511	33,826	40,511	33,826
As at 31 March 2025	154,280	113,769	154,280	113,769
Carrying amount	810,222	710,355	810,222	710,355

14.2. Right of Use Asset - Building

Kegalle Plantation PLC (Head Office) as a tenant, occupying a building which belongs to Richard Pieris & Company PLC (Ultimate Parent) The effect to the Statement of Financial Position and depreciation of building to 31 March 2025 are as follows:

	Group / Company	
	2025 Rs. '000	2024 Rs. '000
Capitalised Value		
As at 01 April 2024	10,753	8,817
Additions	2,027	1,936
As at 31 March 2025	12,781	10,753
Amortisation		
As at 01 April 2024	8,817	6,881
Amortization charge for the year	2,027	1,936
As at 31 March 2025	10,844	8,817
Carrying amount	1,936	1,936

14.3. Right of Use Immovable Leased Bearer Biological Assets

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 these estates under finance leases have been taken into the books of the Company retroactive to 22 June 1992. For this purpose the Board decided at its meeting on March 8, 1995 that these assets would be taken at their book values as they appear in the books of the Sri Lanka State Plantation Corporation (SLSPC), on the day immediately preceding the date of formation of the Company. These assets are taken into the 22 June 1992 Statements of Financial Position and the amortisation of immovable estate assets to 31 March 2025 are as follows.

	Group		Company	
	Mature Plantations 2025 Rs. '000	Mature Plantations 2024 Rs. '000	Mature Plantations 2025 Rs. '000	Mature Plantations 2024 Rs. '000
Capitalised Value as at 22nd June, 1992	262,680	262,680	262,680	262,680
Accumulated Amortisation				
As at 01 April 2024	253,643	245,099	253,643	245,099
Amortisation for the year	6,160	8,544	6,160	8,544
As at 31 March 2025	259,803	253,643	259,803	253,643
Carrying amount	2,877	9,037	2,877	9,037



Investment in Immature Plantations at the time of handing over to the Company as at 22 June, 1992 by way of estate leases were shown under Immature Plantations.

However, since then all such investments in Immature Plantations attributable to JEDB/SLSPC period have been transferred to Mature Plantations. These mature tea and rubber have been classified as bearer biological assets in terms of LKAS 16 - Property, Plant & Equipment. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognised at cost less amortisation. Further investments in such plantations to bring them to maturity are shown in Note 16.1.

14.4. Right-of-use Immovable Leased Assets (other than right-to-use of land and bearer biological assets)

	Group				Company			
	Improvement to Land Rs. '000	Buildings Rs. '000	Plant & Machinery Rs. '000	Total Rs. '000	Improvement to Land Rs. '000	Buildings Rs. '000	Plant & Machinery Rs. '000	Total Rs. '000
Capitalised Value as at 22.06.1992	192	53,935	24,289	78,415	192	53,935	24,289	78,415
Amortisation								
Accumulated Amortisation as at 01.04.2024	187	53,935	24,289	78,411	187	53,935	24,289	78,411
Amortisation for the year	-	-	-	-	-	-	-	-
Accumulated Amortisation as at 31.03.2025	187	53,935	24,289	78,411	187	53,935	24,289	78,411
Written down value as at 31.03.2025	5	-	-	5	5	-	-	5
Written down value as at 31.03.2024	5	-	-	5	5	-	-	5

Note:

The Useful Lives as follows;

Mature Plantations/Improvement to Land	30 years
Buildings	25 years
Machinery	15 years

15. FREEHOLD PROPERTY, PLANT AND EQUIPMENT

	Group				Company			
	Balance as at 01.04.2024 Rs. '000	Additions for the year Rs. '000	Disposals / Adjustment during the year Rs. '000	Balance as at 31.03.2025 Rs. '000	Balance as at 01.04.2024 Rs. '000	Additions for the year Rs. '000	Disposals / Adjustment during the year Rs. '000	Balance as at 31.03.2025 Rs. '000
Cost/Valuation								
Buildings	120,144	9,833	-	129,977	79,594	9,833	-	89,427
Motor Vehicles	158,776	399	-	159,175	158,776	399	-	159,175
Furniture & Fittings	5,874	554	-	6,428	5,797	554	-	6,351
Equipment	78,757	3,386	-	82,143	78,085	3,386	-	81,471
Water Sanitation	2,473	-	-	2,473	2,473	-	-	2,473
Computers & Computer Software	24,391	4,196	-	28,587	24,013	4,196	-	28,209
Plant & Machinery	662,797	18,129	-	680,926	593,766	18,129	-	611,895
Other Assets on Grants	214,647	-	-	214,647	214,647	-	-	214,647
	1,267,859	36,497	-	1,304,356	1,157,151	36,497	-	1,193,647



NOTES TO THE FINANCIAL STATEMENTS

15. FREEHOLD PROPERTY, PLANT AND EQUIPMENT CONTD.

	Group				Company			
	Balance as at 01.04.2024	Charge for the Year	Disposal/ Impairment Loss during the year	Balance as at 31.03.2025	Balance as at 01.04.2024	Charge for the Year	Accumulated depreciation on disposal	Balance as at 31.03.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Depreciation								
Buildings	70,486	2,081	1,322	73,889	34,299	2,081	-	36,380
Motor Vehicles	152,163	1,160	-	153,323	152,163	1,160	-	153,323
Furniture & Fittings	4,122	34	-	4,156	4,071	34	-	4,105
Equipment	60,028	3,008	-	63,036	59,735	3,008	-	62,743
Water Sanitation	2,362	30	-	2,392	2,362	30	-	2,392
Computers & Computer Software	20,439	2,091	-	22,530	19,931	2,091	-	22,022
Plant & Machinery	394,906	26,152	1,760	422,818	331,888	26,152	-	358,040
Other Assets on Grants	137,012	6,292	-	143,304	137,012	6,292	-	143,304
	841,517	40,849	3,082	885,448	741,461	40,849	-	782,309
Written Down Value	426,342			418,908	415,690			411,338

The group has been recognized Rs.3,082,000 impairment loss for the 2024/25 financial year (Rs. 3,598,000 - 2023/24) which was allocated Rs. 1,760,000/= to Plant & Machinery and Rs. 1,322,000 to Building. The valuation for the Property, Plant & Equipments has been carried out by the Company.

	Group				Company			
	Balance as at 01.04.2024	Additions for the year	Capitalised/ Transfer during the Year	Balance as at 31.03.2025	Balance as at 01.04.2024	Additions for the year	Capitalised/ Transfer during the Year	Balance as at 31.03.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Capital Work-in-Progress								
Work-in-Progress	432,995	1,296	(432,978)	1,313	432,995	1,296	(432,978)	1,313
Total Written Down Value	859,337			420,221	848,685			412,651

The assets shown above are those movable assets vested in the Company by Gazette Notification at the date of formation of the Company (22 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 Notes 14.

Further, the valuation of immovable JEDB estate assets on finance lease (other than leasehold land) and tangible assets other than immature/mature plantations taken over as at June 22, 1992 is based on net book value as at such date. These values were not available to Company by individual asset.

No borrowing costs have been capitalised into Capital Work-in-Progress.

Depreciation expense amounts to Rs. 40,848,510/- (2023/24 - Rs. 27,948,783/-) has been charged in cost of sales and Rs. 285,958/- (2023/24 - Rs. 238,998/-) in administrative expenses.



15(a) Capital Work-in-Progress

	Project Rs. '000	Others Rs. '000	Total Rs. '000
Total Capital Work-in-Progress as at 01/04/2024	431,682	1,313	432,995
Incurred during the Year	1,296	-	1,296
Transferred during the Year	(432,978)	-	(432,978)
Total Capital Work-in-Progress as at 31/03/2025	-	1,313	1,313

16. BIOLOGICAL ASSETS - GROUP/COMPANY**16.1 Bearer Biological Assets- Group/Company**

16.1.1 Immature Plantations	Tea	Rubber	Coconut	Oil-Palm & Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost					
At the beginning of the year 01.04.2024	74,452	1,451,537	93,652	161,616	1,781,258
Additions	2,795	367,460	36,955	14,322	421,532
Transfers	-	(80,669)	-	(59,708)	(140,376)
At the end of the year 31.03.2025	77,248	1,738,328	130,607	116,231	2,062,414
Cost as at 31.03.2025	77,248	1,738,328	130,607	116,231	2,062,414
Cost as at 01.04.2024	74,452	1,451,537	93,652	161,616	1,781,258



NOTES TO THE FINANCIAL STATEMENTS

16.1.2 Mature Plantations	Tea	Rubber	Coconut	Oil-Palm & Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost					
At the beginning of the year 01.04.2024	364,563	2,201,853	62,295	354,512	2,983,223
Additions	-	-	-	-	-
Transfers	-	80,669	-	59,708	140,376
At the end of the year 31.03.2025	364,563	2,282,522	62,295	414,220	3,123,600
Depreciation					
At the beginning of the year 01.04.2024	165,527	921,328	9,814	27,486	1,124,155
Charge for the year	15,752	95,243	1,436	12,135	124,566
At the end of the year 31.03.2025	181,279	1,016,571	11,250	39,622	1,248,721
Written down value as at 31.03.2025	183,285	1,265,951	51,045	374,598	1,874,879
Written down value as at 31.03.2024	199,037	1,280,525	52,479	327,026	1,859,068
Bearer Biological Assets as at 31.03.2025	260,533	3,004,279	181,652	490,829	3,937,292
Bearer Biological Assets as at 31.03.2024	273,490	2,732,062	146,132	488,642	3,640,326

These 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 Notes 14. Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments, since initial investment to bring them to maturity, will be moved from immature to mature under this note.

The Company has elected to measure the bearer biological assets at cost using LKAS 16 - Property, Plant & Equipment.

Specific borrowings have been obtained to finance the planting expenditure. Hence, borrowing costs Rs. 44,984,334/- (2023/24 - Rs. 58,226,783/-) were capitalized during the year under Immature Plantations, at an average borrowing rate of 11.49% (2023/24 - 8.73%).

16.2. Consumable Biological Assets - Timber Plantations

	Group/Company	
	2025	2024
	Rs. '000	Rs. '000
As at 01 April	245,605	212,354
Increase due to development	16,095	23,292
Decrease due to harvest	(5,557)	(4,359)
Gain/ (Loss) fair value of Biological Assets	83,681	14,319
As at 31 March	339,825	245,605

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the grounds that little biological transformation has taken place and impact of the biological transformation on price is not material. When such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from Immature to Mature.

The fair value of managed trees was ascertained since the LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka. The valuation was carried by Mr. W. M. Chandrasena, Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried covering all the estates.

The future cash flows are determined by reference to current timber prices without considering the future increase of timber price.

Following associated factors are taken into consideration in determining the present value of timber prices.



16.2. Consumable Biological Assets - Timber Plantations CONTD.

16.2.1 Information about Fair Value Measurements using Significant Unobservable Inputs (Level 3)

Non Financial Asset	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average)		Relationship of Unobservable Inputs to Fair Value
			2024/25	2023/24	
Consumable Managed Biological Assets	DCF Method	Discounting Rate	16.0%	17.5%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	20-25 Years	20-25 Years	Lower the rotation period, the higher the fair value
		Price per Cu.Ft.	Rs. 300/- to Rs. 900/- per Cu.Ft	Rs. 200/- to Rs. 800/- per Cu.Ft	The higher the price, the higher the fair value

Other key assumptions used in valuation;

1. The harvesting is approved by the Plantation Management Monitoring Division (PMMD) and Forest Department based on the forestry development plan.
2. The prices adopted are net of expenditure.
3. Though the replanting is a condition precedent for harvesting, yet the cost are not taken into consideration.

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the LKAS 41 against their own assumptions.

Sensitivity Analysis

Sensitivity variation on sales price

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

Company	Rs. '000	Rs. '000
Managed Timber	-10%	+10%
As at 31 March 2025	(33,982)	33,982
As at 31 March 2024	(24,561)	24,561

Sensitivity variation on discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that an increase or decrease by 1.5% of the discount rate has the following effect on the net present value of biological assets:

Company	Rs. '000	Rs. '000
Managed Timber	-1.5%	+1.5%
As at 31 March 2025	14,968	(18,456)
As at 31 March 2024	15,993	(7,451)



NOTES TO THE FINANCIAL STATEMENTS

16.3 Produce on Bearer Biological Assets

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
As at 01April - as previously reported	10,750	8,794	10,750	8,794
Change in fair value less cost to sell	3,149	1,956	3,149	1,956
At the end of the year	13,898	10,750	13,898	10,750

16.4 Gain/(Loss) on fair value of Biological Assets

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Consumable Biological Assets Gain/(loss) arising from change in fair value less cost to sell (Note 16.2)	83,681	14,319	83,681	14,319
Produce on Bearer Biological Assets Gain/(loss) arising from change in fair value less cost to sell (Note 16.3)	3,149	1,956	3,149	1,956
Total change in fair value of Biological Assets	86,830	16,275	86,830	16,275

16.5 Investment Properties

Group/ Company

	As at 01.04.2024	Additions	Transfers	As at 31.03.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross carrying amount				
Buildings	-	450,000	-	450,000
Depreciation				
Buildings	-	-	-	-
Net Book Values	-	450,000	-	450,000

	2025	2024
	Rs. '000	Rs. '000
Rental income derived from investment properties	60,000	-
Direct operating expenses incurred	-	-

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

During the financial year, the Company transferred investment properties to the aggregate value of Rs. 60 Mn (2024 - nil) for cash considerations.

The Company has constructed a building and renting out the floor area & other production related services to Arpitech (Pvt) Ltd for its manufacturing of latex & polyurethane foam mattresses for a conversion fee. Arpitech (Pvt) Ltd is a subsidiary Company of Richard Pieris and Company PLC and under Arpico Group of Companies.



17. FINANCIAL ASSETS

17.1 Unquoted Investment

Fair Value Through Other Comprehensive Income Financial Assets (FVTOCIFA)

		Group		Company	
		2025	2024	2025	2024
Non-Quoted Equity Shares held by the Company					
Non-Quoted Ordinary Shares of Richard Pieris Finance Ltd					
No of Shares	No ('000)	14,804	14,804	14,804	14,804
% Holding	%	5.98	7.83	5.98	7.83
Face Value Per Share	Rs.	10.00	10.00	10.00	10.00
Carrying Value as at 31 March	Rs. '000	176,320	219,143	176,320	219,143
Invested During the year	Rs. '000	-	13,696	-	13,696
Carrying Value as at 01 April	Rs. '000	176,320	232,839	176,320	232,839
Equity Value Per Share as at 31 March	Rs.	12.80	11.91	12.80	11.91
Gain/(Loss) on FVTOCI Financial Asset	Rs. '000	13,191	(56,518)	13,191	(56,518)
Carrying Value as at 31 March	Rs. '000	189,511	176,320	189,511	176,320

17.2 Information about Fair Value Measurements using Significant Unobservable Inputs (Level 3)

Financial Asset	Valuation methodology	Unobservable inputs	Range of unobservable inputs 2025
Investment in non-quoted Ordinary Shares of Richard Pieris Finance Ltd	Market Approach (trading multiples) - Primary methodology	Price to Book Value multiple	Price to Book multiple range of 0.77 - 0.91

Key Assumptions Used in Valuation ;

1. Screening was conducted on similar Companies listed on the Colombo Stock Exchange based on similarities in Net Asset Value and total Revenue.
2. Results of screening based on publicly available information as at the latest practicable date.
3. Valuation exercise was concluded on Price to Book Value multiples of identified similar Companies.

The fair value of the retained interest of the Richard Pieris Finance Ltd on initial recognition identified in profit or loss statement and Gain or Loss on subsequent fair valuation recognised in Other Comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS

17.3 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NON FINANCIAL ASSETS - CONSUMABLE BIOLOGICAL ASSETS

As at 31 March	Date of Valuation	Level 1		Level 2		Level 3	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Assets measured at fair value							
Fair Value Through OCI Financial Assets	31 March	-	-	189,511	176,320	-	-
Consumable Biological Assets - Timber	31 March	-	-	-	-	339,825	245,605
Produce on Bearer Biological Assets	31 March	-	-	13,898	10,750	-	-

17.4 Unquoted Investment - Others

No of Shares	Group		Company	
	2025 Nos	2024 Nos	2025 Nos	2024 Nos
Maskeliya Tea Garden Ceylon Ltd	1	1	1	1
Exotic Horticulture (Pvt) Ltd	1	1	1	1
Total Investment	2	2	2	2
Value	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Maskeliya Tea Garden Ceylon Ltd	0.01	0.01	0.01	0.01
Exotic Horticulture (Pvt) Ltd	0.01	0.01	0.01	0.01
Total Unquoted Investments - Others	0.02	0.02	0.02	0.02
Financial Assets - Total	189,511	176,320	189,511	176,320

18. LONG TERM INVESTMENTS

18.1 Investments in Subsidiaries

Company

Unquoted Investment

Hamefa Kegalle (Pvt) Ltd

Initial Investment in Hamefa Kegalle (Pvt) Ltd stated at cost of Rs. 14.0 Mn. Since it was provided for diminishing in value of Rs. 14.0 Mn upto 2008, the carrying amount of investment shows no balance at the end of the year.

Directors of the Subsidiary,

- Dr. Sena Yaddehige, Chairman
- Mr. Lalith Wijesinghe, Director
- Mr. Viville Perera, Director



18.2 Investments in Associates

Quoted Investment - Arpico Insurance PLC	Group		Company	
	2025 %	2024 %	2025 %	2024 %
% Holding	40.29	40.29	40.29	40.29
	Nos '000	Nos '000	Nos '000	Nos '000
No of Shares	26,685	26,685	26,685	26,685
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Carrying Value	731,357	598,519	266,850	266,850

Movement of the Investment - Arpico Insurance PLC	Group	
	2025 Rs. '000	2024 Rs. '000
At the beginning of the year	598,519	808,561
Share of Profit, net of tax	80,701	(274,011)
Share of Other Comprehensive Income/ (Loss), net of tax	52,138	63,969
Gross Dividends Received	-	-
At the end of the year	731,357	598,519

Unquoted Investment - Richard Pieris Natural Foams Ltd	Group		Company	
	2025 %	2024 %	2025 %	2024 %
% Holding	35.11	35.11	35.11	35.11
	Nos '000	Nos '000	Nos '000	Nos '000
No of Shares	22,500	22,500	22,500	22,500
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Carrying Value	975,602	1,129,416	225,000	225,000

Movement of the Investment - Richard Pieris Natural Foams Ltd	Group	
	2025 Rs. '000	2024 Rs. '000
At the beginning of the year	1,129,416	1,151,047
Share of Profit, net of tax	(152,482)	(18,802)
Share of Other Comprehensive Income/ (Loss), net of tax	(1,332)	(2,830)
Gross Dividends Received	-	-
At the end of the year	975,602	1,129,416

Total investments in associates	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
	1,706,959	1,727,934	491,850	491,850



NOTES TO THE FINANCIAL STATEMENTS

18.3 Summarised Financial Information of Associates

Richard Pieris Natural Foams Ltd	Group	
	2025 Rs. '000	2024 Rs. '000
Revenue	5,040,347	4,122,654
Profit Before Tax	(573,548)	(135,608)
Profit After Tax	(434,298)	(53,551)
Other Comprehensive Income/(Loss)	(3,793)	(8,061)
Total Comprehensive Income	(438,091)	(61,612)
Group's Share of Profit Before Tax	(201,373)	(47,612)
Group's Share of Other Comprehensive Income/(Loss)	(1,332)	(2,830)
Group's Share of Total Comprehensive Income	(202,704)	(50,442)
Current Assets	3,649,849	3,209,400
Non Current Assets	3,690,799	3,230,593
Total Assets	7,340,649	6,439,993
Current Liabilities	5,093,582	3,762,649
Non Current Liabilities	180,856	173,041
Total Liabilities	5,274,438	3,935,689

The Group can influence upto 35.11% of the voting rights of the Richard Pieris Natural Foams Ltd with effective date from 31 March 2010.



18.3 Summarised Financial Information of Associates CONTD.

Arpico Insurance PLC	Group	
	2025 Rs. '000	2024 Rs. '000
Revenue	1,848,006	2,074,699
Profit Before Tax	101,078	(677,789)
Profit After Tax	200,300	(680,097)
Other Comprehensive Income/(Loss)	129,406	158,771
Total Comprehensive Income	329,706	(521,326)
Group's Share of Profit Before Tax	40,724	(273,081)
Group's Share of Other Comprehensive Income/(Loss)	52,138	63,969
Group's Share of Total Comprehensive Income	92,862	(209,112)
Current Assets	1,124,307	1,138,867
Non Current Assets	3,873,781	3,786,634
Total Assets	4,998,088	4,925,501
Current Liabilities	209,353	445,827
Non Current Liabilities	2,976,504	2,997,149
Total Liabilities	3,185,857	3,442,976
Market Price Per Share - Close (Rs.)	17.10	24.00

The Group can influence upto 40.29% of the voting rights of the Arpico Insurance PLC with effective date from 01 April 2015.

18.4 Summarised Financial Information of Associates

	Richard Pieris Natural Foams Ltd		Arpico Insurance PLC	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash and cash equivalents	(1,433,275)	(886,270)	204,439	54,078
Trade & Other Payables	373,207	272,094	205,609	269,937
Amounts due to related Parties	1,967,959	1,199,569	-	39,827
Interest Bearing Borrowings	1,054,280	955,799	-	-
Liability to make lease payments	172,255	168,871	188,786	208,447
Income Tax Payable	26,776	26,739	56,947	39,715
Retirement Benefit Obligation	34,058	27,771	17,526	17,892
Deferred Tax Liability	155,675	14,800	-	-
Depreciation	119,340	107,134	22,590	24,946
Interest Income	1,183	2,005	535,804	592,750



NOTES TO THE FINANCIAL STATEMENTS

19. INVENTORIES

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Input Materials	81,244	133,619	73,373	125,749
Growing Crop - Nurseries	36,646	47,613	36,646	47,613
Produce Stock	402,862	336,689	402,862	336,689
Spares and Consumables	19,863	35,761	19,863	35,761
	540,614	553,681	532,743	545,811
(-) Provision for slow moving stocks	(7,757)	(7,757)	-	-
	532,857	545,924	532,743	545,811

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Produce Debtors (Related Companies- Note. 20.1)	730,954	565,732	730,954	565,732
Produce Debtors (Others)	41,713	109,277	41,713	109,277
Total Produce Debtors	772,666	675,009	772,666	675,009
Advances & Prepayments	38,732	63,580	38,732	63,580
Other Debtors	207,070	95,790	205,448	94,170
	1,018,468	834,379	1,016,847	832,758

The age analysis of produce debtors is as follows;

	Neither past due nor impaired					Total Rs. '000
	0 - 7 days Rs. '000	8 - 30 days Rs. '000	31 - 90 days Rs. '000	91-364 days Rs. '000	> 365 days Rs. '000	
Balance as at 31 March 2025						
Group - Produce Debtors (Related Companies)	-	730,954	-	-	-	730,954
- Produce Debtors (Other)	41,713	-	-	-	-	41,713
Company - Produce Debtors (Related Companies)	-	730,954	-	-	-	730,954
- Produce Debtors (Other)	41,713	-	-	-	-	41,713

20.1 Trade Receivables From Related Companies

Relationship	Group		Company		
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	
Richard Pieris Natural Foams Ltd	Associate Company	712,018	490,826	712,018	490,826
Arpico Natural Latex Foam (Pvt) Ltd	Related Company	32,055	32,055	32,055	32,055
Richard Pieris Exports PLC	Related Company	5,330	55,088	5,330	55,088
Richard Pieris Tyre Company Ltd	Related Company	-	6,670	-	6,670
Richard Pieris Distributors Ltd	Related Company	6,036	1,227	6,036	1,227
Maskeliya Tea Garden Ceylon (Pvt) Ltd	Related Company	2,644	3,219	2,644	3,219
Arpitech (Pvt) Ltd	Related Company	4,927	8,703	4,927	8,703
		763,009	597,787	763,009	597,787
(-) Provision for doubtful receivables		(32,055)	(32,055)	(32,055)	(32,055)
		730,954	565,732	730,954	565,732



21. AMOUNTS DUE FROM RELATED COMPANIES

	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Maskeliya Plantations PLC	Related Company	-	12,593	-	12,593
Hamefa Kegalle (Pvt) Ltd	Subsidiary Company	-	-	75,461	77,588
Arpitech (Pvt) Ltd	Related Company	11,469	929	11,469	929
		11,469	13,522	86,929	91,110
(-) Provision for doubtful receivables		-	-	(54,891)	(54,891)
		11,469	13,522	32,039	36,219

22. SHORT TERM INVESTMENT

	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Investment in Treasury Bills, REPO, USD Deposits & Others	163,217	234,352	163,217	234,352
	163,217	234,352	163,217	234,352

23. CASH & CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash & Bank Balances	7,383	19,634	7,383	19,634
Bank Overdrafts (Note 25)	(480,815)	(699,766)	(480,815)	(699,766)
Short term Investments (Note 22)	163,217	234,352	163,217	234,352
Total cash & cash equivalents for the purpose of cash flows	(310,214)	(445,780)	(310,214)	(445,780)



NOTES TO THE FINANCIAL STATEMENTS

24. STATED CAPITAL

		Group		Company	
		2025	2024	2025	2024
Issued and Fully Paid Ordinary Shares					
Number of Ordinary Shares including one golden share held by the Treasury which has special rights	Nos '000	25,000	25,000	25,000	25,000
Number of Ordinary Shares including one golden share held by the Treasury which has special rights	Rs. '000	250,000	250,000	250,000	250,000

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Special rights of the Golden Share are given in the Annual Report under the caption "Shareholder & Investor Information".

24.1 General Reserve

General Reserve represents amounts set-aside from time to time by the Directors of the Company for purpose of general application. These have been appropriated by the Board in compliance with the Articles, which provides for such amounts being set-aside for future and utilized after appropriate Board Approvals.

24.2 Timber Reserve

Timber reserve represents the fair value changes in the carrying value of managed timber plantations of the Company since 1st April 2011.

24.3 Fair Value Through Other Comprehensive Income Reserve

Fair Value Through Other Comprehensive Income Reserve represents the change in fair value of financial assets with Richard Pieris Finance Limited from the Financial Year 2015/16.



25. LOANS AND BORROWINGS

Group/ Company	Repayable within 1 year Rs. '000	Repayable after one year less than five years Rs. '000	Total as at 31.03.2025 Rs. '000	Total as at 31.03.2024 Rs. '000
Long Term Loans (Note: 25.1)				
Seylan Bank PLC	100,008	66,636	166,644	266,652
Commercial Bank of Ceylon PLC	87,500	-	87,500	262,500
	187,508	66,636	254,144	529,152
Short Term Loans	100,000	-	100,000	100,000
Bank Over Draft	380,815	-	380,815	599,766
	668,323	66,636	734,959	1,228,918

25.1 Long Term Loans (Secured)

Group/Company	2025			2024		Terms of Repayment
	Repayable within 1 year Rs. '000	Repayable after one year less than five years Rs. '000	Total as at 31.03.2025 Rs. '000	Total as at 31.03.2024 Rs. '000	Rate of Interest	
Commercial Bank of Ceylon PLC Rs. 700 Mn - Term Loan Facility	87,500	-	87,500	262,500	Fixed Rate 09%	1 Month Installment @ Rs. 14,583,302 and 06 Reamining Installments
Seylan Bank PLC Rs. 450 Mn - Term Loan Facility	100,008	66,636	166,644	266,652	Monthly AWPLR + 2.0 %	1 Month Installment @ Rs. 8,334,000 and 20 Remaining Installments
	187,508	66,636	254,144	529,152		
Short Term Loans	100,000	-	100,000	100,000		
Bank Overdrafts	380,815	-	380,815	599,766		
	668,323	66,636	734,959	1,228,918		



NOTES TO THE FINANCIAL STATEMENTS

26. RETIRING BENEFIT OBLIGATIONS

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Provision for Retiring Gratuity				
At the beginning of the year	459,272	447,967	459,272	447,967
Interest Cost	59,705	76,154	59,705	76,154
Current Service Cost	44,508	30,775	44,508	30,775
Gratuity Payments for the year	(102,525)	(129,606)	(102,525)	(129,606)
Actuarial (Gain) / Loss arising from Changes in Financial Assumptions	37,656	(16,156)	37,656	(16,156)
Actuarial Gain arising from Experience Adjustments	92,700	50,138	92,700	50,138
At the end of the year	591,317	459,272	591,317	459,272

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods using the Projected Unit Credit Method and discount that benefit in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

Use of Discount Rate under the uncertain economic conditions

The Company uses market yields for the year ended 31st March 2025 on treasury bonds issued by the Government of Sri Lanka (T-bonds) to determine the discount rate, as disclosed in its accounting policy. However, due to the economic conditions prevailing in the country as at the period end, the exceptionally high T-bond market yields would not be a reasonable reflection of the time value of money. Therefore, period end T-bond market yields have been adjusted for the credit risk spread to derive the rate used to discount the defined benefit obligation. The based disclosures of methods, Input used and assumptions are as follows,

Adopting Method :

Company used Projected Unit Credit Method (PUC) as the method of valuation. The PUC is the benchmark method recommended by Sri Lanka Accounting Standard as per LKAS 19.

Input used for the Valuation

Basic input data used for the retirement benefit obligation is employee date who were expected to be in service as at 31st March 2025. Such as retirement Age, Wage Rate etc. This input data mainly used to conduct the valuation.

Assumptions used for valuation

In order to carry out the valuation, there are two main assumptions regarding the future experience and trends of two groups of elements.

i. Demographic Assumptions -

This assumptions covers item such as mortality rates, ill health retirement rate and staff turnover rate and these are generally referred to as the demographic assumptions. Sudden Changes in these are rare and the past experience can provide a reasonable guide to the future.

ii. Financial Assumptions -

This assumption covers the financial elements such as the rate of increase in salaries / Wages, the rate of discount (i.e. the rate of interest used to discount future cash flows in order to determine the present value). The assumptions regarding the financial elements, of necessity, have to be based on more general considerations of long-term economic trends and outlook.

According to the actuarial valuation report issued by the Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2025, the actuarial present value of promised retirement benefits amounted to Rs. 591,317,713 /-. If the Company had provided for gratuity on the basis of 14 days wages & half months salary for each completed year of service, the liability would have been Rs. 802,731,925 /-.

The Present Value of Retirement Benefit Obligation is carried on annual basis.



The following payments are expected from the defined benefit plan obligation in future years.

Future Working Life Time	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Within the next 12 months	119,043	95,239	119,043	95,239
Between 2 and 5 years	171,769	142,838	171,769	142,838
Beyond 5 years	300,505	221,195	300,505	221,195
Total Retiring Benefit Obligation	591,317	459,272	591,317	459,272

The weighted average duration of the Defined Benefit Plan Obligation at the end of the reporting period is as follows.

Weighted Average Duration	2025	2024
Workers	8 years	7 years
Staff	7 years	7 years

The key assumptions used by Messrs. Actuarial & Management Consultants (Pvt) Ltd when determining the retirement benefit obligations are as follows.

Key Assumptions	2025	2024
i) Rate of Discount	12.00% (per annum)	13.00% (per annum)
ii) Rate of Salary Increase		
Workers	08% (every year)	08% (every year)
Staff	08% (per annum)	08% (per annum)
iii) Retirement Age		
Workers	60 years	60 years
Staff	60 years	60 years
Executives & Head Office Staff	60 years	60 years
iv) The Company will continue as a going concern.		

The Retirement Benefit Plan of the Company was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

Sensitivity Analysis - Salary/Wage Escalation Rate

Values appearing in the Financial Statements are very sensitive to the changes in financial and non-financial assumptions used. A sensitivity was carried out as follows:

Company	Workers		Staff	
	+1%	-1%	+1%	-1%
A one percentage point change in the discount rate	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31 March 2025	98,318	168,890	7,377	17,153
As at 31 March 2024	(23,689)	26,788	(4,045)	4,573
A one percentage point change in the salary/wage increment rate	+1%	-1%	+1%	-1%
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31 March 2025	169,001	97,744	17,595	6,927
As at 31 March 2024	27,101	(24,283)	5,033	(4,504)



NOTES TO THE FINANCIAL STATEMENTS

27. DEFERRED INCOME

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Deferred Grants and Subsidies				
Balance at the beginning of the year	232,976	213,503	232,976	213,503
Add : Grants/Subsidy received during the year	23,257	33,218	23,257	33,218
Less : Amortisation for the year	(14,396)	(13,745)	(14,396)	(13,745)
Balance at the end of the year	241,837	232,976	241,837	232,976

The Company has received funding from the Plantation Human Development Trust and Asian Development Bank for the development of worker facilities such as re-roofing of line rooms, latrines, water supply and sanitation etc. The amounts spent are included under the relevant classification of Property, Plant & Equipment and the grant component is reflected under Deferred Grants and Subsidies.

28. DEFERRED TAX ASSETS AND LIABILITIES

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Temporary Differences,				
At the beginning of the year	2,200,474	1,867,129	2,200,474	1,867,129
Amount originating during the year	286,278	333,345	286,278	333,345
At the end of the year	2,486,752	2,200,474	2,486,752	2,200,474
Temporary Differences of,				
Property, Plant & Equipment (including Biological Assets)	4,552,255	4,137,687	4,552,255	4,137,687
Retirement Benefit Obligations	(591,317)	(459,272)	(591,317)	(459,272)
Right of Use Assets	815,040	721,334	815,040	721,334
Lease Creditor	(935,083)	(804,666)	(935,083)	(804,666)
Deferred Income	(6,584)	(15,945)	(6,584)	(15,945)
Carried forward Tax Losses	(1,347,558)	(1,378,665)	(1,347,558)	(1,378,665)
At the end of the year	2,486,752	2,200,474	2,486,752	2,200,474
Tax Effect,				
At the beginning of the year	660,142	561,604	660,142	561,604
Transfer from/ (to) Income Statement	85,884	98,538	85,884	98,538
At the end of the year	746,026	660,142	746,026	660,142
Deferred Tax Liabilities				
Property, Plant & Equipment (including Biological Assets)	1,365,677	1,241,306	1,365,677	1,241,306
Right of Use Assets	244,512	216,400	244,512	216,400
	1,610,188	1,457,706	1,610,188	1,457,706
Deferred Tax Assets				
Retirement Benefit Obligations	(177,395)	(137,782)	(177,395)	(137,782)
Carried Forward Tax Losses	(404,268)	(413,599)	(404,268)	(413,599)
Lease Creditor	(280,525)	(241,400)	(280,525)	(241,400)
Deferred Income	(1,975)	(4,783)	(1,975)	(4,783)
	(864,163)	(797,564)	(864,163)	(797,564)
Deferred Tax Liability	746,025	660,142	746,025	660,142

A deferred tax asset has been recognized in the Financial Statements for carried forward tax losses to the extent that the Company has assessed that it will generate sufficient taxable profits in future. Accordingly, a deferred tax asset for tax losses of Rs. 1,347,558,459/- (2024 - Rs. 1,378,664,744/-) has been recognized. Further unutilized tax losses are given below.

28.1 Reconciliation of Deferred tax charge/(reversal)

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
At the beginning of the year	660,142	561,604	660,142	561,604
Tax reversal during the year recognised in Statement of profit or loss.	121,033	114,385	121,033	114,385
Tax charge during the year recognised in Statement of Other Comprehensive Income	(35,150)	(15,847)	(35,150)	(15,847)
Tax (charge)/ reversal during the year recognised in other Comprehensive Income.	-	-	-	-
At the end of the year	746,026	660,142	746,026	660,142

The effective tax rate used to calculate deferred tax liability for all the temporary differences as at 31 March 2025 is 30% (2023/24 - 30%) for the Company.

29. LEASE LIABILITY

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Lease liability on Right-of-Use asset - land	932,342	802,157	932,342	802,157
Lease liability on Right-of-Use asset - building	2,741	2,509	2,741	2,509
	935,083	804,666	935,083	804,666

29.1 Lease liability on right of use asset land

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
As at 1 April 2024	802,157	544,243	802,157	544,243
Transition adjustment due to initial application of SLFRS 16	-	-	-	-
Reassessment Adjustment	140,377	265,591	140,377	265,591
Accretion of interest	122,529	105,278	122,529	105,278
Payment	(132,722)	(112,955)	(132,722)	(112,955)
As at 31 March 2025	932,342	802,157	932,342	802,157
Current	11,518	8,675	11,518	8,675
Non Current	920,824	793,482	920,824	793,482
	932,342	802,157	932,342	802,157



NOTES TO THE FINANCIAL STATEMENTS

29.1.2 Maturity analysis of lease liabilities are as follows

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Payable within one year				
Gross liability	132,722	112,955	132,722	112,955
Finance cost allocated to future periods	(121,204)	(104,280)	(121,204)	(104,280)
Net liability transferred to current liabilities	11,518	8,675	11,518	8,675
Payable within two to five years				
Gross liability	530,889	451,821	530,889	451,821
Finance cost allocated to future periods	(467,768)	(404,281)	(467,768)	(404,281)
Net liability	63,121	47,540	63,121	47,540
Payable after five years				
Gross liability	1,990,835	1,807,283	1,990,835	1,807,283
Finance cost allocated to future periods	(1,133,133)	(1,061,341)	(1,133,133)	(1,061,341)
Net liability	857,702	745,942	857,702	745,942
Net liability payable after one year	920,824	793,482	920,824	793,482

The base rental payable per year Rs. 132,722,351/-.

The lease rental during the current year charged to the Income Statement is based on GDP deflator of 17.5% (2024 - 48.8%).

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Lease Interest for the Year	122,529	105,278	122,529	105,278
Capital for the Year	10,193	7,677	10,193	7,677
Lease Rental Paid for the year	132,722	112,955	132,722	112,955

29.2 Lease liability on Right-of-Use asset - Building

	Group / Company	
	2025 Rs. '000	2024 Rs. '000
As at 31 March 2024	2,509	2,390
Effect of adoption SLFRS 16		
As at 01 April 2024	2,509	2,390
Additions	2,027	1,936
Accretion of Interest	399	376
Payments during the year	(2,194)	(2,194)
Balance as at 31 March 2025	2,741	2,509
Current Liability	2,741	2,509
Non Current Liability	-	-
Total Lease Liability as at 31 March 2025	2,741	2,509



29.3 Current & Non-Current Classification of Lease Liability

	Group / Company	
	2025 Rs. '000	2024 Rs. '000
Current Liability	14,259	11,183
Non Current Liability	920,824	793,482
Total Lease Liability as at 31 March 2025	935,083	804,666

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Trade Creditors	456,466	358,117	454,750	356,222
Other Creditors	50,820	38,582	47,565	35,591
	507,286	396,700	502,314	391,813

31. DIVIDEND PAYABLE

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Dividends for 2024/25 - Rs. 3.50 per Share (Paid on 25 March 2025)	87,500	87,500	87,500	87,500
Dividend Payable	(36,010)	29,052	(36,010)	29,052
	51,490	116,552	51,490	116,552

32. AMOUNTS DUE TO RELATED COMPANIES

	Relationship	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Maskeliya Plantations PLC	Related Company	3,902	-	3,902	-
Namunukula Plantations PLC	Related Company	306,654	179,466	306,654	179,466
Arpico Interiors (Pvt) Ltd	Related Company	4	4	4	4
RPC Logistics (Pvt) Ltd	Related Company	107	656	107	656
Richard Pieris & Company PLC	Ultimate Parent Company	186,956	87,705	181,816	82,579
RPC Plantation Management Services (Pvt) Ltd	Parent Company	156,667	39,900	156,667	39,900
Richard Pieris Distributors Ltd	Related Company	36	36	36	36
Richard Pieris Tyre Company Ltd	Related Company	-	1,935	-	1,935
Maskeliya Tea Garden Ceylon Ltd	Related Company	122	96	122	96
		654,448	309,797	649,307	304,671



NOTES TO THE FINANCIAL STATEMENTS

33. ASSETS PLEDGED AS SECURITIES

The following assets have been pledged as securities for liabilities.

Name of Bank	Loan Facility	Security
Bank of Ceylon	Rs 35 Mn	Primary mortgage over leasehold rights of Gampaha Estate.
Hatton National Bank PLC	Rs 50 Mn	Primary mortgage over leasehold rights of Luckyland Estate.
Commercial Bank of Ceylon PLC	Rs 700 Mn Rs 25 Mn USD 05 Mn	Primary and secondary mortgage over leasehold rights of Etana and Kirklees Estates and a negative pledge over leasehold rights of Allagolla, Eadella and Doteloya Estates.
Nations Trust Bank PLC	Rs 150 Mn	Primary mortgage over Produce Stocks (Rubber, Tea and Coconut).
Seylan Bank PLC	Rs 450 Mn	Primary mortgage over leasehold rights of Pallegama Estate.

Carring values of the assets pledged are as follows.

Name of Bank	Nature of Liability	Outstanding Rs. Mn	Carring Amount Pledged	
			2025 Rs. '000	2024 Rs. '000
Bank of Ceylon	Overdraft	-	164,422	166,328
Hatton National Bank PLC	Overdraft	-	222,340	223,478
Commercial Bank of Ceylon PLC	Term Loan	Rs. 87.50 Mn	863,605	801,695
Seylan Bank PLC	Term Loan	Rs. 166.70 Mn	513,631	470,559

Notes:

- Corporate guarantee dated 29 January 2013 has been given to Hongkong & Shanghai Banking Corporation (HSBC) for USD 450,000/- from the Company together with supporting board resolution on behalf of Richard Peiris Natural Foams Limited.

34. CAPITAL COMMITMENTS

Followings are the capital commitments as at the Statement of Financial Position date;

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Approved by the Board & Contracted for	Nil	Nil	Nil	Nil
Approved by the Board & not Contracted for	582,756	573,045	582,756	573,045
	582,756	573,045	582,756	573,045



35. COMMITMENTS AND CONTINGENCIES

No known contingent liabilities exist as at the date of financial position other than the matters disclosed below in the notes to the Financial Statements.

- 35.1** Two assessments for Value Added Tax (VAT) under the Value Added Tax Act No. 14 of 2002 and its amendments thereto in relation to the taxable period from 1st April 2006 to 31st March 2011 were issued by the Commissioner General of Inland Revenue. The Tax Appeals Commission hearing the appeal made by us, has determined the VAT assessment in favour of the Department of Inland Revenue. The Company has also appealed against the determination to the Court of Appeal to the Supreme Court and the case is currently pending before the Supreme Court.

The estimated contingent liability to the Company is Rs. 21.1 mn. exclusive of any penalties that may arise for said period. Based on the Expert advice, the Directors are of the opinion that the ultimate determination of the case will not have a material impact on the financial position of the Company.

36. EVENTS AFTER REPORTING PERIOD

No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or disclosure in the Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

37. RELATED PARTY DISCLOSURES

37.1 Transactions with related entities

Nature of Transaction	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
37.1.1 Parent Company				
Amount Payable/Recoverable as at 31 March	(106,667)	(39,900)	(106,667)	(39,900)
Managing Agent's Fee	(108,337)	(53,266)	(108,337)	(53,266)
Settlement of Management Fee	59,815	115,065	59,815	115,065
Recovery of expenses	(18,245)	198	(18,245)	198
37.1.2 Subsidiaries				
Amount Receivable as at 31 March	-	-	78,906	82,099
Administration Expenses	-	-	(2,128)	(1,995)
37.1.3 Associates				
Amount Receivable as at 31 March	2,418,977	2,198,383	1,203,868	962,299
Amount Payable as at 31 March	-	-	-	-
Sale of Latex	870,510	1,273,430	870,510	1,273,430
Settlement Amount	(628,941)	(1,139,050)	(628,941)	(1,139,050)
Share of Result of Equity Accounted Investees	(20,975)	(231,674)	-	-
Insurance Premium	(1,672)	(1,541)	(1,672)	(1,541)
Insurance Premium Settlements	1,672	1,541	1,672	1,541
Dividend Receivable	-	-	-	-
Dividend Settlement	-	-	-	-
37.1.4 Related Companies				
Amount Receivable as at 31 March	178,829	223,661	178,829	223,661
Amount Payable as at 31 March	(488,739)	(264,770)	(488,739)	(264,770)
Salaries, Rent, Vehicle repairs & other Expenses	(114,072)	(120,526)	(114,072)	(120,526)
Purchase of Goods	(156,490)	(109,618)	(156,490)	(109,618)
Settlement of Dues	82,101	83,288	82,101	83,288
Sale of Goods	446,086	271,146	446,086	271,146
Sales cash receipts	(507,371)	(240,904)	(507,371)	(240,904)
Freight Charges	(1,452)	3,082	(1,452)	3,082
Dividend/Repo/Debenture Interest Receivable	1,358	16,059	1,358	16,059
Dividend/Repo/Debenture Interest settlement	(43,136)	(50,344)	(43,136)	(50,344)
Deemed Disposal Gain/(Loss) - Subsequent Recognition	13,191	(56,519)	13,191	(56,519)



37. RELATED PARTY DISCLOSURES CONTD.

37.1.5 Terms and Conditions

Transactions with related parties are carried out in the ordinary course of business on an arm's length basis. Outstanding balances at the year end are unsecured and net settlement occurs in cash.

Non recurrent related party transactions

There were no non recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets which ever is lower of the Company as per 31 March 2025 audited Financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing rule 9.3.2 and code of best practices on related party transactions under the security exchange commission directive issued under section 13(c) of the Security Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 audited Financial Statements, which required additional disclosures in 2024/25 Annual Report under Colombo Stock Exchange listing rule 9.3.2 and code of best practices on related party transactions under the security exchange commission directive issued under section 13(c) of the Security Exchange Commission Act, except following related party transactions exceeds 10% of the gross revenue/income as required.

Recurrent Related Party Transactions	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Disclosures				
a. Name of the related party, Richard Pieris Natural Foams Ltd				
b. Relationship, Associate Company				
c. Nature of transaction, Sale of Centrifuged Latex				
d. Aggregate value of related party transactions entered into during the financial year	870,510	1,273,430	870,510	1,273,430
Consolidated revenue as per latest audited Financial Statements	3,923,702	3,907,108	3,923,702	3,907,108
e. Aggregate value of related party transactions as a % of net revenue/income	22.2%	32.6%	22.2%	32.6%
f. Terms and conditions of the related party transactions				
Transactions with related parties are carried out in the ordinary course of business on an arm's length basis.				

37.1.6 Management Fees

As per the agreement is made and entered into at Colombo as of 10 September 2018, the Managing Agent shall be paid for each fiscal year fifteen percent (15%) of the earnings of the Company before interest received/paid, corporate tax, depreciation and amortization of land and management fees (EBITDA) applicable in that fiscal year.

37.2 Transactions with key management personnel of the Company

The Company Key Management Personnel include members of the Board of Directors of Kegalle Plantations PLC and members of the Board of Directors of Richard Pieris and Company PLC. There were no transactions with the Key Management Personnel of the Company for the year ended 31 March 2025. Further there were no Key Management compensation paid during the year other than disclosed in Note 8.

37.3 Related Party Transactions

There are no related party transactions other than those disclosed in Notes 11, 17.1, 18, 20.1, 21, 32, 33 & 37 to the Financial Statements.

37.4 Details of material issues pertaining to employees and industrial relations of the Company.

There were no material issues pertaining to employees and industrial relations pertaining to the Company that occurred during the year under review.



NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds available-for-sale investments and held to maturity investment.

Accordingly, the Group has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Market Risks from its use of financial instruments.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

38.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's financial risk management framework which includes developing and monitoring the Group's financial risk management policies.

38.2 Credit Risk

Credit Risk is the risk of financial loss to the Group's if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Group's receivable from customers.

38.2.1 Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and the country in which the customers operate, as these factors may have an influence on credit risk.

The Group reviews external ratings and bank references of the customer when available. Purchase limits are established for each customer, which are reviewed quarterly. In monitoring credit risk, customers are categorised according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale or retail customer, geographical location, industry, aging profile, maturity and existence of previous financial difficulties. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables at the reporting date is Rs. 1,018 Mn (2023/24 - Rs. 834 Mn).

Kegalle Plantations PLC has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven days by the Tea and Rubber Auction Systems.

The Company's main customers (Brokers) have been transacting with the Company more than 10 years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

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

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held);

Or

- the financial asset is more than 21 days past due.

Trade & Other Receivables Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



The Movement of in the allowance for the impairment for trade and other receivables during the year was,

	2025 Rs. '000	2024 Rs. '000
Balance as at 01 April	86,945	86,945
Charge for the year	-	-
Write-off	-	-
Recoveries	-	-
Balance as at 31 March	86,945	86,945

38.2.2 Investments

Credit risks from invested balance with the financial institutions 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 minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

The Group held short term investments of Rs. 163 Mn as at 31 March 2025 (2024.03.31 - Rs. 234 Mn) which represents the maximum credit exposure on these assets.

38.2.3 Cash and Cash Equivalents

The Group held cash at bank and in hand of Rs. 07 Mn as at 31 March 2025 (2024.03.31 - Rs. 20 Mn) which represents its maximum credit exposure on these assets.

38.3 Liquidity Risk

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

The Group does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The Group aims to fund investment activities of the individual and Group level by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the Group consults the Treasury Department and Strategic Business Development Unit of the Parent Company for scrutinizing the funding decisions.

The Table below summarizes the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

As at 31 March 2025	On Demand Rs. '000	Less than 3 Months Rs. '000	3 to 12 Months Rs. '000	2 to 5 years Rs. '000	>5 years Rs. '000	Total Rs. '000
Group						
Interest bearing loans & borrowing	484,609	47,987	150,619	91,878	-	775,093
	484,609	47,987	150,619	91,878	-	775,093
Company						
Interest bearing loans & borrowing	484,609	47,987	150,619	91,878	-	775,093
	484,609	47,987	150,619	91,878	-	775,093



NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTD.

As at 31 March 2024	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Group						
Interest bearing loans & borrowing	705,288	70,380	220,905	350,414	-	1,346,987
	705,288	70,380	220,905	350,414	-	1,346,987
Company						
Interest bearing loans & borrowing	705,288	70,380	220,905	350,414	-	1,346,987
	705,288	70,380	220,905	350,414	-	1,346,987

38.4 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings, deposits & derivative financial instruments.

38.4.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has not engaged in any interest rate swap agreements.

The Group held long term borrowings with floating interest rates of Rs. 254 Mn (2023/24 - Rs. 529 Mn) which represents its maximum credit exposure on these liabilities.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's Profit Before Tax is affected through the impact on floating rate borrowings as follows:

	Increase/ decrease in Interest rate	Effect on Profit Before Tax Rs.'000
Group		
2024/25	5%	-
	-5%	-
2023/24	1%	(3,244)
	-1%	3,244
Company		
2024/25	5%	-
	-5%	-
2023/24	1%	(3,244)
	-1%	3,244



38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTD.

38.4.2 Equity Price Risk

The Group's listed & unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Management of the Group monitors the mix of debt & equity securities in its investment portfolio based on market indices. Material investment within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. Equity price risk is not material to the Financial Statements.

38.4.3 Capital Management

The Group's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earnings. The Group manages its capital structure and re-structures the capital base time to time in light of changes in economic conditions as per the directives given by the Board of Directors. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital through share buy backs or infuse capital through new share issuance.

The Group monitors capital using indicative leverage ratios preferably through gearing ratio, which is net debt as a percentage of total equity and net debt. The Group includes within net debt, interest bearing loans & borrowings, short term borrowings less Cash & Cash Equivalents, excluding discontinued operations.

The gearing ratio at the reporting date is as follows.

	As at 31.03.2025 Rs. '000	As at 31.03.2024 Rs. '000
Interest Bearing Borrowings		
Current portion of long term interest bearing borrowings	668,323	974,774
Payable after one year	66,636	254,144
Total Debts	734,959	1,228,918
Equity	3,994,887	3,647,532
Total Equity & Debts	4,729,846	4,876,449
Gearing Ratio	16%	25%



SHAREHOLDER & INVESTOR INFORMATION

1. Stock Exchange Listing

The issued Ordinary Share of Kegalle Plantations PLC, are listed with Colombo Stock Exchange (CSE) of Sri Lanka (Quoted 1996.01.08).

2. Distribution of Shareholders

As at 31 March	2024/25			2023/24		
	No of Share Holders	No of Shares	% Holdings	No of Share Holders	No of Shares	% Holdings
Range of						
1 - 1,000	8,709	1,833,566	7.33%	8,735	1,835,137	7.34%
1,001 - 10,000	322	1,083,913	4.34%	295	972,153	3.89%
10,001 - 100,000	59	1,421,805	5.69%	61	1,521,994	6.09%
100,001 - 1,000,000	4	740,472	2.96%	4	750,472	3.00%
1,000,001 - & above	1	19,920,245	79.68%	1	19,920,245	79.68%
Total	9,095	25,000,001	100.00%	9,096	25,000,001	100.00%

3. Composition of Shareholders

As at 31 March	2024/25			2023/24		
	No of Share Holders	No of Shares	% Holdings	No of Share Holders	No of Shares	% Holdings
Resident & Non-Resident						
Resident Investors	9,067	24,389,478	97.56%	9,077	24,627,363	98.51%
Non-Resident Investors	28	610,523	2.44%	19	372,638	1.49%
Total	9,095	25,000,001	100.00%	9,096	25,000,001	100.00%
Individual & Institutional						
Individual Investors	8,960	3,625,241	14.50%	8,959	3,541,971	14.17%
Institutional Investors	135	21,374,760	85.50%	137	21,458,030	85.83%
Total	9,095	25,000,001	100.00%	9,096	25,000,001	100.00%
Public & Other Shareholding						
Related Company	3	19,933,645	79.73%	3	19,933,645	79.73%
Company Directors Holding	-	-	0.00%	1	100	0.00%
General Public including Employees	9,092	5,066,356	20.27%	9,092	5,066,256	20.27%
Total	9,095	25,000,001	100.00%	9,096	25,000,001	100.00%

4. Minimum Public Holding

The percentage of shares held by the public is 20.27% of the issued Share Capital of the Company as at 31 March 2025 (31 March 2024 - 20.27%).

The Company complies with Option 5 of the Listing Rules 7.13.1 (a) - Less than Rs. 2.5 Bn, Float Adjusted Market Capitalization which requires 20% minimum Public Holding.



		Year Ended 31 March 2025	Year Ended 31 March 2024
Market Capitalization	Rs.'000	3,500,000	3,012,500
Price Earning Ratio	Times	6.77	141.87
Public Holding Percentage	%	20.27%	20.27%
Total number of Shareholders representing the Public Holding	Nos	9,092	9,092
Float Adjusted Market Capitalization	Rs.'000	709,290	610,484

5. The Golden Shareholder

The Golden Share of Rs. 10/- 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 shareholder, the Golden Shareholder has the following rights;

- 1) The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/to be leased to the Company by the Janatha Estate Development Board/Sri Lanka State Plantations.
- 2) The concurrence of the Golden Shareholder will be required to amend any clause in the article of association of the Company which grants special rights to the Golden Shareholder.
- 3) The Golden Shareholder or his nominee will have the right to examine the books and accounts of the Company at any time with two weeks of written notice.
- 4) The Company will be required to be submitted a detailed quarterly accounts report to the Golden Shareholder in a specified format within 60 days of the end of each quarter. Additional information relating to the Company in a specified format must be submitted to the Golden Shareholder within 90 days of the end of each financial year.
- 5) The Golden Shareholder can request the Board of Directors of the Company to meet with him/his Nominee, once in every quarter to discuss issues related to the Company's operation of interest to the Government.

6. Share Information

Market Value		2024/25		2023/24	
Highest Price	Rs.	159.00	(22 January 2025)	140.00	(21 April 2023)
Lowest Price	Rs.	108.00	(12 September 2024)	105.00	(08 January 2024)
Closing Price	Rs.	140.00	(19 March 2025)	120.50	(28 March 2024)

Share Trading		2024/25		2023/24	
No. of Shares Traded		1,102,320		730,105	
No. of Trades		3,846		3,315	
Value of Shares Traded	Rs.	148,810,653		88,928,685	

Key Ratios		2024/25		2023/24	
Earnings per Share	Rs.	20.67		0.85	
Net Assets per Share	Rs.	159.80		145.90	
Dividends per Share	Rs.	3.50		3.50	
Dividend pay out	%	16.93%		411.76%	



SHAREHOLDER & INVESTOR INFORMATION

Twenty-Five largest shareholders of the Company are as follows ;

Name of the Shareholder	As at		31 March 2025		31 March 2024	
			Number of Shares	% of the Holding	Number of Shares	% of the Holding
1 RPC Plantation Management Services (Pvt) Ltd			19,920,245	79.68%	19,920,245	79.68%
2 Dhanasiri Recreation (Pvt) Ltd			319,305	1.28%	319,305	1.28%
3 Tranz Dominion, L.L.C			185,000	0.74%	185,000	0.74%
4 Deutsche Bank AG Singapore A/c 02 (DCS CLT ACC)			120,000	0.48%	130,000	0.52%
5 Hatton National Bank PLC/Arunasalam			116,167	0.46%	116,167	0.46%
6 Mr. D. M. Kodikara			87,000	0.35%	87,000	0.35%
7 Sezeka Limited			63,658	0.25%	63,658	0.25%
8 Sampath Bank PLC/Aruna Enterprises (Pvt) Ltd			55,912	0.22%	55,912	0.22%
9 Mrs. M. S. E. V. E. A. U. Von Stumm			50,703	0.20%	50,703	0.20%
10 Mr. N. Balasingam			50,600	0.20%	50,600	0.20%
11 Mr. H. A. Cabraal			45,000	0.18%	45,000	0.18%
12 Mr. P. F. Nandasiri			42,500	0.17%	42,500	0.17%
13 Mr. S. S. Sithambaranathan			42,107	0.17%	42,107	0.17%
14 Mr. D. A. Cabraal			40,000	0.16%	40,000	0.16%
15 Peoples Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd			40,000	0.16%	45,000	0.18%
16 Mr. G. D. M. Ranasinghe			40,000	0.16%	40,000	0.16%
17 Mr. R. Gautam			39,100	0.16%	39,200	0.16%
18 Peoples Leasing & Finance PLC/Mr. J. M. S. Brito & Mrs. B. S. Brito			35,000	0.14%	32,000	0.13%
19 Mr. E. J. Gnanam			30,000	0.12%	28,000	0.11%
20 Sampath Bank PLC/Mr. V. Gajanayake			30,000	0.12%	30,000	0.12%
21 Mr. U. D. Wickremesooriya			30,000	0.12%	-	-
22 Northstar Holdings (Pvt) Ltd			25,000	0.10%	-	-
23 Sampath Bank PLC/Arumapurage Peter Lasantha			25,000	0.10%	-	-
24 Mr. L. L. P. De S. Karunasekera			24,950	0.10%	-	-
25 Mr. M. F. Ozman			24,688	0.10%	-	-
Sub Total			21,481,935	85.93%	-	-
Balance held by 9,070 Shareholders (31 March 2024 - 9,071 Shareholders)			3,518,066	14.07%	3,456,561	13.83%
Total Shares			25,000,001	100.00%	25,000,001	100.00%

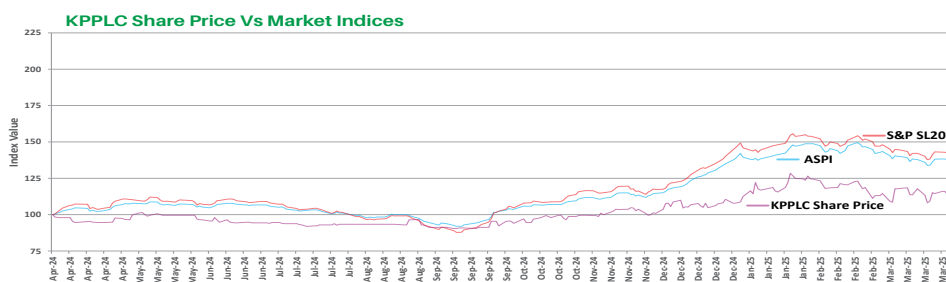
There were no non-voting shares as at 31 March 2025.

8. Exchange Rates - US \$

	2025	2024	2023	2022	2021
United States (Buying US\$)	292.07	295.54	318.27	288.74	197.62
United States (Selling US\$)	300.58	305.33	336.01	298.99	202.04

9. Other Share Information

The performance of Kegalle Plantations PLC's share is as follows compared to the performances of All Share Price Index (ASPI), and Standard & Poor's Sri Lanka 20 Index (S&P SL20) in the Share Market during the year 2024/25.



Kegalle Plantations PLC's share information from Colombo Stock Exchange (CSE) website:

- ◆ Log on to Colombo Stock Exchange - website: www.cse.lk
- ◆ Enter Company Code (KGAL.N000) in the search box at the top right hand corner of CSE home page and go to the Company description.

TEN YEAR SUMMARY

Year Ended 31 March		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Results											
Turnover	Rs.'000	3,923,702	3,907,108	5,294,938	3,627,751	3,148,122	2,185,536	2,421,797	2,508,167	2,287,161	1,933,063
Gross Profit/(Loss)	Rs.'000	700,013	334,112	1,118,422	532,621	321,587	(36,460)	112,054	366,198	227,194	8,287
Operating Profit before Mgt Fee	Rs.'000	934,910	426,581	1,155,734	582,117	497,887	50,883	222,284	511,708	302,804	85,345
Profit before Interest and Tax	Rs.'000	828,499	367,107	1,246,677	668,533	495,290	107,554	385,673	625,499	457,275	262,086
Profit/(Loss) After Tax	Rs.'000	516,871	21,234	689,858	477,903	315,126	(67,003)	102,038	235,859	217,263	101,330
Other Comprehensive Income/(Loss)	Rs.'000	(82,016)	(74,655)	(16,244)	39,587	56,207	(49,291)	(25,337)	(2,671)	93,124	122,147
Total Comprehensive Income/(Loss)	Rs.'000	434,855	(53,421)	673,614	517,490	371,333	(116,294)	76,701	233,187	310,387	223,476
Dividends Distributed	Rs.'000	87,500	87,500	175,000	125,000	100,000	-	125,000	187,500	125,000	1,125,000
Financial Position											
Fixed Assets	Rs.'000	5,504,808	5,455,950	4,738,881	4,241,908	3,655,183	3,512,363	3,018,590	2,866,712	2,622,327	2,553,641
Investments	Rs.'000	1,131,361	668,170	710,994	690,930	658,890	645,570	735,810	1,738,450	1,692,730	1,636,150
Current Assets	Rs.'000	1,811,051	1,722,422	1,726,155	1,784,190	1,683,129	1,387,012	3,449,045	2,297,949	2,089,323	2,168,563
Current Liabilities	Rs.'000	1,885,694	1,798,993	1,096,265	1,216,141	1,107,263	1,464,213	2,965,963	2,129,542	1,879,266	1,476,509
Shareholders' Funds	Rs.'000	3,994,887	3,647,532	3,788,453	3,290,716	2,898,226	2,626,892	2,619,083	2,667,383	2,621,697	2,436,309
Share Capital	Rs.'000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Reserves	Rs.'000	3,744,887	3,397,532	3,538,453	3,040,716	2,648,226	2,376,890	2,369,083	2,417,383	2,371,697	2,186,309
Key Financial Indicators											
Current Ratio	Times	0.96	0.96	1.57	1.47	1.52	0.95	1.16	1.08	1.11	1.47
Quick Asset Ratio	Times	0.68	0.65	0.96	1.09	1.22	0.69	1.04	0.92	0.97	1.31
Debt Equity Ratio	Times	0.16	0.25	0.21	0.27	0.29	0.32	0.54	0.52	0.50	0.53
Interest Cover	Times	4.35	1.59	5.45	6.46	3.96	0.57	1.36	2.23	1.77	1.32
Equity /Asset Ratio	Times	0.47	0.46	0.53	0.49	0.48	0.47	0.36	0.39	0.41	0.38
Earnings per Share	Rs.	20.67	0.85	27.59	19.12	12.61	(2.68)	4.08	9.43	8.69	4.05
Dividend Per Share	Rs.	3.50	3.50	7.00	5.00	4.00	-	5.00	7.50	5.00	45.00
Net Assets Per Share	Rs.	159.80	145.90	151.54	131.63	115.93	105.08	104.76	106.70	104.87	97.45
Market Price of a Share	Rs.	140.00	120.50	128.00	133.50	97.20	40.80	55.00	65.90	52.00	50.70
Market Capitalization	Rs.'000	3,500,000	3,012,500	3,200,000	3,337,500	2,430,000	1,020,000	1,375,000	1,647,500	1,300,000	1,267,500
Return On Capital Employed	%	17.52	7.53	26.13	14.74	12.20	2.77	6.71	11.23	8.80	5.08
Price Earning Ratio	Times	6.77	141.87	4.64	6.98	7.71	(15.22)	13.48	6.99	5.98	12.51
Dividend Cover	Times	5.91	0.24	3.94	3.82	3.15	-	0.82	1.26	1.74	0.09
Dividend Pay Out Ratio	%	16.93	412.08	25.37	26.16	31.73	-	122.50	79.50	57.54	1,110.28
Annual Production											
Rubber	Kg '000	2,681	3,295	4,278	4,598	4,589	3,666	4,080	3,495	3,742	3,353
Tea	Kg '000	1,361	1,398	1,464	1,808	1,869	1,784	1,923	1,962	2,165	2,375
Coconuts	Nuts '000	683	993	1,020	1,151	918	1,318	1,295	1,117	1,471	1,559
Capital Expenditure											
Field Development	Rs. '000	437,627	522,718	438,807	331,736	237,085	262,615	260,837	300,895	172,757	219,068
Purchase of PPE	Rs. '000	36,497	107,808	126,600	6,770	37,761	4,246	21,915	33,844	3,168	1,580
Total Capex	Rs. '000	474,124	630,526	565,407	338,506	274,846	266,861	282,752	334,739	175,925	220,648



TEN YEAR SUMMARY

RUBBER

		2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Production	Kg'000	2,681	3,295	4,278	4,598	4,589	3,666	4,080	3,495	3,742	3,353
NSA	Rs./Kg	846.46	661.65	799.50	541.44	387.74	320.98	293.36	343.86	276.34	274.04
COP	Rs./Kg	611.57	561.18	626.03	417.29	328.50	302.12	281.90	289.45	248.13	249.26
Yield	Kg/Ha	791	750	811	916	986	913	990	911	998	872
Revenue Extent	Ha	2,622	2,676	2,748	2,715	2,714	2,714	2,771	3,008	3,224	3,489

TEA

		2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	
PRODUCTION												
Uva	Elevation	Kg '000	716	719	855	1,143	1,188	1,025	1,151	1,117	1,191	1,286
Medium		Kg '000	163	228	260	321	316	340	434	463	542	583
Low		Kg '000	481	451	349	345	366	420	339	382	431	505
NSA												
Uva	Elevation	Rs./Kg	1,064.09	927.95	1,188.47	550.22	563.10	486.56	520.32	582.30	460.53	365.93
Medium		Rs./Kg	934.54	938.96	1,084.50	569.00	559.38	422.83	469.35	586.58	467.95	356.95
Low		Rs./Kg	1,158.37	1,123.01	1,240.06	589.81	604.04	495.38	529.41	578.84	482.47	373.23
COP												
Uva	Elevation	Rs./Kg	943.98	893.62	877.25	562.33	556.23	552.51	542.11	545.17	457.05	409.88
Medium		Rs./Kg	889.59	908.98	926.42	567.32	575.22	537.95	499.04	508.33	408.53	360.25
Low		Rs./Kg	1,046.86	1,036.06	976.20	564.02	577.62	509.42	537.79	536.65	440.56	381.36
YIELD												
Uva	Elevation	Kg/Ha	627	579	679	789	771	686	726	730	677	806
Medium		Kg/Ha	946	1,025	813	1,153	1,203	1,054	1,225	1,311	1,356	1,265
Low		Kg/Ha	911	861	959	1,001	962	953	967	1,020	1,001	1,068
REVENUE EXTENT												
Uva	Elevation	Ha	983	983	945	983	984	984	974	967	967	952
Medium		Ha	160	160	174	176	179	179	178	179	178	177
Low		Ha	133	135	135	140	140	142	143	143	148	150

COCONUT

		2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Production	Nut'000	683	993	1,020	1,151	918	1,318	1,295	1,117	1,471	1,559
NSA	Rs./Nut	99.20	66.31	60.55	58.92	51.98	31.03	43.00	51.79	24.11	31.95
COP	Rs./Nut	56.10	49.68	37.09	21.59	31.37	20.65	21.44	27.74	16.57	14.69
Yield	Nut/Ha	1,644	2,348	2,429	2,787	2,123	3,032	2,978	2,463	3,241	3,569
Revenue Extent	Ha	416	423	420	413	432	435	435	453	454	437



HORIZONTAL AND VERTICAL ANALYSES

Statement of Profit or Loss

Horizontal Analysis

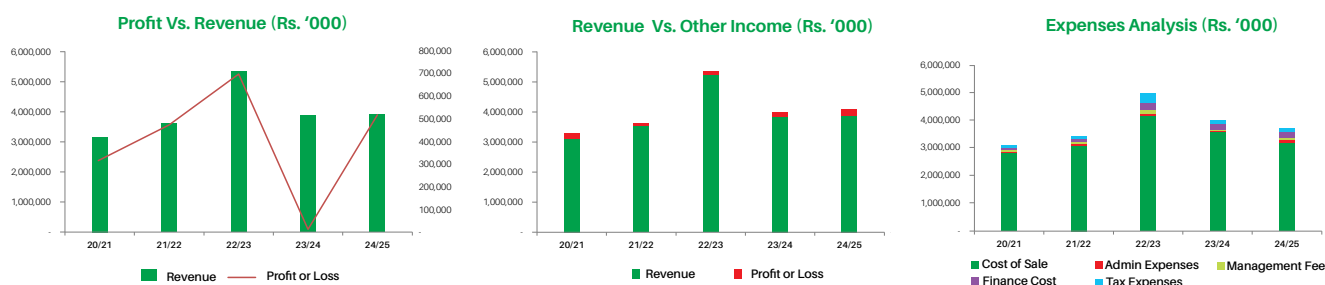
	2024/25		2023/24		2022/23		2021/22		2020/21		2019/20
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000
Revenue	3,923,702	0.4	3,907,108	(26.2)	5,294,938	46.0	3,627,751	15.2	3,148,122	44.0	2,185,537
Cost of Sale	(3,223,689)	(9.8)	(3,572,996)	(14.5)	(4,176,515)	34.9	(3,095,130)	9.5	(2,826,535)	27.2	(2,221,995)
Gross Profit/(Loss)	700,013	109.5	334,112	(70.1)	1,118,422	110.0	532,621	65.6	321,587	(982.1)	(36,458)
Gain/(Loss) on fair value of Biological Assets	86,830	433.5	16,275	217.5	5,126	(67.2)	15,621	249.7	4,467	100.1	2,232
Other Income	222,428	58.7	140,171	34.3	104,356	15.6	90,251	(59.1)	220,583	62.7	135,614
Administrative Expenses	(74,362)	16.2	(63,976)	(11.4)	(72,171)	28.0	(56,376)	15.6	(48,749)	(3.5)	(50,504)
Management Fee	(108,337)	103.4	(53,267)	(68.5)	(168,911)	78.5	(94,629)	60.5	(58,942)	1,239.8	(4,399)
Profit/(Loss) from Operations	826,573	121.4	373,315	(62.2)	986,823	102.4	487,489	11.1	438,946	844.3	46,485
Finance Income	1,926	(131.0)	(6,208)	(102.4)	259,854	43.5	181,044	221.3	56,345	(7.7)	61,069
Finance Cost	(190,595)	(17.7)	(231,488)	1.1	(228,904)	121.0	(103,562)	(17.2)	(125,000)	(34.2)	(189,955)
Profit Before Taxation	637,904	370.4	135,619	(86.7)	1,017,772	80.1	564,971	52.6	370,291	(549.4)	(82,402)
Tax Expenses	(121,033)	5.8	(114,385)	(65.1)	(327,914)	276.6	(87,068)	57.8	(55,165)	(458.2)	15,400
Profit After Taxation	516,871	2,334.2	21,234	(96.9)	689,858	44.4	477,903	51.7	315,126	(570.3)	(67,001)
Basic Earnings/(Loss) Per Share-Rs.	20.67	2,334.2	0.85	(96.9)	27.59	44.4	19.12	51.7	12.61	(570.3)	(2.68)
Dividend Per Share - Rs.	3.50	-	3.50	(50.0)	7.00	40.0	5.00	25.0	4.00	100.0	-

Vertical Analysis

	2024/25		2023/24		2022/23		2021/22		2020/21	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Revenue	3,923,702	100.0	3,907,108	100.0	5,294,938	100.0	3,627,751	100.0	3,148,122	100.0
Cost of Sale	(3,223,689)	(82.2)	(3,572,996)	(91.4)	(4,176,515)	(78.9)	(3,095,130)	(85.3)	(2,826,535)	(89.8)
Gross Profit	700,013	17.8	334,112	8.6	1,118,422	21.1	532,621	14.7	321,587	10.2
Gain on fair value of Biological Assets	86,830	2.2	16,275	0.4	5,126	0.1	15,621	0.4	4,467	0.1
Other Income	222,428	5.7	140,171	3.6	104,356	2.0	90,251	2.5	220,583	7.0
Administrative Expenses	(74,362)	(1.9)	(63,976)	(1.6)	(72,171)	(1.4)	(56,376)	(1.6)	(48,749)	(1.5)
Management Fee	(108,337)	(2.8)	(53,267)	(1.4)	(168,911)	(3.2)	(94,629)	(2.6)	(58,942)	(1.9)
Profit/(Loss) from Operations	826,573	21.1	373,315	9.6	986,823	18.6	487,489	13.4	438,946	13.9
Finance Income	1,926	0.0	(6,208)	(0.2)	259,854	4.9	181,044	5.0	56,345	1.8
Finance Cost	(190,595)	(4.9)	(231,488)	(5.9)	(228,904)	(4.3)	(103,562)	(2.9)	(125,000)	(4.0)
Profit Before Taxation	637,904	16.3	135,619	3.5	1,017,772	19.2	564,971	15.6	370,291	11.8
Tax Expenses	(121,033)	(3.1)	(114,385)	(2.9)	(327,914)	(6.2)	(87,068)	(2.4)	(55,165)	(1.8)
Profit After Taxation	516,871	13.2	21,234	0.5	689,858	13.0	477,903	13.2	315,126	10.0
Basic Earnings/(Loss) Per Share - Rs.	20.67		0.85		27.59		19.12		12.61	
Dividend Per Share - Rs.	3.50		3.50		7.00		5.00		4.00	



HORIZONTAL AND VERTICAL ANALYSES



Statement of Financial Position

Horizontal Analysis

ASSETS	31.03.2025	25 Vs. 24	31.03.2024	24 Vs. 23	31.03.2023	23 Vs. 22	31.03.2022	22 Vs. 21	31.03.2021	21 Vs. 20	31.03.2020
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000
Non Current Assets											
Right of Use Assets	815,040	13.0	721,334	44.8	498,113	2.0	488,107	(2.4)	499,896	(3.3)	516,907
Free hold Property, Plant and Equipment	412,651	(51.4)	848,685	10.5	768,288	25.8	610,681	136.0	258,759	4.6	247,266
Bearer Biological Assets	3,937,292	8.2	3,640,326	11.7	3,260,126	10.4	2,952,415	7.9	2,736,500	5.2	2,601,028
Consumable Biological Assets	339,825	38.4	245,605	15.7	212,354	11.4	190,705	19.2	160,028	8.7	147,162
Investment Properties	450,000	100.0	-	-	-	-	-	-	-	-	-
Financial Assets	189,511	7.5	176,320	(19.5)	219,144	10.1	199,080	19.2	167,040	8.7	153,720
Long Term Investments	491,850	-	491,850	(0.0)	491,850	-	491,850	-	491,850	-	491,850
Total Non Current Assets	6,636,169	8.4	6,124,120	12.4	5,449,875	10.5	4,932,838	14.3	4,314,074	3.8	4,157,933
Current Assets											
Produce on Bearer Biological Asset	13,898	29.3	10,750	22.2	8,794	13.0	7,784	21.7	6,395	42.4	4,491
Inventories	532,743	(2.4)	545,811	(17.7)	663,554	49.0	445,352	35.3	329,184	(11.4)	371,420
Trade and Other Receivables	1,016,847	22.1	832,758	25.4	664,166	46.2	454,166	24.3	365,254	2.0	357,933
ESC Recoverable	-	-	-	-	-	(100.0)	8,846	(58.0)	21,066	(8.7)	23,066
VAT Recoverable	28,793	7.6	26,767	27.1	21,066	-	21,066	(0.2)	21,100	(37.6)	33,809
Income Tax Recoverable	16,131	-	16,131	-	16,131	-	16,131	0.0	16,131	(0.0)	16,131
Amounts due from Related Companies	32,039	(11.5)	36,219	(26.6)	49,348	28.1	38,508	(4.6)	40,351	(4.4)	42,201
Short Term Investments	163,217	(30.4)	234,352	(16.8)	281,822	(63.7)	776,496	(10.3)	865,467	64.1	527,513
Cash and Bank Balances	7,383	(62.4)	19,634	(7.7)	21,273	34.3	15,841	(12.9)	18,181	74.0	10,448
Total Current Assets	1,811,051	5.1	1,722,422	(0.2)	1,726,154	(3.3)	1,784,190	6.0	1,683,129	21.3	1,387,012
TOTAL ASSETS	8,447,220	7.7	7,846,542	9.3	7,176,029	6.8	6,717,028	12.0	5,997,202	8.2	5,544,945



Horizontal Analysis

EQUITY AND LIABILITIES	31.03.2025	25 Vs. 24	31.03.2024	24 Vs. 23	31.03.2023	23 Vs. 22	31.03.2022	22 Vs. 21	31.03.2021	21 Vs. 20	31.03.2020
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000
Equity											
Stated Capital	250,000	-	250,000	-	250,000	-	250,000	-	250,000	-	250,000
General Reserve	225,000	-	225,000	-	225,000	-	225,000	-	225,000	-	225,000
Timber Reserve	151,932	122.6	68,251	26.6	53,932	8.3	49,815	40.0	35,583	7.8	33,021
FVTOCI Reserve	48,600	-	48,600	-	48,600	-	48,600	-	48,600	-	48,600
Retained Earnings	3,319,355	8.6	3,055,681	(4.8)	3,210,922	18.2	2,717,302	16.2	2,339,042	13.0	2,070,271
Total Equity	3,994,887	9.5	3,647,532	(3.7)	3,788,454	15.1	3,290,717	13.5	2,898,226	10.3	2,626,892
Non Current Liabilities											
Interest-bearing Loans & Borrowings	66,636	(73.8)	254,144	(52.0)	529,152	(34.2)	804,160	18.7	677,619	278.4	179,060
Retiring Benefit Obligations	591,317	28.8	459,272	2.5	447,967	1.1	443,213	(0.7)	446,116	(4.9)	469,070
Deferred Income	241,837	3.8	232,976	9.1	213,503	1.2	211,001	1.2	208,443	2.1	204,206
Deferred Tax Liability	746,026	13.0	660,142	17.5	561,604	127.0	247,402	47.6	167,634	43.7	116,648
Lease Creditor	920,824	16.0	793,482	47.2	539,084	6.9	504,396	2.5	491,903	1.5	484,857
Total Non Current Liabilities	2,566,640	6.9	2,400,016	4.7	2,291,310	3.7	2,210,172	11.0	1,991,714	37.0	1,453,841
Current Liabilities											
Trade and Other Payables	502,314	28.2	391,813	4.2	376,074	4.7	359,114	5.8	339,301	35.4	250,540
Interest-bearing Loans & Borrowings	668,323	(31.4)	974,774	114.8	453,866	2.8	441,548	(9.0)	485,159	(55.2)	1,083,417
Lease Creditor	14,259	27.5	11,183	48.1	7,550	19.8	6,304	12.8	5,587	15.6	4,833
Dividend Payable	51,490	(55.8)	116,552	174.3	42,488	(73.9)	162,553	21.9	133,308	300.1	33,320
Amounts due to Related Companies	649,307	113.1	304,671	40.9	216,287	(12.3)	246,621	71.4	143,908	56.2	92,103
Total Current Liabilities	1,885,693	4.8	1,798,993	64.1	1,096,265	(9.9)	1,216,140	9.8	1,107,263	(24.4)	1,464,213
TOTAL EQUITY AND LIABILITIES	8,447,220	7.7	7,846,541	9.3	7,176,029	6.8	6,717,028	12.0	5,997,202	8.2	5,544,946
Net Assets Per Share	159.80	9.5	145.90	(3.7)	151.54	15.1	131.63	13.5	115.93	10.3	105.08



HORIZONTAL AND VERTICAL ANALYSES

Vertical Analysis

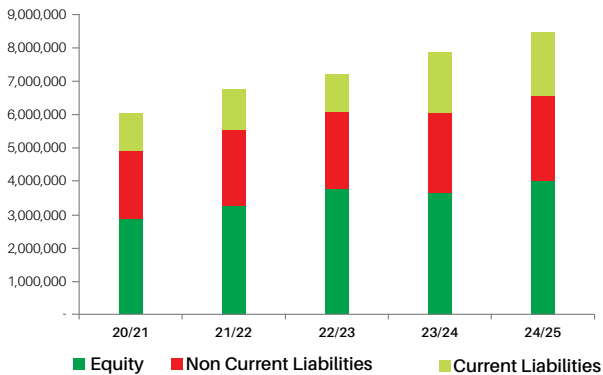
ASSETS	31.03.2025		31.03.2024		31.03.2023		31.03.2022		31.03.2021	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Non Current Assets										
Right of Use Assets	815,040	9.6	721,334	9.2	498,113	6.9	488,107	7.3	499,896	8.3
Free hold Property, Plant and Equipment	412,651	4.9	848,685	10.8	768,288	10.7	610,681	9.1	258,759	4.3
Bearer Biological Assets	3,937,292	46.6	3,640,326	46.4	3,260,126	45.4	2,952,415	44.0	2,736,500	45.6
Consumable Biological Assets	339,825	4.0	245,605	3.1	212,354	3.0	190,705	2.8	160,028	2.7
Investment Properties	450,000	5.3	-	-	-	-	-	-	-	-
Financial Assets	189,511	2.2	176,320	2.2	219,144	3.1	199,080	3.0	167,040	2.8
Long Term Investments	491,850	5.8	491,850	6.3	491,850	6.9	491,850	7.3	491,850	8.2
Total Non Current Assets	6,636,169	78.6	6,124,120	78.0	5,449,875	75.9	4,932,838	73.4	4,314,074	71.9
Current Assets										
Produce on Bearer Biological Asset	13,898	0.2	10,750	0.1	8,794	0.1	7,784	0.1	6,395	0.1
Inventories	532,743	6.3	545,811	7.0	663,554	9.2	445,352	6.6	329,184	5.5
Trade and Other Receivables	1,016,847	12.0	832,758	10.6	664,166	9.3	454,166	6.8	365,254	6.1
ESC Recoverable	-	-	-	-	-	-	8,846	0.1	21,066	0.4
VAT Recoverable	28,793	0.3	26,767	0.3	21,066	0.3	21,066	0.3	21,100	0.4
Income Tax Recoverable	16,131	0.2	16,131	0.2	16,131	0.2	16,131	0.2	16,131	0.3
Amounts due from Related Companies	32,039	0.4	36,219	0.5	49,348	0.7	38,508	0.6	40,351	0.7
Short Term Investments	163,217	1.9	234,352	3.0	281,822	3.9	776,496	11.6	865,467	14.4
Cash and Bank Balances	7,383	0.1	19,634	0.3	21,273	0.3	15,841	0.2	18,181	0.3
Total Current Assets	1,811,051	21.4	1,722,422	22.0	1,726,154	24.1	1,784,190	26.6	1,683,129	28.1
TOTAL ASSETS	8,447,220	100.0	7,846,542	100.0	7,176,029	100.0	6,717,028	100.0	5,997,202	100.0
EQUITY AND LIABILITIES										
Equity										
Stated Capital	250,000	3.0	250,000	3.2	250,000	3.5	250,000	3.7	250,000	4.2
General Reserve	225,000	2.7	225,000	2.9	225,000	3.1	225,000	3.3	225,000	3.8
Timber Reserve	151,932	1.8	68,251	0.9	53,932	0.8	49,815	0.7	35,583	0.6
FVTOCI Reserve	48,600	0.6	48,600	0.6	48,600	0.7	48,600	0.7	48,600	0.8
Retained Earnings	3,319,355	39.3	3,055,681	38.9	3,210,922	44.7	2,717,302	40.5	2,339,042	39.0
Total Equity	3,994,887	47.3	3,647,532	46.5	3,788,454	52.8	3,290,717	49.0	2,898,226	48.3



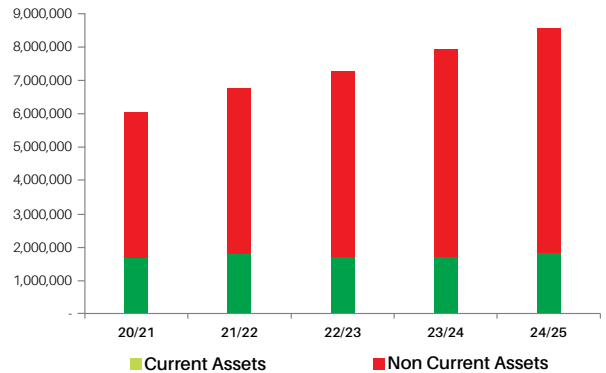
Vertical Analysis

LIABILITIES	31.03.2025		31.03.2024		31.03.2023		31.03.2022		31.03.2021	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Non Current Liabilities										
Interest-bearing Loans & Borrowings	66,636	0.8	254,144	3.2	529,152	7.4	804,160	12.0	677,619	11.3
Retiring Benefit Obligations	591,317	7.0	459,272	5.9	447,967	6.2	443,213	6.6	446,116	7.4
Deferred Income	241,837	2.9	232,976	3.0	213,503	3.0	211,001	3.1	208,443	3.5
Deferred Tax Liability	746,026	8.8	660,142	8.4	561,604	7.8	247,402	3.7	167,634	2.8
Lease Creditor	920,824	10.9	793,482	10.1	539,084	7.5	504,396	7.5	491,903	8.2
Total Non Current Liabilities	2,566,640	30.4	2,400,016	30.6	2,291,310	31.9	2,210,172	32.9	1,991,714	33.2
Current Liabilities										
Trade and Other Payables	502,314	5.9	391,813	5.0	376,074	5.2	359,114	5.3	339,301	5.7
Interest-bearing Loans & Borrowings	668,323	7.9	974,774	12.4	453,866	6.3	441,548	6.6	485,159	8.1
Lease Creditor	14,259	0.2	11,183	0.1	7,550	0.1	6,304	0.1	5,587	0.1
Dividend Payable	51,490	0.6	116,552	1.5	42,488	0.6	162,553	2.4	133,308	2.2
Amounts due to Related Companies	649,307	7.7	304,671	3.9	216,287	3.0	246,621	3.7	143,908	2.4
Total Current Liabilities	1,885,693	22.3	1,798,993	22.9	1,096,265	15.3	1,216,140	18.1	1,107,263	18.5
TOTAL EQUITY AND LIABILITIES	8,447,220	100.0	7,846,541	100.0	7,176,029	100.0	6,717,028	100.0	5,997,202	100.0
Net Assets Per Share	159.80		145.90		151.54		131.63		115.93	

Equity & Liabilities (Rs. '000)



Current & Non Current Assets (Rs. '000)



HISTORICAL NOTE

HATHBAWE ESTATE, Rambukkana, Kegalle.

Hathbawe Estate is located in Rambukkana, within the Kegalle District of the Sabaragamuwa Province, at an elevation ranging from 122 to 244 meters above sea level.

Historical Background

Hathbawe estate was under the private ownership until up to 1959 in which year the estate was taken over by the State Plantation Corporation (SPC). With the implementation of Land Reform Act in 1976, this estate was vested with the Government and was managed by one of the Statutory Boards, the Janatha Estates Development Board (JEDB) and was under the Kegalle Regional Board of the JEDB. With the privatization of estates on the 22 June 1992 the estate was vested with Kegalle Plantations PLC.

During the period from the inception of the estate to current period, a number of Superintendents managed the estate and their valuable effort has brought the estate to the present condition.



Estate	Hathbawe Group (Including Kampitiya, Mt. Prospect & Barrington) Z 129
Proprietor or Lessee	Janatha Estates Development Board
Agent or Correspondent	Regional Office, 55, Circular Road, Kegalle
Resident Manager	D. C. Peiris, A. C. I. P. (Supdt.)
Hectares	
Total	272.7
Cultivated	255.3
Rubber	255.3
Post Town and Further Information	Rambukkana P. O. & T. O. 6.4 km. R. S. 8.8 km. Phone No. 277. Rambukkana. Hosp. at Rambukkana and Disp. on Estate. Coffee interplanted.

Source: Ferguson's Ceylon Directory 1979-81 (120th Edition), The Associated Newspapers of Ceylon Ltd.

Subsequently, Baddewela Division (211.59 ha.), which was part of Newlands Estate as per Extraordinary Gazette No. 344/5 dated 9th April 1985, was amalgamated with Hathbawe Estate, thereby increasing its total extent to 477.79 ha.

Current Status Of The Estate

Currently, Rubber Latex is the major crop of the estate. In addition the estate is engaged in Oil palm planting since 2017.

Land Extent of Hathbawe Estate - Hectares

Currently, this estate comprises of a total extent of 467.67 ha. and has a cultivated extent of 253.45 ha with 35.9 ha Oil Palm Planting and 5 ha Timber Planting (Mahogany).

The estate is divided in to four divisions namely Mount Prospect Division, Kempitiya, Baddewela and Barrington the extent in four divisions as follows.

Division	Extent - ha
Mount Prospect	104.85
Kempitiya	106.23
Baddewela	210.99
Barrington	45.60
Total Land Extent	467.67



Superintendent's Bungalow



Crop Wise Extent - Hectares

Cultivation	Extent - Ha
Rubber	182.37
Oil Palm	18.40
Timber	5.00
Other Lands, buildings/Jungle/roads & bridges/ line gardens/rock Etc.	261.90
Village Expansion Project	10.12
Total Land Extent	477.79



Estate Office

Key Indicators of the Estate

Rubber Crop

Indicator	2024/25	2023/24
Production - Estate (Kg' 000)	133,455	128,681
Yield (Kg/Ha)	924	847
NSA per (Rs./Kg)	698.52	537.04
COP per (Rs./Kg)	457.29	401.63
Profit per (Rs./Kg)	241.23	135.41

Oil Palm Crop

Indicator	2024/25	2023/24
Production - Estate (Kg' 000)	126,368	110,614
Yield (Kg/Ha)	6,868	10,435
NSA (Rs./Kg)	84.09	78.96
COP (Rs./Kg)	52.63	41.26
Profit per (Rs./Kg)	52.63	37.70

Past Superintendents

The estate was, in the hands of senior Superintendents for management whose names are listed below:

#	Name of the Superintendent	From - To
1	Mr. Silva	1960-1962
2	Mr. A. H. B. Kalpage	1962-1976
3	Mr. Amithirigala	1976-1977
4	Mr. Shiran Wijesekara	1977-1978
5	Mr. Anil Algama	1978-1979
6	Mr. Deepal Peris	1980-1983
7	Mr. Mahindadasa	1983-1991
8	Mr. Ranjan Siriwardhana	1991-1992
9	Mr. A. E. Arnolda	1992-1993
10	Mr. N. D. W. Kalyanarathna	1993-1994
11	Mr. T. Muthukumarana	1994-1996
12	Mr. A. C. S. Munaweera	1996-1999
13	Mr. W. K. P.A.F.R. Goonawardena	1999-2001
14	Mr. Richard Gunarathne	2001-2003
15	Mr. U. D. Liyanage	2003-2008
16	Mr. M. W. Liyanasekara	2008-2017
17	Mr. H. S. B. Aluvihare	2017-2023
18	Mr. M. R. Vaidyakularatne	2023-2024
19	Mr. D. W. K. K. Seneviratne	2024-present



HISTORICAL NOTE

Hathbawe Estate Staff

The management of Hathbawe Estate is led by Mr. D. W. K. K. Seneviratne, the Superintendent.



Seated from L to R- Mr. M. P. Maduranga (F/O), Mr. R. M. C. U. Jayasinghe (F/O), Mr. D. W. K. K. Seneviratne (Acting Superintendent), Mr. D. M. R. B. Dhanasekara (A/O), Mr. W. G. A. P. K. Nawasinghe (F/O), Mr. K. S. Wijewardena (A/F/O)

Standing from L to R- Mr. B. K. M. Rathnasiri (Trainee A/F/O), Mrs. D. M. S. N. Kumari (C/D/O), Mrs. W. M. R. D. Kumari (S/ Clerk), Mrs. Y. W. N. P. Amaratunge (C/D/O), Miss. M. M. A. S. Wijesinghe (J/ Clerk), Mr. M. M. Wijesinghe (Driver)



GLOSSARY

Financial Terms		
#	Term	Definition
	ACCOUNTING POLICIES	The specific principles, bases, conventions, rules, and practices adopted by an enterprise in preparing and presenting Financial Statement.
	ACCRUAL BASIS	Recording revenues & expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.
	AGRICULTURAL ACTIVITY	Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for sale or for conversion into agricultural biological assets.
A	AGRICULTURAL PRODUCE	Agricultural produce is the harvested product of the entity's biological assets.
	AMORTISATION	The systematic allocation of the depreciable amount of an intangible asset over its useful life.
	ASSOCIATE	An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.
	AWPLR	Average Weighted Prime Lending Rate
	BEARER BIOLOGICAL ASSETS	Biological assets those are not to be harvested as agricultural produce or sold as biological assets. The biological assets other than the consumable biological assets.
	BIOLOGICAL ASSETS	Is a living animal or plant.
B	BIOLOGICAL TRANSFORMATION	Biological transformation comprises the process of growth, degeneration, production, and procreation that cause qualitative or quantitative change in a biological asset.
	BORROWING COSTS	Borrowing Costs are interest and other costs incurred by an enterprise in connection with borrowing of funds.
	CAPITAL EMPLOYED	The sum of Shareholders' Funds, Long Term & Short-Term Interest-bearing Borrowings.
	CASH EQUIVALENTS	Abbreviation for liquid investments with original maturity periods of three months or less.
	CONSUMABLE BIOLOGICAL ASSETS	The biological assets those that are to be harvested as agricultural produce or sold as biological assets.
C	CONTINGENT LIABILITIES	A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.
	CURRENT RATIO	Current Assets divided by Current liabilities.
	CURRENT SERVICE COST	Current Service Cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.
	CSE	Abbreviation for Colombo Stock Exchange.
	DEBT TO EQUITY RATIO	Borrowings divided by equity.
	DEFERRED TAXATION	The Tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.
	DCF METHOD	A method of valuing project, Company or asset using the concepts of the time value of money. All future cash flows are estimated and discounted by using cost of capital to give their present value(PVs).
D	DIVIDEND COVER	Profit attributable to Ordinary Shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.
	DIVIDEND PAYOUT	Dividend per share as a percentage of the earnings per share.
	DIVIDEND YIELD	Dividend per share as a percentage of the market price. A measure of return on investment.
	DIVIDENDS	Distribution of profits to holders of equity investments.
	EARNINGS PER SHARE	Profit after Tax divided by weighted average number of Ordinary Shares outstanding during the period.
	EBIT	Earnings Before Interest and Tax.
E	EBITDA	Abbreviation for Earnings before Interest, Tax, Depreciation, and Amortization.
	EFFECTIVE TAX RATE	Income tax expenses divided by profit from ordinary activities before tax.
	ENTERPRISE VALUE	Market Capitalization plus net debt.



GLOSSARY

#	EQUITY	Shareholders' fund.
	EQUITY	Shareholders' fund.
	EQUITY INSTRUMENTS	Equity Instruments is any contract that evidences a residual interest in the assets of a entity after deducting all of its liabilities.
E	EQUITY METHOD	"The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition changes in the investor's share of net assets of the investee. The rofit or loss of the investor includes the investor's share of the profit or loss of the investee."
	EQUITY/ASSETS RATIO	Shareholders' Funds divided by Long Term Assets plus Current Assets.
	EU	European Union.
	EVA	Economic Value Addition. The return earned beyond the cost of capital (Weighted Average Cost of Capita into Capital Invested minus Net Operating Profit).
	FAIR VALUE	Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buying and a knowledgeable willing seller in arm's length transaction.
	FAIR VALUE THROUGH PROFIT AND LOSS	A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term, part of a portfolio of identified financial instruments that are managed together and for which here is evidence of a recent actual pattern of short term profit taking, or a derivative (except for a derivative that is a financial guarantee contract).
F	FINANCIAL ASSET	Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.
	FINANCIAL INSTRUMENT	Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.
	FINANCIAL LIABILITY	Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.
	FVTOCI	Abbreviation for Fair Value Through Other Comprehensive Income.
G	GEARING (D/E RATIO)	Long-Term Interest-bearing Borrowings/Liabilities as a percentage of Shareholders' Funds plus Long-Term Interest-bearing Borrowings/Liabilities.
	GENERAL RESERVE	Reserve available for distribution and investment.
	Ha	Hectares.
H	HARVEST	Detachment of produce from a biological asset or the cessation of biological assets life processes.
	IFRS	International Financial Reporting Standards.
I	INTEREST COVER	Profit before Tax plus Interest Charges divided by Interest Charges, including Interest Capitalized.
J	JEDB	Janatha Estates Development Board.
K	KGAL	CSE identification code for the Company.
	LIBOR	London Inter- Bank Offered Rate.
L	LIQUIDITY	The availability of liquid assets to a market or Company.
M	MARKET CAPITALIZATION	Number of shares in issue, multiplied by the market value of each shares at the year end.
	MVA	The difference of market capitalisation and book value of share capital.
	NET ASSETS	Sum of Fixed Assets and Current Assets less Total Liabilities.
N	NET ASSETS PER SHARE	Shareholders' funds divided by the number of Ordinary Shares.
	NET PRICE PER SHARE	Net Assets at the end of period divided by the number of Ordinary Shares issued.
	OBLIGATION	The present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.
O	OCI	Other comprehensive income comprises the items of income and expenses that are not recognised in profit or loss as required or permitted by other SLFRS's.



#	Term	Definition
P	PBT	Profit before tax.
	PRICE EARNINGS RATIO	Market price of a share divided by Earnings per Share.
R	RELATED PARTIES	Parties who could control or significantly influence the financial and operating policies of the Company.
	RETURN ON AVERAGE EQUITY	Net income expressed as a percentage of Average Shareholders' Funds.
	RETURN ON CAPITAL EMPLOYED (ROCE)	"Profit before Tax plus Interest on Loans divided by the Equity Funds, Long Term Loans and Short-Term Loans."
	REVENUE RESERVES	Reserves considered as being available for distributions and investments.
	RSS-1	Ribbed Smoked Sheet - Grade 1
S	SEGMENT	Constituent business units grouped in terms of nature and similarity of operations.
	SHAREHOLDERS' FUNDS	Funds attributable to Shareholders which consist of Share Capital, Reserves and Retained Profit.
	SLAS	Sri Lanka Accounting Standards.
	SLFRS/LKAS	Sri Lanka Financial Reporting Standards.
	SOAT	Statement of Alternative Treatment issued by the Institute of Chartered Accountants of Sri Lanka.
	SORP	Statement of Recommended Practices issued by the Institute of Chartered Accountants of Sri Lanka.
T	SUBSIDIARY	A subsidiary is an entity, including in unincorporated entity such as a partnership, that is controlled by another entity.
	TURNOVER PER EMPLOYEE	Consolidated turnover of the Company for the year divided by the number of employees at the year end.
U	UITF	Urgent Issues Task Force of the Institute of The Chartered Accountants of Sri Lanka.
V	VALUE ADDITION	The quantum of wealth generated by the activities of the Company and its application.
W	WORKING CAPITAL	Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest bearing provisions.



GLOSSARY

Non - Financial Terms		
#	Term	Definition
A	AGM	Annual General Meeting.
B	BIODIVERSITY	"The variability among living organisms from all sources including, among others, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems."
	BOI	Board of Investments of Sri Lanka.
	CARBON FOOTPRINT	Total greenhouse gas emissions caused directly or indirectly.
	CDA	Coconut Development Authority.
C	COP	Cost of Production. Generally, refers to the cost of producing one kilo of produce (Tea/Rubber).
	CROP	The total produce harvested during a financial year.
	CLIMATE RISK	The potential financial and operational impact of climate change on a Company's assets and operations.
	EMDEs	Abbreviation for emerging market and developing economies.
E	ETP	Ethical Tea Partnership is a non competitive alliance of 20 international tea packers who share a vision for a thriving industry that is socially just and environmentally sustainable.
	EXTENT IN BEARING	The extent of a land from which crop is being harvested. Also see "Immature Plantation".
	ENERGY INTENSITY	The amount of energy consumed per unit of output or revenue.
F	FIELD	A unit extent of land. Estates are divided into fields in order to facilitate management.
	GAP	Good Agriculture Practices.
	GDP	Gross Domestic Production.
	GSA	Gross Sale Average. Average sale price obtained (over a period of time, for a kilo of produce) before any deductions such as brokerage, etc.
G	GRI	Global Reporting Initiatives.
	GREENHOUSE GAS (GHG) EMISSIONS	Emissions from operations that contribute to climate change. Categorized into Scope 1 (direct), Scope 2 (indirect from electricity), and Scope 3 (other indirect).
	GRIEVANCE MECHANISM	A formal system through which employees or community members can raise concerns or complaints.
H	HACCP	Hazard Analysis and Critical Control Point System, Internationally accepted food safety standard.
	IMMATURE PLANTATION	"The extent of plantation that is under development and is not being harvested."
I	INFILLING	A method of field development whereby planting of individual plants is done in order to fill the vacancies of existing revenue fields.
	ISO	International Standards Organization.
	ISO 22000	International standard for food safety management system (FSMS) released by ISO in June 2018.
K	KEY MANAGEMENT PERSONNEL	"Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity. "
L	LFPR	Abbreviation for Labour Force Participation Rate.
M	MATURE PLANTATION	The extent of plantation from which crop is being harvested.
	MATERIAL TOPICS	Issues that reflect significant economic, environmental, and social impacts.
N	NSA	Net Sales Average per kilo.
O	OHS	Occupational Health & Safety.



#	Term	Definition
P	PHDT	Plantation Human Development Trust.
	REPLANTING	A method of field development where an entire unit of land is taken out of "bearing" and developed by way of uprooting the existing trees/bushes and replanting with new trees/bushes.
R	RAINFOREST ALLIANCE (RA)	The Rainforest Alliance certification scheme; RA works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviors.
	RETENTION RATE	Proportion of employees who stay.
	SEEDLING TEA	Tea grown from a seed.
S	SDGS (SUSTAINABLE DEVELOPMENT GOALS)	A set of 17 global goals set by the United Nations to end poverty, protect the planet, and ensure prosperity for all.
	STAKEHOLDER ENGAGEMENT	Process of involving parties affected by Company activities.
T	TRI	Tea Research Institution.
	TURNOVER RATE	Rate at which employees leave the Company.
V	VP TEA	Vegetatively propagated tea. i.e. tea grown from a cutting of a branch of tea plant.
	WATER EFFICIENCY	The optimization of water use in operations to reduce waste and environmental impact.
W	WHISTLEBLOWER POLICY	A policy that allows employees or stakeholders to report unethical or illegal conduct confidentially.
Y	YIELD (YPH)	Average yearly output of produce from a hectare of plantation.
	YOY	"Year on Year."



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty Second (32nd) Annual General Meeting of Kegalle Plantations PLC will be held at the Auditorium of the Registered Office, No. 310, High Level Road, Nawinna, Maharagama on Friday, 26th September, 2025 at 11.00 a.m. and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.
2. To approve the appointment of Dr. Sena Yaddehige as a Director

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, No. 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

“That Dr. Sena Yaddehige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige ”

3. To approve the appointment of Dr. S S B D G Jayawardena as a Director

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, No. 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

“That Dr. S S B D G Jayawardena of No. 134, Batagama (North) Ja -Ela, who is 83 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. S S B D G Jayawardena ”

4. To approve the appointment of Prof. R C W M R A Nugawela as a Director

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, No. 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

“That Prof. R C W M R A Nugawela of No. 58/7A, Lewella, Kandy who is 72 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Prof. R C W M R A Nugawela ”

5. To elect Mr. Lakshman Abeysekera who retires in terms of Article 98 at the Annual General Meeting, a Director
6. To elect Dr. Lakshman Rodrigo who retires in terms of Article 98 at the Annual General Meeting, a Director
7. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.
8. To authorize the Directors to determine contributions to charities
9. To consider any other business of which due notice has been given.

By Order of the Board

(Sgd.)
Richard Pieris Group Services (Private) Limited
 Secretaries
 No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.

28th August 2025

Notes:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
- b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report
- c) The completed form of proxy should be deposited at No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.



FORM OF PROXY

I/We* (in block letters) of
 being a member /members of the
 KEGALLE PLANTATIONS PLC, hereby appoint of

.....
 whom failing DR. SENA YADDEHIGE whom failing PROF. R C W M R A NUGAWELA whom failing DR. S S B D G JAYAWARDENA whom failing
 SHAMINDA YADDEHIGE whom failing LAKSHMAN ABEYSEKERA whom failing DR. LAKSHMAN RODRIGO *as my/our proxy to represent me/
 us and to vote on my/our behalf at the 32ND ANNUAL GENERAL MEETING of the Company to be held on 26th September 2025 and any
 adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31 st March 2025 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. S S B D G Jayawardena at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Prof. R C W M R A Nugawela at this Annual General Meeting, a Director	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect Mr. Lakshman Abeysekera who retires in terms of Article 98 as a Director	<input type="checkbox"/>	<input type="checkbox"/>
6. To elect Dr. Lakshman Rodrigo who retires in terms of Article 98 as a Director	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorize the Directors to determine contributions to charities	<input type="checkbox"/>	<input type="checkbox"/>
9. To consider any other business of which due notice has been given	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2025

.....
Signature of Shareholder

Notes:

- (i) Please delete the inappropriate words
- (ii) A proxy need not be a member of the Company.
- (iii) Instruction as to completion appear on the reverse of this form.



INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

- ◇ To be valid, this Form of Proxy must be deposited at No. 310, High Level Road, Nawinna, Maharagama., not later than 11.00 a.m. on Wednesday, 24th September 2025.
- ◇ In perfecting the Form of Proxy, please ensure that all details are legible.
- ◇ In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
- ◇ Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.
- ◇ This Form of Proxy shall in the case of an individual be signed by the appointor or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.



CORPORATE INFORMATION

NAME OF THE COMPANY

Kegalle Plantations PLC

LEGAL FORM

A Quoted Public Company with limited liability,
Incorporated in Sri Lanka under the Companies Act No. 07 of 2007.

DATE OF INCORPORATION

22 June 1992

COMPANY REGISTRATION NUMBER

P Q 135

REGISTERED OFFICE/HEAD OFFICE

No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Telephone: + (94) 11 4310500
Fax: + (94) 11 4310799
E-mail: kpl.rpk@arpico.com
Website: www.arpico.com

ACCOUNTING YEAR END

31 March

PRINCIPAL BUSINESS ACTIVITIES

Cultivation, Manufacture and Sale of Rubber, Tea,
Coconut & other agricultural Produce.

MANAGING AGENT

RPC Plantation Management Services (Pvt) Ltd
No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.

ULTIMATE PARENT ENTERPRISE

Richard Pieris & Company PLC
No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.

BOARD OF DIRECTORS

Dr. Sena Yaddehige, Chairman
Prof. R C W M R A Nugawela
Dr. S S B D G Jayawardena
Mr. Shaminda Yaddehige
Mr. Lakshman Abeysekera (Appointed w.e.f. 30 September 2024)
Dr. Lakshman Rodrigo (Appointed w.e.f. 16 April 2025)

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are listed with the
Colombo Stock Exchange of Sri Lanka.

MANAGEMENT

Mr. I S Doranegama, Chief Executive Officer
Mr. Dhammika Laksiri, Sector Financial Controller
Mr. W M R R K Wijekoon, General Manager
Mr. S R Aluwihare, Deputy General Manager - Tea / Superintendent
Mr. T I Kodithuwakku, Finance Manager
Mr. L G Madhusankha, Accountant
Mr. R M S S Herath, Manager - Information Systems
Mr. L P Tennakoon, Manager - Plantations
Mr. M P Bandara, Manager - Forestry
Mr. S P Wijedasa, Engineer - Plantation Sector
Mr. Janaka Gallappaththi, Manager - Coffee Planting

SECRETARIES

Richard Pieris Group Services (Pvt) Limited
No. 310, High Level Road,
Nawinna, Maharagama, Sri Lanka.
Telephone: + (94) 11 4310500

AUDITORS

Messrs. Ernst & Young,
Chartered Accountants,
Rotunda Towers
109, Galle Road,
Colombo 03, Sri Lanka.

BANKERS

National Development Bank PLC
Bank of Ceylon - Corporate Branch & Regional Branches
Hatton National Bank PLC
Peoples Bank
Seylan Bank PLC
Commercial Bank of Ceylon PLC
Indian Overseas Bank/Indian Bank/State Bank of India
Nations Trust Bank PLC
DFCC Bank PLC
Pan Asia Banking Corporation PLC

TAX ADVISORS

Messrs. Ernst & Young,
Chartered Accountants,
Rotunda Towers
109, Galle Road,
Colombo 03, Sri Lanka.

