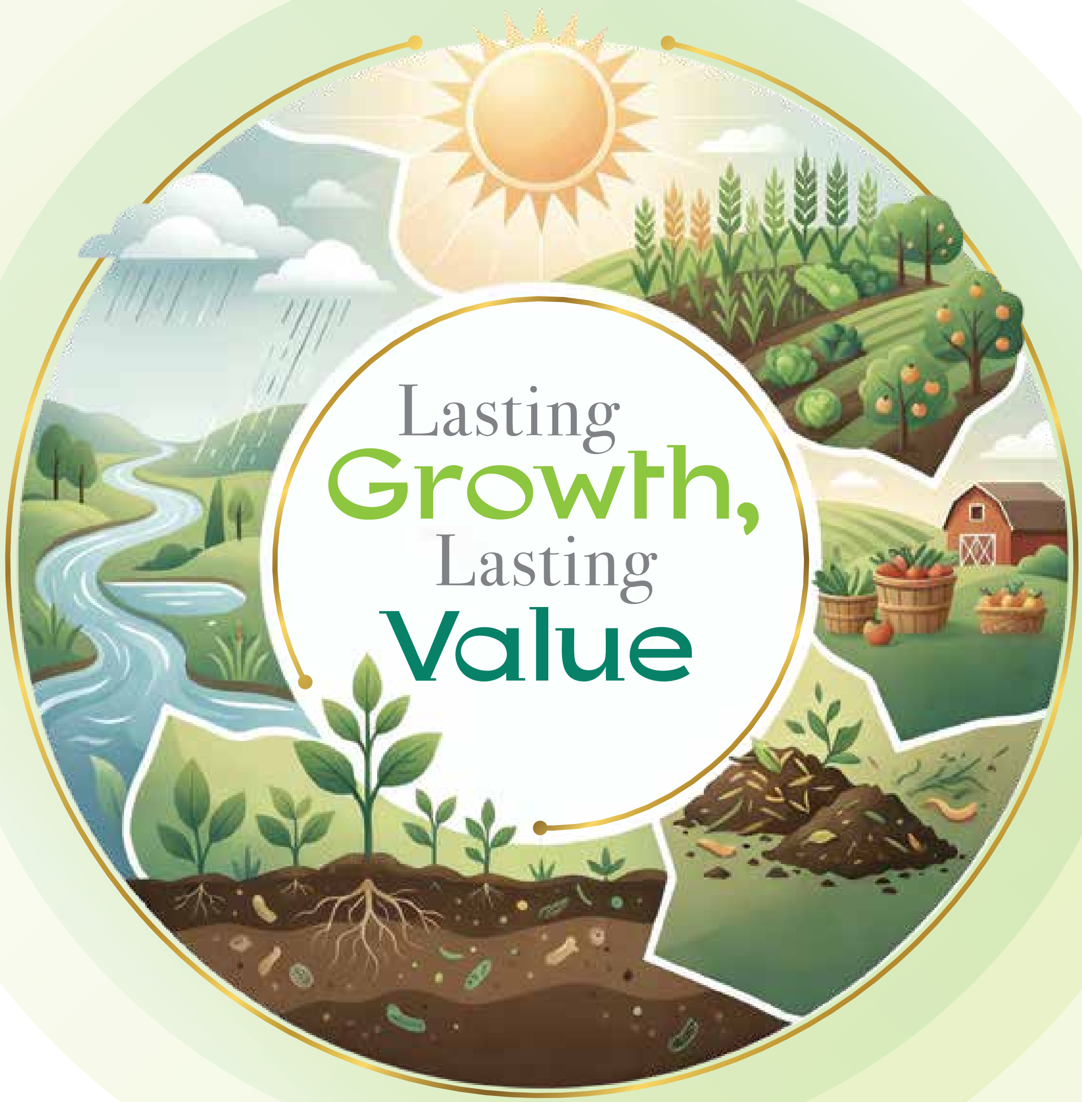
Kotagala Plantations PLC

Annual Report 2025/26

Lasting Growth, Lasting Value



Lasting Growth, Lasting Value

Guided by sustainable practices and strengthened through technological advancement, we at Kotagala Plantations PLC create lasting value that extends beyond immediate returns, and pursue growth that builds upon itself and is made to last.

In the year under review, our performance reflected our commitment to develop not only our fields, but the fields of the nation. With innovative use of precision agriculture methods, we optimised every input, ensuring that productivity is balanced with responsibility, and efficiency with care. In turn, our position was strengthened, and our contribution to the nation's economy heightened.

Our diversified approach allows us to respond to changing conditions while maintaining stability across our operations, while our philosophy of creating value that perseveres, transforms and drives, allows us to create a foundation that is resilient, future-forward and responsive to change.

For Kotagala Plantations PLC, lasting value is not defined by scale alone, but by how meaningfully it contributes to lasting growth.

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About Kotagala

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About this Report

This annual report provides an overview of the Company's performance and achievements for the fiscal year ended 31 March 2026. Our goal is to communicate transparently with our stakeholders including investors, employees, customers, and the community by sharing our operations, financial results, and strategic direction, with a focus on creating lasting value for the future.

Introduction

Kotagala Plantations PLC's (KPPLC's) Integrated Annual Report for the 2025–26 financial year presents a comprehensive overview of the Company's performance over the 12-month period under review. In compiling this Report, the Company has adhered to all applicable annual reporting disclosure requirements and has aligned its climate-related reporting with the Sri Lanka Sustainability Disclosure Standards for Climate-Related Disclosures.

BOARD RESPONSIBILITY STATEMENT

The Board of Kotagala Plantations PLC takes full responsibility for the accuracy of this report and to the best of our knowledge, this report complies with the Integrated Reporting principles and guidelines.

Our assurance on this report extends to the Company's financial statements and other quantitative and qualitative data provided in this report for the reporting period. The extent of our assurance for this report is further supported by the following statutory reports.

1. Independent Auditor's Report on page 147
2. Statement of Directors' Responsibilities on page 144

SOURCES OF GUIDANCE

- The Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- The International Integrated Reporting Standards 2021
- Sri Lanka Sustainability Disclosure Standards
- The Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka
- The Listing Rules of the Colombo Stock Exchange

Rs 5,600 Mn
revenue
10%

Financial Capital
Page 60

4,437 employees
2,372 women
2,065 men

Human Capital
Page 66

Rs 477 Mn
invested
factories, fields, energy

Manufactured Capital
Page 72

95%
of Up Country extent is VP and aim to double the mechanised extent

Intellectual Capital
Page 77

1,224.69 ha
Forest Cover

Natural Capital
Page 80

Zero
fatalities, Cyclone Ditwah
Rehabilitation completed in 2 weeks

Social Capital
Page 85

Forward-looking Statements

All forward-looking statements, with regard to Kotagala Plantations PLC's operations, plans and financials, are contingent on external and internal changes and may change without notice. Kotagala Plantations PLC does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events or otherwise.

FEEDBACK ON THIS REPORT

Please direct any feedback regarding this report to:

Name : Mr. K. Mohideen

Designation : Director Finance

Address : 53 1/1, Sir Baron Jayathilake Mw, Colombo 01

E mail : kowdu.mohideen@lankemplantations.lk

Basis of Preparation and Presentation

This chapter provides information on how KPPLC made its selection of material topics for disclosure for the financial year 2025-26, and the locations of this information.

Reporting period

The reporting period of this report is the 12 months of April 1, 2025 to March 31, 2026, which is also the accounting period of the Company.

Scope and boundary

This report's coverage is limited to Kotagala Plantations PLC and its subsidiary, Rubber & Allied Products (Colombo) Ltd. Expectations and concerns of key stakeholders have also been considered. The scope of topics extends to material information under the six capitals of integrated reporting and strategic direction of the Company. In addition, SLFRS Sustainability Standards SLFRS S1 and S2 requirements under climate change risks and opportunities have been taken into consideration in the overall materiality. Please refer to the SLFRS Sustainability Disclosure Standards chapter for the SLFRS Sustainability related Financial Disclosures.

Selection of material topics

Topics selected for discussion in this report include risks and opportunities that are deemed materially significant in terms of financial health and also have a high level of impact on external stakeholders. These topics could reasonably be expected to impact the cash flow, access to finance, and/or cost of capital of the Company.

Changes to material topics

Material topics have not changed significantly from the previous year's (FY 2024-25) list of material topics, as the Company has not changed its strategic direction and external conditions remained fairly stable during the FY 2025-26. However, the use of the double materiality principle in identifying material topics for the year under review has helped the Company to be more specific in its selection.

Selection and prioritisation of material topics

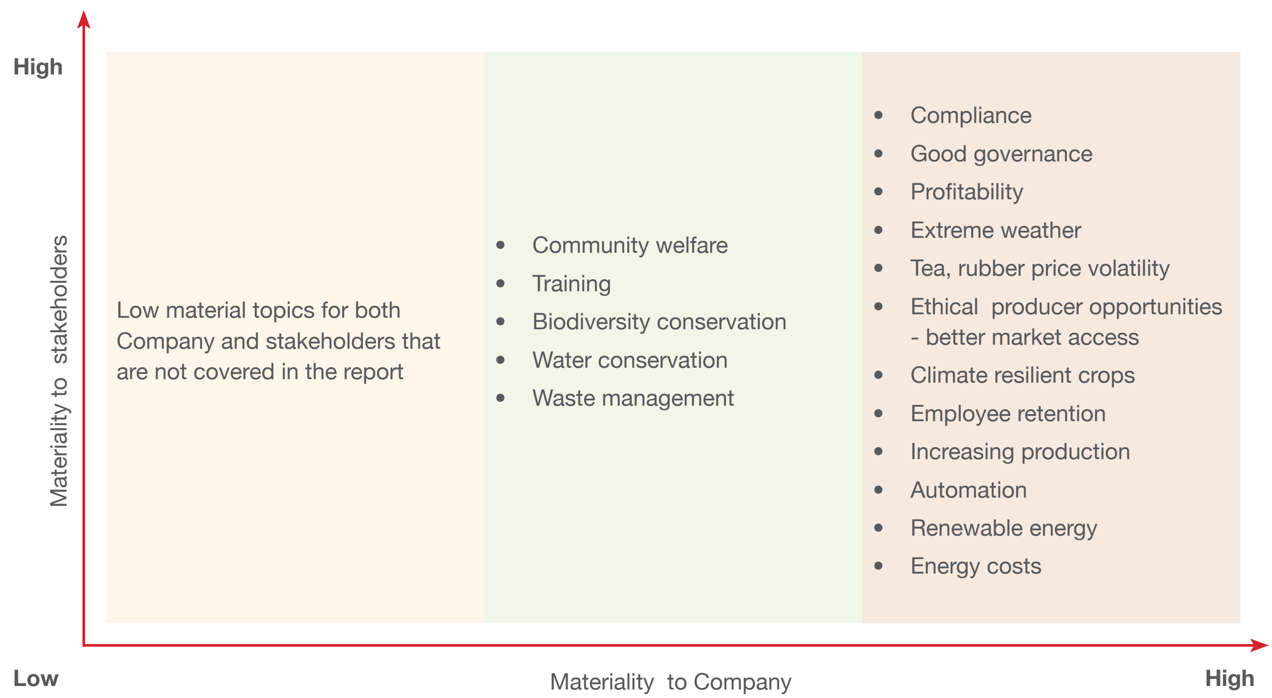
1. Topics for discussion were initially selected by identifying significant developments in the operating environment during the 12 months of the year, challenges faced by the Company, and strategically important topics, under the six capitals.

2. Material topics under climate change were identified separately, in order to comply with the Sustainability Disclosure Standards.

3. All available stakeholder feedback was also taken into account when identifying topics for disclosure.

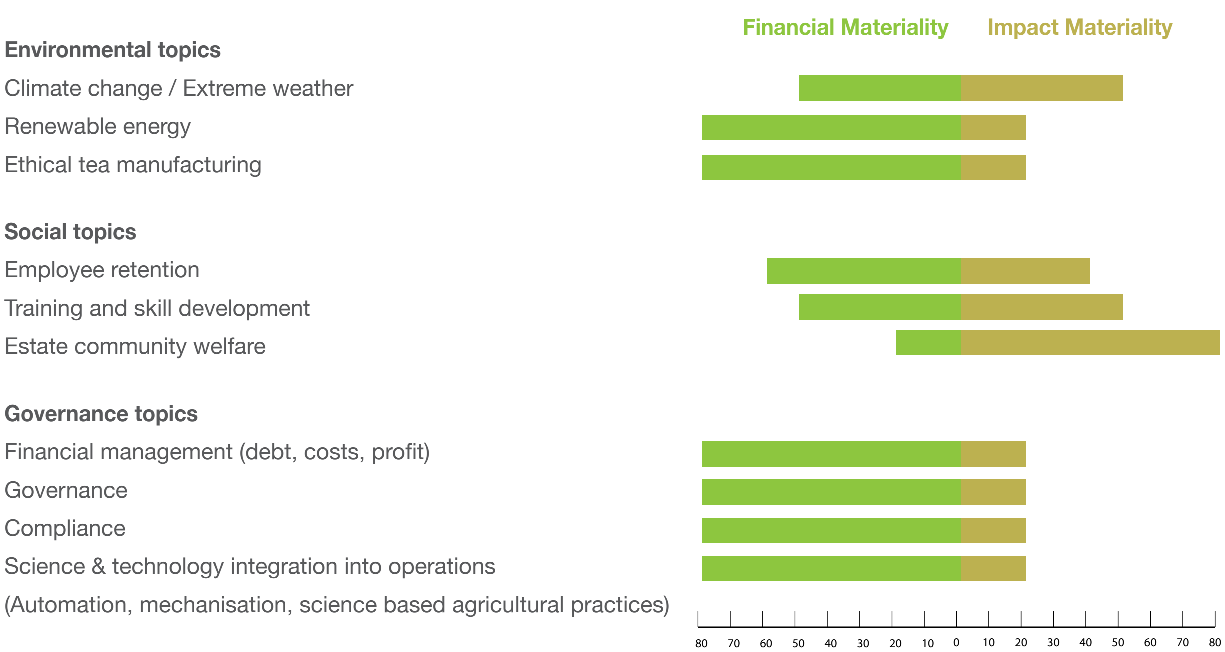
4. The list of topics was also compared against the previous year's material topics to identify any significant changes.

KPPLC's materiality map for 2025-26



Applying the double materiality principle

Both financial materiality and impact materiality concepts were applied to the list of material topics to select the final list of material topics.



Basis of Preparation and Presentation

List of material topics and their location

Material topics	Chapter name	Page number
Governance	• Operations Review of Estates	32
	• Governance System	94
	• Managing the Risks	124
Compliance	• Chairman's Message	26
	• Governance System	94
Financial management	• Financial Capital	60
	• SLFRS Sustainability related Financial Disclosures	36
Employee retention and training	• Human Capital	66
Science and technology integration	• Intellectual Capital	77
	• Manufactured Capital	72
Climate change / Extreme weather	• SLFRS Sustainability related Financial Disclosures	36
	• Intellectual Capital	77
	• Natural Capital	80
Renewable energy	• Natural Capital	80
	• Manufactured Capital	72
Ethical manufacturing	• Chairman's Message	26
	• Managing Director's Review	29
Community welfare	• Social Capital	85

About the Company

Vision

To be the foremost producer of high-quality tea, rubber and oil palm.

Mission

To maximise land and labour productivity and achieve excellence in the profitable management of the Company in an acceptable and socially responsible manner.

Objectives

- **To lead the way in the technical and innovative development of the Tea, Rubber & Oil Palm Agri-industries.**
- **To provide a satisfying work experience to our employees and ensure a rewarding investment to our shareholders.**
- **To be a trail-blazer in the shift away from producing visually graded rubber as an agricultural commodity, to the production of a fully technically specified industrial polymer**

Core Values

Integrity

Courage

Commitment

Our History

Sri Lanka's plantation industry was pioneered in the early 19th century by the British and was later continued in the hands of the corporate sector and a few Sri Lankan families, until the Industry was nationalised. Later, due to management inefficiencies, the management of the estates was privatised under 22 different Regional Plantation Companies (RPCs). Kotagala Plantations came under RPC No. 18 and George Steuarts Management Services were awarded the Management Contract for Kotagala Plantations.

At that time Kotagala Plantations consisted of 10 high grown tea properties in the Dimbulla district and 14 rubber, and tea cum rubber properties in the Kalutara district. Due to subsequent acquisitions by the government, the Company now consists of 10 high grown properties and 11 rubber and tea cum rubber, oil palm properties in the low country.

In 1996, the Management Contracts of the RPCs were converted into long term leases. RPCs that were profitable under the Management Contracts, were offered shares at par value, whilst the shares of other RPCs were awarded under a system of open bidding. Kotagala Plantations was profitable and George Steuarts Management Services bought shares at a par value of Rs.10 per share.

At the time of initial privatisation of management, Kotagala Plantations' tea extent consisted of about 55% Vegetative Propagated (VP) plants with a total tea yield of about 1,550 kgs/ ha. The rubber yield was 880 kg/ha.

The story continues

- **The total extent under Vegetative Propagated (VP) plants is now in excess of 90%, with several estates 100% VP, which makes KPPLC one of the highest yielding tea companies in the island.**
- **Rubber was also replanted continually**
- **Some of the marshy lands and some lands less suited for rubber were planted with oil palm and currently covers 525.88Ha.**
- **The Company has throughout the years, built up a steady rubber export business and is a pioneer in the direct export of rubber.**
- **Today KPPLC, is a well-diversified agri-company with a subsidiary company – Rubber and Allied Products (Colombo) Ltd - which is involved in manufacturing centrifuged rubber.**

Colonial Bungalows of Historical Significance

Living architectural legacies from the colonial era, plantation bungalows incorporate a combination of local and colonial architectural influences. Built on elevated sites, the bungalows offer sweeping views of the surrounding tea plantations and scenic landscapes. Their spacious verandas, high ceilings, large windows, and expansive gardens exude an old-world charm.

Initially built as homes for tea estate managers and their families, many of these bungalows have been converted into boutique hotels or guest houses. The interior of a typical plantation bungalow features a blend of antique and modern furniture, vintage décor, four-poster beds, and colonial-style furniture.

Holidaying in a plantation bungalow is a unique experience of stepping into a bygone era with modern luxuries. Guided tours of the tea estates, tea plucking demonstrations, and tea tasting sessions are just a few of the activities guests can indulge in. The serene surroundings offer opportunities for leisurely walks through the tea plantations, birdwatching, or simply enjoying the breath taking views. Visitors can also learn about the tea production process and the history of the tea industry in Sri Lanka.

HERITAGE AND HORIZONS

Drayton Estate and its historic bungalow

A monument to Ceylon's plantation heritage

Nestled amidst the mist-shrouded valleys and emerald hills of Sri Lanka's premier tea country, Drayton Estate stands as a testament to the endurance of the plantation industry. At its heart lies the Drayton Estate Bungalow — an architectural gem from the colonial era that has served as a home to generations of planters, and symbol of a bygone era.

HISTORICAL SNAPSHOT

Location: Dimbula / Kotagala Valley, Central Province

Primary crop: High-grown single origin Ceylon tea

Architecture: Granite stone colonial planter's bungalow

Corporate steward: Kotagala Plantations PLC, since 1992

CONSTRUCTION OF THE GREAT BUNGALOW

Built as the resident manager's residence in the late 19th century, the Drayton Bungalow reflects classical Victorian and Edwardian plantation architecture, tailored to the hill-country climate:

- Structural masonry — hand-chiselled granite stone and lime mortar, insulating against cold nights and monsoonal rain.
- Timbering and joinery — imported British teak, pitch pine, and local satinwood, with vaulted timber-beam ceilings.
- Climatic design — wrap-around verandas offering panoramic views of the estate's tea gardens.
- Focal hearth — deep-set stone brick fireplaces in the drawing and dining rooms.

Colonial Bungalows of Historical Significance

OWNERSHIP AND MANAGEMENT

The ownership of Drayton Estate mirrors Sri Lanka's political and economic evolution over the last 150 years.

Era	Managing / owning entity	Operational focus
Late 1800s–1940s	British proprietary planters and sterling agency houses	Clearing, planting, orthodox tea manufacture
1940s–1970s	Rupee companies and commercial agency houses	Post-independence expansion and yield optimisation
1970s–1990s	State land reform: JEDB and SLSPC	Nationalised estate management
1992–present	Kotagala Plantations PLC	Modernisation, digital field monitoring, heritage stewardship

INNOVATION MEETS HERITAGE

Today, Drayton Estate balances its rich heritage with 21st-century agricultural practices, integrating Uniform Monitoring Systems (UMS) to track harvesting productivity, soil health, and leaf quality in real time. The bungalow itself stands fully preserved with its original stone facades, period furniture, and landscaped English gardens, retaining a living link to the history of Ceylon tea.

CHRONOLOGICAL TIMELINE

c. 1880s First land clearing and establishment of Drayton Estate as a specialised tea plantation.

c. 1890s Construction of the main Drayton Planter's Bungalow using granite stone masonry and timber.

1948 Ceylon gains independence; estate operations transition toward local managerial talent.

1972–1975 Nationalisation of plantation lands under the Land Reform Act; management transferred to state bodies.

1992 Restructuring of the tea sector; Drayton Estate assigned to Kotagala Plantations PLC.

2020s–present Implementation of digital field tracking, agronomic upgrades, and heritage preservation of the bungalow.

"Long-term value creation is built upon deep foundations, careful stewardship, and continuous progress."

Our Subsidiary - Rubber & Allied Products (Colombo) Ltd

TIMBER: GROWING VALUE SUSTAINABLY

Kotagala Plantations' up country and low country estates together, have an extent of 1,224.69 Ha of timber, valued at Rs.2.4Bn. The timber plantations contribute significantly to the Company's overall asset value. The Company manages the timber plantations sustainably and responsibly, to ensure environmental benefits through forest cover, while also gaining an asset.

RUBBER & ALLIED PRODUCTS (COLOMBO) LTD

Our fully owned subsidiary Rubber & Allied Products (Colombo) Ltd was acquired in 2014-15 to expand Kotagala Plantations' production capabilities to include centrifuged natural rubber latex manufacturing. The centrifuge factory is located within the Paiyagala estate of Kotagala Plantations.

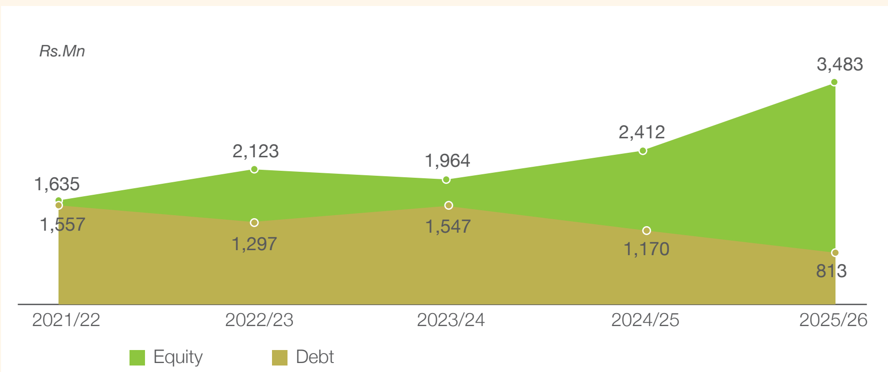
Financial Highlights

Year ended 31st March		Group		Company		Change
		2026	2025	2026	2025	
Statement of Comprehensive Income						
Revenue	Rs.000	5,701,465	5,186,237	5,599,624	5,068,576	0.10
Profit/(Loss) before tax	Rs.000	365,424	599,423	489,999	590,971	(0.17)
Profit/(Loss) after tax	Rs.000	348,401	365,423	472,976	356,971	0.32
Other Comprehensive Income/(Expense)	Rs.000	(163,800)	206,211	(163,691)	91,089	(2.80)
Total Comprehensive Profit/(Loss) for the year	Rs.000	184,601	571,634	309,285	448,060	(0.31)
Profit/(Loss) per share	Rs.	0.90	1.05	1.23	1.02	0.21
Statement of Financial Position						
Total assets	Rs.000	9,838,917	9,612,154	9,831,143	9,432,361	0.04
Total liabilities	Rs.000	6,366,090	7,085,581	6,347,938	7,020,094	0.10
Total shareholders' funds	Rs.000	3,472,827	2,526,573	3,483,205	2,412,267	0.44
Net assets per share	Rs.	8.21	7.46	8.23	7.13	0.15
Market/shareholder information						
Debt/Equity ratio		0.23	0.46	0.23	0.48	0.52
Quick asset ratio		0.58	0.21	0.58	0.21	1.76
Interest cover		2.16	2.57	2.56	2.56	-
Market price (Year end)	Rs.	-	-	8.00	9.00	(0.11)
Market capitalisation	Rs.000	-	-	3,385,128	3,046,617	0.11

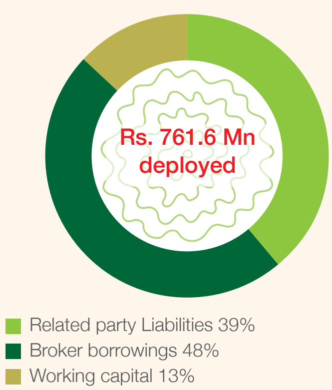
A TURNING POINT FOR KPPLC'S FINANCIAL POSITION: A SUCCESSFUL RIGHTS ISSUE RESTORED POSITIVE RETAINED EARNINGS, REDUCED DEBT, AND STRENGTHENED EQUITY WHILE THE COMPANY DELIVERED ITS FIFTH CONSECUTIVE YEAR OF NET PROFITABILITY.

Rs. 3,483 Mn	Rs. 813 Mn	0.23	Rs. 473 Mn
Total equity 2025-26	Total debt 2025-26	Gearing ratio	Profit after tax
+44% YoY	-31% YoY	from 0.48	+32% YoY

Equity strengthens as debt declines (Company, 5-year trend)



RIGHTS ISSUE PROCEEDS HOW FUNDS WERE USED



RIGHTS ISSUE 2025

Shares issued	**84,628,125**
Issue price	**Rs 9.00 per share**
Total raised	**Rs 761.6 Mn**
Completed	**October 2025**

Rs. 1.23	14%	5%	2.56	0.90
EPS	ROE	ROA	Interest Cover	Current ratio

Board of Directors

1 Anushman Rajaratnam

2 S.S. Poholiyadde

3 S.D.R. Arudpragasam - Chairman

4 Shrihan Blaise Perera

5

Kowdu Mohideen

6

K.G. Punchihewa

7

Dr. Laksman Saman Kumara Hettiarachchi

Board of Directors

S.D.R. ARUDPRAGASAM - Chairman

Non-Executive Director

Mr. S.D.R. Arudpragasam joined the Board in 1996 and was appointed Chairman in May 2013. Mr. S. D. R. Arudpragasam whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman from 2011 was appointed Chairman CFLB with effect from 1st July 2022. He also serves as Chairman of several subsidiaries of CFLB and holds the position of Chairman, Lankem Ceylon PLC, C.W. Mackie PLC and C M Holdings PLC and Chairman/Managing Director of E.B. Creasy & Company PLC in addition to holding other Directorships within the CFLB Group. He also functions as a member on several Board Subcommittees of the CFLB Group.

Mr. S.D.R. Arudpragasam is a Fellow of the Chartered Institute of Management Accountants (U.K.).

S.S. POHOLIYADDE - Managing Director

Executive Director

Mr. S.S. Poholiyadde joined the Board on 7th September 2018 and was appointed Managing Director on 25th September, 2024. He also holds the position of Managing Director of Agarapatana Plantations PLC & Managing Director, Lankem Tea & Rubber Plantations (Pvt) Ltd. (LTRP), Managing Agents of Kotagala Plantations PLC and Agarapatana Plantations PLC. He has over four decades of experience in the Plantation Industry. He was also appointed to the Board of The Colombo Fort Land and Building PLC on 1st January 2026.

Mr. Poholiyadde is also the Chairman of the Planters' Association of Ceylon and a former member of the Board of Directors of the Sri Lanka Tea Board and the Rubber Research Board. He is also a council member of the Ceylon Chamber of Commerce.

Mr. Poholiyadde has been the former Managing Director of the Plantations Sector and Head of Group Human Resources of the Richard Pieris Group. He was also the former CEO/Executive Director of Kegalle Plantations PLC, Namunukula Plantations PLC, Maskeliya Plantations PLC and an Executive Director of AEN Palm Oil Processing (Pvt) Ltd.

He has also been a former Chairman of the Colombo Rubber Traders' Association and has served as Chairman of the Plantation Services Group of the Employers Federation of Ceylon (EFC).

Mr. Poholiyadde is a Fellow of the National Institute of Plantation Management.

ANUSHMAN RAJARATNAM

Non-Executive Director

Mr. Anushman Rajaratnam was appointed to the Board on 1st October 2019. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB).

In addition, he serves on the Boards of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB Group. Prior to joining the CFLB Group, he worked overseas for a leading global Accountancy Firm.

Mr. Anushman Rajaratnam holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from the Massachusetts Institute of Technology, USA.

KOWDU MOHIDEEN

Executive Director

Mr. Kowdu Mohideen was appointed to the Board of Kotagala Plantations PLC on 20th September 2022.

He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and The Chartered Institute of Management Accountants (UK). He commenced his career at M/s Ernst & Young, Sri Lanka and later moved to various Commercial Sectors both locally and overseas.

He possesses a wide exposure in the areas of Plantation Industry, Hyper Market Operations, Fast Food Industry, Investment & Finance and Manufacturing spanning over 25 years in local and overseas companies during which period he has held several senior positions in Finance and Management including the position of Director, Finance & IT in a local Company and has also served as Managing Director in a Super Market operation overseas.

Having extensive experience in the field of Finance, Mr. Kowdu Mohideen joined the Lankem Plantations Group in the year 2012 as General Manager - Finance. He currently holds the position of Director - Finance and heads the Financial Management Unit of the Plantations Sector which comprises of several Companies including two Regional Plantation Companies.

K.G. PUNCHIHEWA

Independent Non-Executive Director

Mr. Kamal Punchihewa was appointed to the Board as an Independent Non-Executive Director on 1st November 2024. He began his career at M/s B. R. De Silva & Co., Chartered Accountants, in 1983 and became a partner in 1991.

He moved to the mercantile sector as Financial Controller of Kotagala Plantations Limited (under M/s George Steuarts Management Services) in 1992, and in 1997 was promoted to Group Financial Controller of the George Steuarts Group of Companies, as well as Director of Finance of George Steuart Auto Supplies (Private) Limited.

He rejoined the plantation sector as General Manager – Finance of Kahawatte Plantations Limited in 2002.

In 2005, he took his first overseas posting as Financial Controller of PT Agro Bukit

Indonesia and was later promoted to Head of Finance, Plantation Operations, and Business Support for the entire Indonesian operation of Good Hope Asia Group, which comprised six oil palm plantation companies.

Mr. Punchihewa returned to Sri Lanka in 2011 and joined Lankem Tea & Rubber Plantations (Private) Limited (LT&RP) as Director/Deputy CEO. He was appointed CEO of Agarapatana Plantations Limited in April 2014 and served on its board from 2012 to 2016.

In October 2016, he joined Browns Group as Group Chief Executive Officer – Plantation Sector, overseeing three regional plantation companies, and subsequently served as CEO of Maturata Plantations Limited within the same group until July 2020.

He joined Richard Pieris Group as Chief Financial Officer – Plantation Sector in August 2020 and was promoted to Chief Executive Officer of Maskeliya Plantations PLC in February 2021, a role he held alongside his existing responsibilities until March 2023.

He currently serves on the board of The Colombo Fort Land & Building PLC (CFLB) and on the boards of several other listed entities within the Colombo Fort Land & Building Group as an Independent Non-Executive Director, as well as on the boards of numerous unlisted entities within the CFLB Group.

He was appointed a member of the company's Board Sub-Committees effective 1 December 2024 and continues to act as Chairman or member of various sub-committees of several CFLB Group subsidiaries.

Mr. Punchihewa has been a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA) since 1988 and a member of CPA Australia since 2014.

SHRIHAN BLAISE PERERA

Independent Non-Executive Director

Mr. Shrihan B. Perera was appointed to the Board of Kotagala Plantations PLC as an Independent Non-Executive Director on 31st December, 2024. He was the Chief Executive Officer of Teejay Group from April 2018 to December 2019. He also served as the Chief Executive Officer of Brandix Apparel Solutions Limited from January 2010 to March 2018. Mr. Perera previously held positions of Group Financial Controller & Treasurer, Group Accounts Manager and Finance Director at Unilever Sri Lanka while counting overall experience over 30 years both with Engineering and Finance exposure in and amongst competitive conditions and multidimensional challenges. He has wide exposure in FMCG, Garment and Textile Manufacture and service industry.

Mr. Perera currently serves as an Independent Director of Teejay Lanka PLC, Teejay Lanka Prints (Private) Limited and Nubian Threads (Private) Limited. He also serves on the Boards of Fintrex Finance PLC, C.W. Mackie PLC and on the Board of The Colombo Fort Land & Building PLC (CFLB) and certain subsidiaries of CFLB.

Mr. Perera was appointed as a Member of the Board subcommittees of the Company with effect from 1st January 2025. In addition, he functions as the Chairman/ Member of certain Board subcommittees of several subsidiary companies of the CFLB Group.

He holds a Bachelor of Science Degree in Mechanical Engineering Second Class Upper Honours from the University of Moratuwa and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA/CGMA), UK.

DR. LAKSMAN SAMAN KUMARA HETTIARACHCHI

Executive Director

Dr. L. S. K. Hettiarachchi was appointed to the Board of Kotagala Plantations PLC on 1 April 2025. He is an Agricultural Chemist specialising in Soil Science and Plant Nutrition, with 40 years of professional experience in the tea and plantation sectors.

He obtained a BSc Special Honours degree in Chemistry from the University of Peradeniya and subsequently earned his PhD from the University of Aberdeen, United Kingdom, where his research focused on the management of acidic tea soils through liming. He is a Chartered Chemist of the Institute of Chemistry Ceylon, associated with the Royal Society of Chemistry, UK, and a Fellow of the National Institute of Plantation Management, Sri Lanka.

Dr. Saman Hettiarachchi has been closely associated with the Tea Research Institute of Sri Lanka (TRISL) for over 36 years, including approximately four years as its Director/Chief Executive Officer. During his tenure, he was responsible for the planning, coordination and direction of R&D programmes covering tea cultivation, processing, technology development, technology transfer and dissemination of technical knowledge. His extensive exposure across these disciplines has provided him with a comprehensive understanding of emerging technological, agronomic and industry challenges, as well as the interventions required for their practical adoption.

Throughout his career, Dr. Hettiarachchi has contributed to numerous Boards, Councils and national committees associated with the tea industry, agriculture, tertiary education and government institutions. He has also served as an Independent Non-Executive Director of Maskeliya Plantations PLC, while maintaining extensive engagement with private-sector organisations and industry stakeholders. These responsibilities have provided him with substantial experience in corporate governance, strategic decision-making, policy development and stakeholder engagement.

His professional engagements with regional and international organisations, institutions and industry participants have also given him a broad understanding of global and regional tea industry trends, challenges and opportunities. His combination of scientific expertise, extensive plantation-sector experience, institutional leadership and governance exposure positions him to contribute effectively to strategic decision-making and sustainable development within the plantation industry.

Our Journey

1992:
Incorporated as a public quoted company on June 22 under the Companies Act No 17 of 1982.

1993:
CTC machinery was installed in Mount Vernon estate to benefit from all manufacturing types, as Kotagala already had rotorvane and leafy manufacturing factories

Mount Vernon ventured into tourism

1995:
Official listing on the Colombo Stock Exchange

2000:
Pioneered direct exports in rubber

2001:
Yulliefield ventured into tourism

2004:
Stonycliff ventured into tourism

2006:
Dividend payment of Rs.1 PER SHARE

2007:
Dividend payment of Rs.3 PER SHARE

2008:
Re-registered on July 3rd, under the Companies Act No 7 of 2007 Dividend payment of Rs.3 PER SHARE

2009:
Dividend payment of Rs.1 PER SHARE

2010:
Dividend payment of Rs.3 PER SHARE

2011:
Dividend payment of Rs.10 PER SHARE

2025-26 :

4th Equity infusion of

LKR **761** Mn

2024-25 :

Obtaining carbon footprint certification. (ISO- 14000:64)/ Low country estates complying with EUDR regulations

2023-24 :

Introduction of Productivity Committees in estates

2022-23 :

Improvements to governance structure by appointing a dedicated Director of Finance and separate CEOs to overlook upcountry estates and low country estates.

2021:

3rd Equity infusion of

LKR **789** Mn

2020:

Investment in latest technology for mechanised plucking

2017:

2nd Equity infusion

LKR**101**Mn

2014:

Acquisition of Rubber & Allied Products (Colombo) Ltd, to enable centrifuge rubber manufacturing

2013:

1st Equity infusion of

LKR **360** Mn

Dividend payment of

Rs.**2.50**

PER SHARE

2012:

Rubber lands were converted into oil palm cultivation lands as climatic conditions are ideal for oil palm

Dividend payment of

Rs.**2** PER SHARE

Our Estates, Products, Certifications and Workforce

Up Country Estates in the Nuwara Eliya District

BOGAHAWATTE
- 243.00
- Tea
- Orthodox leafy
- 9,500
- RA ISO 22000:2018
  ISO 14064-1-2018
  (Carbon Footprint)
- 116

CHRYSTLER'S FARM
- 188.39
- Tea
- Orthodox/RV
- 7,200
- RA
  ISO 22000:2018
  ISO 9001:2015
  ISO 14064-1-2018
  (Carbon Footprint)
- 147

CRAIGIE LEA
- 364.00
- Tea
- Orthodox/RV
- 12,000
- RA
  ISO 22000:2018
  ISO 9001:2015
  ISO 14064-1-2018
  (Carbon Footprint)
- 221

DRAYTON
- 342.87
- Tea
- Orthodox/RV
- 14,500
- RA
  ISO 22000:2018
  ISO 9001:2015
  ISO 14064-1-2018
  (Carbon Footprint)
- 245

KELLIEWATTE
- 146.11
- Tea
- RA ISO 22000:2018
  ISO 14064-1-2018
  (Carbon Footprint)
- 68

MAYFIELD
- 537.25
- Tea
- Orthodox/RV
- 14,500
- RA ISO 22000:2018
  ISO 14064-1-2018
  (Carbon Footprint)
- 338

MOUNT VERNON
- 641.93
- Tea
- CTC
- 18,500
- RA
  ISO 22000:2018
  ISO 9001:2015
  ISO 14064-1-2018
  (Carbon Footprint)
- 374

STONYCLIFF
- 601.00
- Tea
- Orthodox/RV
- 14,800
- RA
  ISO 22000:2018
  ISO 14064-1-2018
  (Carbon Footprint)
- 398

YULLIEFIELD
- 661.00
- Tea
- Orthodox/RV
- 14,500
- RA ISO 22000:2018
  ISO 9001:2015
  ISO 14064-1-2018
  (Carbon Footprint)
- 256

DERRYCLARE
- 296.21
- Tea
- RA
  ISO 14064-1-2018
  (Carbon Footprint)
- 135

QUALITY, AND HEALTH AND SAFETY STANDARDS

All tea factories of Kotagala Plantations have obtained ISO quality standards and food safety standards to maintain internationally acceptable food safety and manufacturing standards. Quality assurance standards in factories have been established over a period of time in line with ISO and HACCP standards and continuous reviews are conducted to ensure they are maintained.

Other ethical accreditations have been obtained to confirm socially and environment friendly business operations. All our up-country tea estates are Rainforest Alliance(RA) certified and comply with a range of environmental protection requirements under the accreditation.

Extent · Crop · Products · Factory Capacity · Certification · Workforce

Low country Estate in the Horana - Kalutara Districts

In addition, our tea plantations, tea factories, rubber plantations, rubber factories and oil palm plantations comply with occupational health and safety standards to protect our employees during work.

All our up country estates are carbon footprint certified (ISO 14064-1-2018)

EDURAGALA
- 537.29
- Tea/Rubber
- 145

HEDIGALLA
- 576.81
- Tea/Rubber/Oil Palm
- 73

DALKEITH
- 1,204.00
- Rubber/Oil Palm
- Crepe
- 13,500
- 208

GIKIYANAKANDA
- 781.89
- Tea/Rubber/Oil Palm
- Orthodox/RSS
- 9,000
- ISO 22000:2018
  ISO 9001:2015
- 185

RAYIGAM
- 691.01
- Tea/Rubber/Oil Palm
- Orthodox/Crepe
- 10,000/1,200
- ISO 22000:2018
  ISO 9001:2015
- 253

SORANA
- 744.00
- Rubber/Oil Palm
- Crepe
- 1,500
- 158

VOGAN
- 847.00
- Tea/Rubber/Oil Palm
- Orthodox
- 8,000
- 203

ARAPOLAKANDA
- 627.72
- Rubber/Oil Palm
- Crepe
- 1,500
- 110

USK VALLEY
- 800.55
- Rubber/Oil Palm
- RSS
- 400
- 105

PADUKKA
- 432.81
- Rubber
- Sole Crepe
- 6,000
- 177

PAIYAGALLA
- 502.08
- Rubber
- Crepe
- 2,900
- 161

Our Business Model

INPUTS

INVESTING IN OUR FUTURE WITH STRATEGIC FINANCIAL PLANNING.

The Company's primary sources of financial capital are equity and debt.

Equity - Rs. 3,483 Mn

Debt - Rs. 813 Mn

Financial Capital

We have a highly skilled and experienced management team, which brings together industry knowledge in all aspects of business. Employees are the driving force behind Kotagala's growth. Kotagala is an equal opportunity employer providing a safe place to work with a fair remuneration. We invest in our employees for appropriate skills to deliver on our strategic priorities, in a performance based culture.

NURTURING TALENT THROUGH CONTINUOUS LEARNING AND DEVELOPMENT

Human Capital

INVESTING IN INNOVATION AND TECHNOLOGY TO ENHANCE PRODUCTIVITY.

The biological assets and other tangible assets of our estates form the manufactured capital of the Company. We continually invest in our plantations and maintain our factories in good condition. We continue to add to our asset base and ensure optimum utilisation of our assets.

Manufactured Capital

We actively manage the stakeholder relationships on which our business depends, including communities, regulators, suppliers , brokers and buyers. We strive to deliver a quality product adhering to international standards (RA/ISO). We look after our communities and sustain them through various activities. We conduct our business as an ethical operator, adhering to industry best practices.

FOSTERING STRONG RELATIONSHIPS WITH COMMUNITIES THROUGH ACTIVE ENGAGEMENT.

Social Capital

PROTECTING AND PRESERVING OUR NATURAL RESOURCES THROUGH SUSTAINABLE PRACTICES.

Our environmental policies are aimed at conserving, protecting and enhancing the highly sensitive and climatically important natural capital within our estates. We have built effluent plants in most of our rubber estates and conduct audits under the Rainfor-est Alliance certification.

Natural Capital

Our intellectual capital base is our expertise on plantation management and cultivation of tea, rubber and oil palm. Estate trademarks are another unique intellectual property adding value to Kotagala tea. Kotagala is also a pioneer in experimenting with mechanised tea plucking. We continue to focus on developing the intellectual capital of the Company through employee training and innovations. .

FOSTERING A CULTURE OF INNOVATION AND CREATIVITY THROUGH ONGOING KNOWLEDGE MANAGEMENT.

Intellectual Capital

OUTCOMES

In the year under review :

- The Company generated **Rs. 122 Mn** cash flow from operating activities
- YOY revenue increased by **10%**
- YOY increase in PAT **33%**
- Shareholders' equity **Rs 3,483 Mn**

Please refer Financial Capital chapter on pages **60 to 65**

REALISING SUSTAINABLE GROWTH THROUGH SOUND FINANCIAL MANAGEMENT.

EMPOWERING OUR WORKFORCE TO DRIVE SUSTAINABLE BUSINESS GROWTH.

In the year under review we have given employment to:

2,481 in the Kotagala region

1,930 in the Horana region

26 in our Head Office.

Employee wages and benefits : **Rs. 2.8 Bn**

Please refer Human Capital chapter on pages **66 to 71**

In the year under review we invested:

Rs. 121 Mn on our immature plantations

Rs. 356 Mn on property, plant and equipment

We are developing our Padukka rubber factory into a state-of-the-art sole crepe facility.

Please refer Manufactured Capital chapter on pages **72 to 76**

DELIVERING HIGH-QUALITY PRODUCTS THROUGH EFFICIENT MANUFACTURING PROCESSES.

CREATING SHARED VALUE BY CONTRIBUTING TO THE SOCIAL AND ECONOMIC DEVELOPMENT OF OUR COMMUNITIES.

In the year under review we:

- Conducted many welfare activities for our estate communities.
- Maintained productive relationships with our stakeholders.
- Strengthened the Kotagala brand and reputation through quality products

Please refer Social Capital chapter on pages **85 to 91**

During the year under review we:

- Passed the Rainforest Alliance audits with minimum non conformity.
- Controlled wastage and optimised the use of limited natural resources
- Continued our environmental conservation activities
- Continued to invest in renewable energy
- Continued our circular economy initiatives

Please refer Natural Capital chapter on pages **80 to 84**

ACHIEVING ENVIRONMENTAL STEWARDSHIP THROUGH RESPONSIBLE LAND USE AND BIODIVERSITY CONSERVATION.

GENERATING VALUE THROUGH INTELLECTUAL PROPERTY AND INNOVATIVE SOLUTIONS THAT DRIVE BUSINESS GROWTH.

- During the current financial year we:
- Continued to develop intellectual capacity by training employees in modern technologies
- Upgraded our customised ERP system
- Extending digital connectivity deeper into the management of our estates.
- Expanded application of mechanisation in tea estates

Please refer Intellectual Capital chapter on pages **77 to 79**

Chairman's Message

> KPPLC strengthened its financial position in FY2025-26, closing the year with an improved gearing ratio and working capital position. The Company's October 2025 rights issue was oversubscribed, raising Rs. 761 Mn and reflecting strong shareholder confidence.

S. D. R. Arudpragasam
Chairman

I am pleased to present the Annual Report and audited financial statements of Kotagala Plantations PLC (KPPLC) for the financial year 2025-26, and to announce that KPPLC has continued to strengthen its financial position, while making the best use of the Company's resources to fuel progress.

KPPLC closed the current financial year with a before tax profit of Rs. 490 Mn, and an after tax profit of Rs 473 Mn. In addition, the Company's gearing ratio improved with debt restructuring, and the retirement of high interest debts, concluding the year with an improved working capital position. I am confident KPPLC's financial results will continue to improve, as we move forward with our strategic plans for the Company.

I must also highlight that KPPLC's rights issue in October 2025, was oversubscribed and raised Rs. 761 mn, demonstrating the confidence our shareholders have in the Company's future potential. The Board and I sincerely thank our shareholders for your trust in us.

TEA INDUSTRY PERFORMANCE

In spite of the impacts of Cyclone Ditwah and two wage increases in two years, Sri Lanka's tea industry continued to generate commendable results. According to industry estimates, in the January to December 2025 calendar year, Sri Lanka's tea output increased to 264.12 mn kgs, surpassing the 2024 figure of 262.69 mn kgs, marking a 1.43 mn kg increase. All three elevations recorded an increase in volume compared to 2024.

While the industry sustained its output, prices could not be sustained. Prices at the Colombo Tea Auctions declined in 2025 with all three elevations recording a drop in Rupee and Dollar value, when compared to 2024. The National Average Sales Price for 2025 was Rs.1,167.72 (USD 3.88) per kg, in comparison to Rs.1,225.17 (USD 4.06) in 2024. This is an average decrease of Rs.57.45 in Rupee value and USD 0.18 in Dollar Value.

However, export volumes, increased by 11.65 mn kgs compared to 2024, reaching 257.44 mn kgs. All tea categories recorded volume growth in exports during the year except for bulk tea. The decline in bulk tea exports reflect the industry's shift towards value addition.

Tea exports contributed Rs.453.28 Bn (USD 1.51Bn) in revenue to the national economy in 2025, compared to Rs.433.47 Bn (USD 1.43 Bn) recorded in 2024, which is an Rs. 19.80 Bn increase in Rupee terms and USD 71.38 Mn growth in Dollar value.

RUBBER INDUSTRY PERFORMANCE

Although natural rubber prices remained depressed in 2025, global output is expected to increase by a marginal 1.4% in 2025. Sri Lanka recorded a decline in natural rubber production in 2025, from 69.2 Mn kgs in 2024, to 66.4 mn kgs in 2025, according to Rubber Development Department data. However, natural rubber exports increased slightly from 8.6 mn kgs in 2024, to 9.0 mn kgs in 2025.

OIL PALM INDUSTRY PERFORMANCE

Global palm oil production is expected to reach a record 80.7 mn MTs in 2025-26, up 3% from the previous year, based on expected increases in production in Malaysia and Indonesia. Global consumption of palm oil is also expected to increase by around 4% from the previous season, to 77.7 mn MTs, indicating that the market for this edible oil continues to grow. In Sri Lanka, the ban on oil palm cultivation continued in 2025, resulting in continued imports of palm oil, and effectively preventing the growth of this sector.

A STABLE OPERATING ENVIRONMENT

Sri Lanka enjoyed continued political and economic stability during the 12 months under review, which also contributed towards the rapid recovery from the widespread disruptions from Cyclone Ditwah. We believe the continuation of this social, economic and political stability is necessary for the plantation industry's welfare, and we hope this status quo will continue, with no ad hoc decisions that interrupt industry plans and operations. In particular, we hope the plantation industry can expect wage stability over the next three years.

In this context of continued stability, we hope a clear policy decision will be forthcoming in the 2026-27 financial year, regarding the extension of the 53-year lease of the Regional Plantation Companies (RPCs). The current leases expire in 2048, leaving the RPCs less than 22 years as a strategic planning time line. As the nature of our industry requires extremely long term planning and resource allocations, due to the long gestation period until return on investment, it is essential for plantation industry sustainability that we have clear and unambiguous national policy positions regarding the extension of the lease. We are also confident that the ban on oil palm cultivation, which has been in place since 2021, will be lifted in the new financial year.

On our part, the financial and capital investment plans for development specially for new/replanting, factory development and mechanisation will continue uninterrupted, and we will continue to provide employment and welfare facilities for our resident estate communities.

COMMITMENT TO SUSTAINABLE GROWTH

The Board and senior management remain firmly committed to embedding Environmental, Social and Governance (ESG) principles into KPPLC's strategy and daily operations. Robust financial oversight and disciplined capital management have already strengthened the Company's financial health and resilience against external shocks. Our long-standing environmental and social stewardship practices are now being aligned with international sustainability and ethical certification standards, and our ongoing capital investments are continually enhancing KPPLC's productivity and efficiency. Please refer the Manufactured Capital and Intellectual Capital chapters for further information regarding our investments into physical and intangible assets during the current year.

In fact, our responsible agricultural practices mitigated the impact of Cyclone Ditwah on our upcountry estates, while our established community welfare systems were instrumental in protecting estate residents during this crisis.

STATEMENT OF COMPLIANCE

KPPLC has adopted the SLFRS Sustainability Disclosure Standards SLFRS S1 and S2 in this report, and we have also established the necessary governance and risk management frameworks, including a dedicated ESG Management Committee, to oversee compliance with SLFRS S1 and S2 requirements. Emission monitoring across our value chain has commenced,

Chairman's Message

and our strategy incorporates clear pathways towards Net Zero status in the near future.

The Board maintained continuous oversight of compliance with all applicable laws and regulations during the year and all statutory payments were made on time. KPPLC remains compliant with the Companies Act of 2007, and the Listing Rules of the Colombo Stock Exchange, as well as the Code of Best Practice on Corporate Governance (2017) jointly issued by CA Sri Lanka and the SEC.

KPPLC's Board and its subcommittees met regularly throughout the year to review financial performance, operational outcomes, strategy execution, and risk exposures. Monthly management reviews ensured disciplined monitoring of estate performance against targets. Please refer the 'Governance System' chapter for further details regarding KPPLC's level of regulatory compliance.

OUTLOOK

Sri Lanka's tea industry is expected to grow by 10%–12% in 2026, subject to favourable weather conditions. We will continue to invest in KPPLC's tea production capabilities to support this national objective. We also endorse the Government initiatives to establish a dedicated authority to restore and protect the central hill country. Protecting this vital ecosystem is essential for both national sustainability and the future of the plantation industry.

APPRECIATION

I extend my sincere appreciation to the members of the Board for their contributions in steering KPPLC's transformation through a year that has presented many challenges. I thank our shareholders for their continued confidence in us, and assure you of our unwavering commitment to enhancing long-term value. My gratitude also goes to our entire management team including estate managers, and all categories of employees across KPPLC's operations, for embracing change and transformation at every level of the Company. I also thank the Company Secretaries, and all our other stakeholders for their dedication and support throughout the year. I am confident of sustained good outcomes in the new financial year, as we continue to work together to achieve our collective goals.

S D R Arudpragasam
Chairman

28th August 2026

Managing Director's Review

> KPPLC maintained profitability with increased production across all three crops, despite absorbing two wage increases within two years. Retained losses were fully wiped off following five consecutive years of pre-tax profits, alongside improved liquidity, efficiency, and declining debt. Looking ahead, the Company is investing in ERP systems, mechanisation, and crop diversification (oil palm, coconut, cinnamon), while unlocking value from underused assets through initiatives like the Rosita Tea House and value-added timber processing.

S. S. Poholiyadde
Managing Director

I am pleased to report that KPPLC has maintained profitability with an increase in production in all three crops for the financial year 2025-26. Meanwhile, the Company also absorbed two wage increases within the span of just two financial years. This includes a 35% wage increase effective from September 2024 and a second wage increase in January 2026 under the Government's 2026 Budget proposals, to push-up wages from Rs. 1,350 to Rs. 1,750. In order to achieve this increase, the Government provided a daily allowance of Rs 200 per worker, while the Regional Plantation Companies (RPCs) had to absorb another Rs. 200 per day, per worker. In addition, the tea auction prices,dropped in all 3 elevations compared to last year.

In a further improvement to KPPLC's financial health, retained losses were completely wiped off during the year as a result of continuous pre-tax profits for five consecutive years. With the current improved financial viability of the Company, we are in a position to invest in projects which will further enhance the profitability of the Company in future. In fact, in 2025-26, we invested Rs. 87.5 Mn

Managing Director's Review

in plant and machinery to upgrade both tea and rubber factories and Rs. 142 Mn in renewable energy and Rs.157 Mn in field development, which included Rs. 88.2 Mn on large scale replanting of rubber in the low country.

The consistent focus on managing KPPLC's finances and productivity has significantly improved the Company's liquidity, and operating efficiency. The key efficiency indicators of Current ratio and Debt to Equity have improved from 0.45 to 0.90 and 0.48 to 0.23 while total debts of the Company declined from Rs. 1,170 mn, to Rs. 813 Mn.

KPPLC closed the current financial year with a net profit of Rs. 473 Mn, compared to Rs. 357 Mn in the previous financial year. The Financial Capital chapter provides greater details regarding these fundamental improvements.

Moving forward, the next major initiative is to implement a fully-fledged cloud based Enterprise Resource Planning system and an effective Management Information System, to continue improvements to operations and operational controls, and enable faster visibility.

In order to maintain operational viability against the ongoing outmigration of workers, we are implementing large scale mechanisation in KPPLC's upcountry estates, and in low country estates, we are diversifying into oil palm, which requires minimum workers per hectare. To maximise outputs, we are adopting scientific, precision agriculture practices, and in order to guide KPPLC's estates towards this new agricultural model, we have engaged a highly experienced agri-scientist, on a full time basis.

KPPLC's strategic land distribution between the upcountry and low country will be leveraged to develop an optimum product mix. Already KPPLC's tea portfolio includes the full range of upcountry and low country tea, which allows the Company to cater to a wide section of the global tea market. Over the next few years, we plan to increase low country tea production to tap global market opportunities for low country tea. We will also continue to purchase bought leaf from small holders, which will boost local economies.

In the up country, we are developing KPPLC's tea factories to represent a fair mix of all types of tea, in order to take advantage of trading conditions. As part of this strategy, we are planning to upgrade the existing CTC factory at Mt Vernon, which will increase KPPLC's CTC outputs. Thus, even KPPLC's upcountry operations will have the capability to cater to orthodox small leaf, leafy and CTC, tea demand. Another initiative was the procurement of a colour sorter for the Bogahawatte Factory to expand volumes of leafy tea outputs.

Sri Lanka's low country has experienced a dramatic shift in climatic conditions within the past decade, with intense, well distributed rainfall throughout the year. This presents an opportunity for crop diversification, and KPPLC has already cultivated oil palm, which is both more climate resilient and more cost efficient, and commenced coconut and cinnamon cultivation. A further 1,500 ha have been allocated for oil palm cultivation, and we are waiting for the Government to lift the ban on oil palm cultivation, to implement this expansion programme. In parallel, we continue to replant rubber.

To enhance value realisation from KPPLC's rubber operations, the Padukka Rubber Factory was upgraded with the aim of restoring its past reputation for producing premium-quality sole crepe. Looking ahead, the Company intends to integrate Padukka sole crepe into international natural rubber value chains through engagement with reputed overseas buyers, and by pursuing globally recognised certifications, including compliance with the EU Deforestation Regulation (EUDR) and Forest Stewardship Council (FSC) standards. We are also centralising processing operations to improve productivity, strengthen operational efficiencies, and optimise costs.

Apart from the perennial crops, we are focusing on optimising returns from KPPLC's other assets as well, and a major step in this direction is value addition to timber, which has already commenced. Hitherto, the revenue model for timber was to sell the tree as a whole. However, now, we have adopted a value added model aimed at the booming construction industry, which has increased timber revenues significantly. Importantly, a share of the proceeds is reinvested into timber replanting to create a sustainable revenue cycle for the future. Timber harvesting is done under strict regulatory guidelines of all government agencies, ensuring environmentally responsible timber revenues.

In another initiative, a vehicle servicing and maintenance centre was commissioned at Dimbula silent factory, which was previously an idling asset. We believe this investment will generate significant savings through in-house vehicle maintenance for our plantations.

We are also leveraging the scenic beauty and prime tourism value of KPPLC estates. As part of this strategy, we have already launched the Rosita Tea House, which we strategically located with the best view of the famous St. Clair's Falls. Supported by insights from our market surveys, Rosita now offers a curated food and beverage experience designed to cater to travellers and tourists. Building on the positive response to Rosita, we will further expand KPPLC's leisure offerings by developing similar experiential locations.

Notwithstanding all of the above strategic interventions, our strength lies in our human resources, at all levels, and it is essential we retain our employees. With regards to tea, labour shortages remain a key constraint, particularly as it is not feasible to fully mechanise and automate the entirety of the cultivation and harvesting. To tackle this reality, we will continue selectively and strategically integrating technology solutions into traditional plantation workflows, targeted at improving efficiency and increasing output per worker, thereby sustaining higher wage levels through enhanced productivity. We make all efforts to provide better working conditions for our employees and we also encourage our employees to participate in recreation activities and sports tournaments, to strengthen morale.

As a responsible corporate we continue to support our employees in many ways, including granting scholarships to children of estate workers for higher education, to foster progressive and long term relationships.

APPRECIATION

I am thankful to all stakeholders for their contribution in achieving KPPLC's success. The Chairman and Board of Directors have provided invaluable insights in steering this journey, and I fully appreciate their guidance. Without the contribution of our workers at ground level and also other employees, our growth would not have been possible and I appreciate their contributions. We value the contribution of all stakeholders who continue to play an important role in KPPLC's journey, and thank them all. I also acknowledge the contributions of the Planters' Association of Ceylon and the Employers' Federation of Ceylon for their advocacy and industry representation in negotiation platforms. I expect all our stakeholders to continue partnering with KPPLC in the new financial year, as we progress towards our objectives.

S S Poholiyadde
Managing Director

28th August 2026

Operations Review of Estates

It is with great pleasure that we present the Operations Review of KPPLC's upcountry tea estates in Nuwara Eliya, and the low country multi-crop estates located across the Horana and Kalutara districts, for the financial year 2025–26.

During the year under review, both upcountry and low country estates recorded improvements in productivity, due to the consistent focus on budgets and targets, and closer daily supervision of estate activities. Regular Productivity Committee meetings were held at each estate for management and employees to discuss operational bottlenecks and implement practical solutions.

This year, our estates also benefited from the expertise of our in-house agri-scientist, who provided guidance on improving agronomic practices, introducing appropriate technologies, and identifying workforce skill gaps. Targeted trainings were organised to transfer technical knowledge, while collaborations with tea and rubber research institutes were organised where specialised expertise was required.

We are happy to report that the impact of Cyclone Ditwah was confined to the upcountry estates, and that too, was limited to damages to estate roads, and flooding of some workers' quarters in low-lying areas. The overall human impact was minimal, with no fatalities, due to proactive evacuation of high-risk residents, and extensive rehabilitation support.

Performance of Upcountry Estates

KPPLC's 10 estates located in Nuwara Eliya, are dedicated tea estates manufacturing orthodox, CTC and rotorvane tea, complemented by commercial timber cultivations. These estates experienced excessive wet weather conditions during the year, with lower sunlight hours, which retarded the growth of tea shoots and also caused green leaf quality to be inconsistent. However, we recorded a total tea production of 3.2 mn kgs this year from the upcountry, compared to 3.1 mn kgs in the previous financial year.

Average sales prices declined compared to the previous year, leading to lower revenue and profitability. This was mainly due to the geopolitics of the year influencing tea auction prices. In particular, orthodox and rotorvane tea prices were affected by instability in Iran and the ongoing Russia-Ukraine war.

Our CTC tea was the most profitable in the current year. However, out of our five rotorvane factories, also recorded improved prices, reflecting improvements in product quality. This performance was driven by consistently harvesting high-quality green leaf, and better organisation of plucking operations to optimise standards. Similar quality enhancement measures are being implemented at the remaining estates, and we anticipate improved results in the forthcoming financial year. All estates continued to maintain their Rainforest Alliance (RA) certifications, and tea factories maintained their ISO food safety certifications.

Cost of production in the upcountry estates has continued to rise year-on-year, primarily due to incremental wage increases. Currently, approximately 70% of field labour is allocated to tea plucking. To manage rising labour costs and improve productivity, estates are progressively introducing mechanised harvesting as machine harvesting is nearly double the output of manual plucking. At present, around 30% of plucking is mechanised, but we plan to double this proportion over the next few years, subject to the arrival of additional machinery. Workers too, are increasingly embracing mechanisation due to the higher earning potential it offers. Other field operations, such as pruning, are now fully mechanised. Over the long term, the strategy is to mechanise as many field activities as feasible, to reduce the need for manual labour.

Upcountry estates are now approximately 95% high-yielding, vegetatively propagated (VP) tea. Long-term productivity will be further strengthened through the ongoing infilling programme in VP fields. This is a more viable strategy to increase outputs over the short term, than expanding cultivated extent, due to acute labour shortages, and the high capital costs associated with new planting and fertilisation.

30%
of plucking mechanised, target to double

95%
of upcountry extent high-yielding VP tea

9
upcountry factories now on solar power

525 ha
oil palm, targeting 1,500 ha post-ban

Our commercial timber plantations of Eucalyptus grandis, continued to contribute steady profit growth through value addition initiatives. Previously, timber was sold as standing trees. This year, we commenced logging and sawing at our own sawmill, at Mount Vernon Estate. We plan to increase the sawn timber outputs in the new financial year.

The renewable energy programme was also expanded, and all nine upcountry tea factories are now tapping into solar energy to meet a portion of their energy needs.

In addition, a new service centre was opened at Mount Vernon Estate for repairs and servicing of vehicles and machinery. This is expected to generate considerable cost savings on vehicle and machinery maintenance, in the new financial year. Please refer the Manufactured Capital chapter for further details on how we enhanced our assets during the year.

Performance of low country estates

Our 11 low country estates are primarily tea and rubber, with more recent diversification into oil palm, coconut, cinnamon, and timber. However, the traditional low country production assets for both tea and rubber need to be upgraded to cater to current market demand trends. Therefore, we have already deployed a phased, capital investment plan, to upgrade existing tea and rubber factories, expand tea outputs, generate new revenue through crop diversification, and to adopt renewable energy. During the year, our planned factory development initiatives continued on track and the Padukka rubber factory is ready to face mandatory EUDR audits to qualify for exports to the EU, under the GSP+ scheme.

Performance of low country tea: Prices for low country tea were stable for most of the year but experienced a price dip in the last quarter because of instability in Iran. Production from our 175 ha of low country tea extent also declined, due to a combination of aging tea bushes and low density of tea bushes. We are ready to address this situation in the new financial year, through an extensive infilling programme. The new tea bushes will increase outputs over the long term.

Performance of rubber : Profit from natural rubber was moderate due to persistently depressed prices. However, overall revenue from rubber increased, due to higher production compared to the previous financial year. We are working with the Rubber Research Institute to introduce productivity improvement techniques, as rubber tapping cannot be effectively mechanised. During the year, we also planted 118 ha of rubber as new plantings, to retain a strategic share of rubber in the low country crop portfolio.

Progress of crop diversification: Our primary diversified crop is oil palm, which maintained growth in profitability due to improved prices. Oil palm is the most profitable crop within our crop basket, but is currently restricted under a cultivation ban. Once this ban is lifted, we plan to expand the current 525 ha to around 1,500 ha. Expansion will also create an opportunity to control the entire palm oil production value chain by establishing our own mill. Currently, our oil palm fruit is sold to a third party mill for oil extraction. During the year, we also newly planted 20 ha of cinnamon, and 10 ha of coconut.

Plans for the new financial year

We believe the adoption of the new ERP system will significantly improve operational controls and planning, which will improve profitability. Meanwhile, both up-country and low-country estates will continue mechanisation and factory modernisation.

Low country tea production is expected to significantly increase in the new financial year. Currently, only one, out of the three, low country tea factories is in operation. The two other tea factories will re-commence production in the new financial year, using small-holder green leaf supplies.

We are also targeting five bungalows in upcountry and low country estates, for tourism. These properties are in the process of being upgraded and will be ready for visitors in the new financial year.

To manage energy costs and contain our carbon footprint, while expanding our manufacturing operations, we will expand solar power to the low country estates as well. We are also considering a mini-hydro plant in Mount Vernon Estate.

We believe KPPLC has great growth potential and our growth strategy can unlock this potential. Therefore, we look forward to continued recovery and growth in the new financial year.

We would like to conclude by thanking the Chairman and the Managing Director for their guidance and support, and our management team and all our employees for their support in driving the transformation of this Company. As we enter the new financial year, let us continue this journey with renewed focus and determination.

Channa De Costs
Chief Executive Officer- Up Country

Nissanka Seneviratne
Director Operations - Low Country

28th August 2026

Operating Environment

Sri Lanka recorded a commendable economic performance in 2025, with GDP growth averaging 5% during the first three quarters, compared to 4.9% in the corresponding period of 2024. Although Cyclone Ditwah caused island-wide disruptions to economic activity, early indicators in 2026 pointed to a swift recovery.

However, the plantation sector encountered several sector-specific challenges that heightened its risk profile in 2025–26. These included a further wage increase in January 2026, the direct and indirect impacts of Cyclone Ditwah, residual uncertainty surrounding the Government's final decision on Regional Plantation lease extensions, and escalating global trade tensions.

The global environment remained volatile, marked by the war in Iran and instability across the Middle East, the continuing Russia–Ukraine war, and uncertain global tariff conditions.

THREATS AND OPPORTUNITIES

KPPLC demonstrated strong resilience in navigating the unexpected external challenges that arose during the 12 months from April 1st 2025 to March 31st 2026. Despite both direct and indirect impacts, KPPLC continued to improve its financial health and operational effectiveness by strengthening its internal capabilities to withstand unavoidable external shocks while leveraging its core strengths to capture emerging global opportunities.

- **Policy uncertainty**

While the Sri Lankan Government has indicated willingness to extend RPC land leases, this has not been formally announced, which leaves the plantation sector in a state of uncertainty.

- **Ban on oil palm cultivation**

While reconsidering the original ban on oil palm cultivation imposed in 2021, the Government has not officially revoked this ban, which prevents RPC's from expanding existing oil palm extent as an additional, more cost effective revenue stream.

- **Climate change impacts**

While the impacts of Cyclone Ditwah were limited, causing only minor damage to KPPLC's estate infrastructure in the high-grown estates, both regions were affected by prolonged wet weather, which disrupted and reduced tea and rubber production volumes during the year. However, the cyclone's indirect impacts included damage to national roads and temporary road closures that disrupted transportation, as well as disruptions to national services.

- **Labour shortages**

The plantation sector in Sri Lanka continues to face large-scale labour outmigration. KPPLC experienced continuous shortages of manual labour for field operations and harvesting, placing additional pressure on productivity.

- **Lending rates in Sri Lanka**

Although private sector credit demand continued to increase, lending rates remained stubbornly high in 2025, despite the Central Bank of Sri Lanka reducing its policy rate corridor by 25 basis points during the year. The Average Weighted Prime Lending Rate (AWPLR) of the commercial banking sector increased by 17 basis points year-on-year to 9.07% in the week ending 2 January, thereby representing relatively high financing costs for businesses.

- **Rising operating costs**

The wage increase implemented in January 2026, following the earlier increase in September 2024, has significantly elevated overall labour costs. At the same time, energy prices, agrochemical costs, and tax burdens remained high, further increasing operating expenditure.

- **Aging tea crops**

Many of Sri Lanka's colonial-era tea plantations are now characterised by aging seedling crops, resulting in declining yields and quality. KPPLC has addressed this by replacing seedlings with VP cultivar in its up country tea estates.

- **Declining soil fertility and stability in the hill country**

In certain parts of the hill country, soil fertility and structural stability are deteriorating due to prolonged cultivation and increasingly intense rainfall patterns. KPPLC is implementing targeted soil conservation and rehabilitation measures to mitigate these risks within its estates.

- **Softening tea prices**

Average tea prices continued to soften during the 2025–26 financial year due to supply dynamics and geopolitical conditions. Low-grown teas, which account for 60.40% of Sri Lanka's total tea production, recorded a decrease of Rs. 69.12 per kg in 2025 compared to 2024. High-grown and medium-grown teas also experienced price declines of Rs. 40.77 and Rs. 38.66 per kg, respectively, compared to the corresponding period in 2024. A sustained downward trend in prices in the new financial year would adversely affect KPPLC's revenue performance.

- **Unfavourable natural rubber prices**

Global demand for natural rubber is projected to exceed production for a sixth straight year in 2026, and while natural rubber prices remained depressed in 2025, a recovery is anticipated in 2026 due to the growing supply deficit. The Association of Natural Rubber Producing Countries (ANRPC) stated that overall demand in 2026 is projected to grow by 1.7% to reach 15.6 mn MTs, which is likely to keep global prices firm. The benchmark Tokyo rubber gained around 3% in 2026 after dropping in 2025. An upturn in prices will benefit KPPLC in the new financial year and the Company is aligning its production capabilities to capitalise from a market recovery in the future.

- **Geopolitical uncertainty**

Iran is the largest buyer of low-grown tea and also imports a much smaller volume of high-grown tea from Sri Lankan under the oil for tea barter agreement between the two countries. In 2025, Iran was the 8th largest tea importer accounting for 10.39 mn kgs representing a slight decrease from the 10.43 mn kg exported in 2024. The war in Iran in March 2026 raises the risk of price volatility of tea, and US sanctions on Iran may threaten the barter arrangement. In addition, the instability in the Middle East may cause shortages, or price increases, of oil and LPG, which will increase cost of production of plantation companies. The continued Russian-Ukraine war also poses risks to Sri Lanka's tea industry and tea prices.

Changes to US tariffs following the US Supreme Court ruling is not expected to reduce tariff uncertainty with regards to tea and rubber.

Opportunities

- Rubber exports to the EU under the GSP+ trade scheme is an opportunity. KPPLC has aligned its Padukka factory for EUDR compliance, which would open up new market opportunities in the EU. The new EUDR regulations will come into effect towards end 2026.
- KPPLC has the opportunity to enhance its low grown tea production, which will strengthen its overall tea portfolio
- Investment into renewable energy for better energy management and also cost savings
- KPPLC has an excellent opportunity to expand oil palm cultivation, when the existing ban is revoked.
- Shifting to more cost effective modern systems such mechanised harvesting presents an opportunity to improve productivity.
- There is a growing opportunity for coconut within the country as well as in export markets and KPPLC has initiated coconut plantations to tap this opportunity over the medium term.

SLFRS Sustainability Related Financial Disclosures

This chapter presents KPPLC's climate related disclosures for the financial year 2025-26 as stipulated under the SLFRS Sustainability Disclosure Standards-SLFRS S1 and S2.

1. BASIS OF PREPARATION AND PRESENTATION

1.1 Reporting Entity, Organisation Boundary and Value Chain

The reporting entity is KPPLC (herein referred to as the Company) and the boundary of SLFRS Sustainability related Financial Disclosures presented in this report is limited to the operations of KPPLC.

However, the financial reporting boundary includes KPPLC's fully owned subsidiary, Rubber and Allied Products (Colombo) Ltd, presented as 'Company' and 'Consolidated' formats in the financial statements and audited accounts for the financial year 2025-26.

Value chain

KPPLC's value chains for primary products:

- Tea, natural rubber and timber value chains: Extend from cultivation, to harvesting, manufacturing, packaging and bulk sale of high grown/low grown tea, natural rubber latex and timber. Timber manufacturing is limited to logging and sawing, which commenced in the current financial year and does not involve any packaging.
- Oil palm value chain: Limited to cultivation and harvesting.
- Coconut and cinnamon value chains: These crops are still in the cultivation stage and have not reached harvesting stage, as at the end of the financial year 2025-26.

Upstream Value Chain	Downstream Value Chain
The upstream value chain components: • Bought green leaf/latex • Fertilisers • Agrochemicals • Fuelwood • Electricity • Labour	The downstream value chain • Tea sales through the Colombo auction • Rubber sales through the Colombo auction • Oil palm sales to third party mill • Retail sales at KPPLC Tea Centres • External warehousing and storage • Transportation • Certifications
Key Risks	**Key Risks**
• Environmental regulations • Agrochemical and fertiliser price volatility • Agrochemical regulations • Access to water and water regulations • Fuelwood prices • Energy cost volatility • Labour relations/trade unions and wage increases	• Dependency on external service providers for transport and storage • ESG compliance demands • Market access barriers

KPPLC'S VALUE CHAINS

Tea manufacturing and natural rubber production value chain

Cultivation

Establish and maintain nurseries
Replanting and infilling
Providing agricultural inputs (fertiliser, pesticide, fungicide)
Applying sustainable agricultural practices and climate change resistance adaptation and mitigation measures
Monitoring rainfall and collect data on soil and moisture conditions
Obtain sustainability certification
Providing training and supervision on proper sustainability practices and agricultural practices

Harvesting

Training in proper harvesting techniques
Training in mechanised/motorised harvesting for tea
Mechanised and manual/motorised tea harvesting / Rubber tapping is entirely manual
Collection of green leaf /collection of latex
Transportation to processing facilities

Processing

Training in proper harvesting techniques
Training in mechanised/motorised harvesting for tea
Mechanised and manual/motorised tea harvesting / Rubber tapping is entirely manual
Collection of green leaf /collection of latex
Transportation to processing facilities
Training in ISO standards for food safety and management quality systems for tea/ training in manufacturing sustainable rubber products
Sorting green leaf
Manufacturing orthodox rotar-vane and orthodox leafy and CTC black tea/ Manufacturing Pale Crepe/ Sole crepe and Centrifuge
Ensuring effluent treatment
Sampling, sorting and blending under quality grades for tea/ processing rubber products

Packaging

Purchasing eco friendly and sustainable packaging material
Training in packaging methods and specifications
Packaging to auction specifications

Storage and transportation

Transport to warehouses for storage
Transportation to Colombo Auctions

Sell at auctions

List for sale and sell

SLFRS Sustainability Related Financial Disclosures

OIL PALM VALUE CHAIN

Cultivation	Harvesting Training in proper harvesting techniques	Transport to warehouses for storage	Sell fresh fruit bunches to third party mill

- Establish and maintain nurseries
- Replanting and infilling
- Providing agricultural inputs (fertiliser, pesticide, fungicide)
- Applying sustainable agricultural practices and climate change resistance, adaptation and mitigation measures
- Monitoring rainfall and collect data on soil and moisture conditions
- Providing training and supervision on proper sustainability practices and agricultural practices

Exclusions: Part of the value chain but not within the scope of this report

- Suppliers of green leaf
- Suppliers of rubber latex
- Outsourced providers of labour for harvesting and maintenance
- Suppliers of other essential products and services(warehousing, transport, banking etc…)

The above categories have been excluded due to lack of data and control.

1.2 Basis of Materiality

Climate related risks and opportunities (CRROs) selected for discussion in this report, are those deemed materially significant in terms of financial health of the Company and also an impact on external stakeholders. These topics could reasonably be expected to impact the cash flow, access to finance, and/or cost of capital of the Company. The Company has taken into account impact materiality alongside financial materiality to provide stakeholders with a broader view on sustainability considerations. The financial materiality assessment integrates both quantitative and qualitative factors to determine the significance of potential financial effects arising from the CRROs.

Table 1 : Quantitative and qualitative criteria

Quantitative Criteria	Downstream Value Chain
Ranking of impact CRROs that have an impact of 10% or more, on the PBT of the year under review, is considered a significant climate related risk or opportunity. A moderate risk or opportunity would have a 5% to 10% impact, while a minor incident would have 1% to 5% impact on the PBT of the year under review.	• Reputational Risk: The Company may face reputational damage due to negative press, or stakeholder impressions of adaptation of sub standard ESG practices. • Social License Risk: Stakeholder concerns on ESG matters could affect the social license to operate, ranging from community complaints and NGO concerns to outcomes of trade union action. • Regulatory Risk: Non-compliance with evolving ESG regulations may lead to increased reporting requirements, supervisory warnings, and mandated corrective actions. In serious cases, it could result in financial penalties and legal action.

Description	Financial Impact
Significant	• 10% or more, impact on profit before tax
Moderate	• 5% impact on profit before tax
Minor	• 1% impact on profit before tax

1.3 Functional currency

These SLFRS Sustainability-related Financial Disclosures are presented in Sri Lankan Rupees, the Company's functional and presentation currency.

1.4 Sources of Guidance

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- Sustainability Accounting Standards Board (SASB) Agricultural products Sustainability Accounting Standard (Version 2023-12)
- Nationally Determined Contributions (NDCs) 3.0 (2026-2035) – Sri Lanka
- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IPCC Guideline 2006
- Sri Lanka Energy Balance Report 2022 by Sri Lanka Sustainable Energy Authority
- Statistical Digest 2024 by Ceylon Electricity Board

1.5 Reporting Period

The reporting period of this report is the 12 months of April 1, 2025 to March 31, 2026, which is also the accounting period of the Company.

1.6 Time Horizon

Appended is the time horizon for the management of climate related risks and opportunities. This is also the planning cycle of the Company.

Time horizon	Period	Definition
Short term	Up to 1 Year	• Financial year 2026/27
Medium term	2 to 3 Years	• Financial year 2027/28 to 2028/29
Long term	More than 3 Years	• Beyond Financial year 2029/30

1.7 Connected Information

To ensure connectivity and cohesiveness in disclosures, disclosures have been integrated with strategic objectives, risk management strategies and financial impacts, while also providing information under the capitals approach of integrated reporting.

Further information pertaining to the Company's overall governance practices, climate risk management initiatives and sustainability related information can be found under the chapters titled Governance System and Managing the Risks. In addition, the Natural Capital chapter and the Intellectual Capital chapter provides information on many ongoing initiatives in KPPLC estates to conserve and protect natural resources, having a bearing on managing climate change impacts.

1.8 Transitional Relief

The Company has adopted the Climate First reporting approach in the current annual report.

(a) SLFRS S1 – Disclosure of information on only climate-related risks and opportunities: In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with SLFRS S2) and consequently apply the requirements in this Standard only in so far as they relate to the disclosure of information on climate-related risks and opportunities.

(b) SLFRS S1 – Disclosure of comparative information: In the first annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its climate-related risks and opportunities; and in the second annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its sustainability-related risks and opportunities, other than its climate-related risks and opportunities.

(c) SLFRS S2 – Disclosure of Scope 3 greenhouse gas emissions: Entities must initially report only Scope 1 and Scope 2 emissions. Full compliance with Scope 3 emissions, becomes mandatory two years after the initial application date.

(d) SLFRS S2 – Disclosure of qualitative information regarding anticipated financial effects of climate-related risks and opportunities: Entities are permitted to defer the disclosure of qualitative information regarding anticipated financial effects for a period of two years following the mandatory application of the standard.

SLFRS Sustainability Related Financial Disclosures

(e) SLFRS S2 – Disclosures on Climate resilience: Relief period of two years is granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirement.

SIGNIFICANT JUDGEMENTS, UNCERTAINTIES AND PROPORTIONALITY

Significant judgements, and uncertainties

As an agri-business, CRROs present significant forward-looking uncertainties to the Company due to weather dependence on cultivation, quality, yield and harvesting operations.

Climate-related transition risks arise from shifts in policy and regulations, technologies, market conditions, and consumer preferences. However, these shifts cannot be accurately predicted within a predefined timeline.

Meanwhile, physical climate risks stem from extreme weather events and long-term environmental changes, that are also unpredictable in terms of severity, duration, and location and time of impact. The Company is also dependent on availability of labour and third-party suppliers of critical inputs such as green leaf. Therefore, physical climate risks that impacts estate families/labour, and critical suppliers, will also lead to operational disruptions and loss of revenue. However, the Company has no control over these stakeholders.

Climate related opportunities from renewable energy and low-carbon technologies are also uncertain due to unpredictability in regulatory changes, including tax and import regulations, and changing technological developments.

Scenario analysis and models to estimate climate risks and opportunities are dependent on historical data and forecasts, which may not remain accurate in the future. Data availability on market and technology trends for specific products are also limited. Therefore, there is an inherent uncertainty in modelling climate risks and opportunities. Due to these reasons, judgements have been applied in making assessments.

Table 2 : Significant judgements and uncertainties

Category	Assessment Methodology	Judgements & Uncertainties
Materiality	The materiality of CRROs were decided based on 1. The impact of CRROs on profit before tax and 2. The likelihood of the occurrence of the CRRO. Refer Table 1, page 38	• The Company considered the probability of the occurrence of CRROs in identifying and prioritising material CRROs. As past events are not a guarantee of future events, this process, while influenced by past trends, was also based on judgements. CRROs selected as material are those deemed to have a higher probability of occurrence. • With regards to transition risks, the regulatory, technological and market developments may not materialise, or may change significantly. • It is not possible to accurately predict the exact geographic location, timing, and severity of climate-related physical risks to calculate their potential impact across different estates. • Assessing the impact of non-financial factors (reputational, regulatory, social license risks, etc.) associated with both climate-related transition and physical risks involves inherent subjectivity.

Category	Assessment Methodology	Judgements & Uncertainties
Time horizon classification	Time horizons are defined to align with the Company's strategic planning cycle.	• Climate related events are unpredictable. Therefore, the Company cannot guarantee the occurrence of climate related events exactly within the given time horizon and the Company's planning cycles.
Climate-related physical risks (this risk is in the form of extreme weather, such as excessive rainfall and prolonged drought)	The Company did not conduct a scenario analysis in the current financial year. Instead, physical risks were assessed by analysing monthly crop yields and generated revenues, against historical, monthly, weather patterns. Company internal data demonstrates that: • Rainfall intensity and duration beyond the optimum rainfall requirement for each crop class, for any given month, has historically resulted in lower production and therefore, lower revenue. • Variation from optimal sunny days and warmth also results in lower yields, lower quality and lower revenue.	• The uncertainty lies in that the Company cannot predict the geographic location, duration and severity of future extreme weather phenomena. While past weather data is available to the Company for all its estates, future extreme weather events and its locations of occurrence, are essentially unpredictable. • Therefore, the overall financial impact could only be broadly conjectured based on previous experiences and on judgements.
Transition risks	Transition risks were estimated based on potential impact on revenue in the event the current status quo was maintained, i.e. assuming the Company does not comply with new climate related regulations and market trends. **E.g. Regulatory changes:** Non-compliance would result in additional direct and indirect costs in the form fines, legal costs and loss of market credibility.	• It is not possible to predict all possible regulatory changes, technological developments, and consumer and market trends within the given time frame. • Therefore, judgements were made in assessing this risk, based on current market and regulatory conditions.
Transition opportunities (Transition to renewable energy)	Transition opportunities were assessed through a cost assessment and funding availability to ensure financial sustainability in adopting opportunities. • Funding availability and cost per unit of electricity from solar power vs cost per unit of electricity from the national grid, over the long term planning cycle.	• Transition risks and opportunities are inherently unpredictable as global and domestic regulations and market conditions are subject to change. • However, the Company has made judgements based on general trends. For instance, the Company anticipates increasing fossil-fuel based energy costs, due to geopolitical and domestic developments, and has made the decision to transition to renewable energy sources, starting with solar power.

SLFRS Sustainability Related Financial Disclosures

PROPORTIONALITY

Under the SLFRS S1 and S2 proportionality mechanisms companies are permitted to tailor climate disclosures to the specific circumstances, capabilities, and data availability of the Company without requiring undue cost or effort in making said disclosures. Therefore, the Company has utilised the proportionality mechanism with regards to identification and assessment of CRROs and climate related opportunities, by utilising internally and externally available data and skills.

STATEMENT OF COMPLIANCE

This report represents sustainability-related financial disclosures for Kotagala Plantations PLC for the year ended 31 March 2026. The Group's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

2. GOVERNANCE

The objective of climate-related financial disclosures on governance, is to explain the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities (CRROs).

Board Oversight

The Board of Directors has overall responsibility for oversight of CRROs and a Sustainability Committee has also been established.

The Audit Committee

The Audit Committee oversees the integrity and effectiveness of the Company's sustainability governance and reporting. Its key responsibilities include:

- Overseeing the development and implementation of the sustainability strategy, ensuring alignment with SLFRS Sustainability Disclosure Standards and global best practices.
- Ensuring effective processes to identify, assess, and manage Sustainability-Related Risks and Opportunities (SRROs), including Climate-Related Risks and Opportunities (CRROs).
- Monitoring organisational capabilities, including skills and competencies, to manage sustainability-related matters.
- Ensuring timely escalation of material SRROs and CRROs and keeping the Board informed for strategic decision-making.
- Overseeing the setting of sustainability targets and monitoring performance, including alignment with remuneration where appropriate.
- Advising the Board on emerging sustainability trends, regulatory developments, and related risks and opportunities.
- Overseeing sustainability reporting to ensure compliance, transparency, and alignment with best practices, including sustainability-related financial disclosures.
- Reviewing the scope and effectiveness of external assurance on sustainability disclosures.
- Assessing governance processes, internal controls, and the quality of sustainability-related information disclosed in the Annual Report.
- Reporting regularly to the Board on key sustainability and climate-related developments, risks, and progress.

Skills and Competencies

The Board determines whether appropriate skills and competencies are available to manage CRROs.

A questionnaire-based assessment was conducted to evaluate the competencies of the Board and Audit Committee members, alongside a dedicated learning session to enhance their understanding of Climate-Related Risks and Opportunities (CRROs).

Reporting to the Board

The Audit Committee reports on climate related topics to the Board every quarter.

Addressing CRROs in strategy making and major transactions

CRROs are addressed in strategy making through feedback from estate management, material to risk assessments.

Monitoring and controls

The Company is considering how to integrate climate-related performance into the remuneration framework. Currently remuneration is not yet formally linked to specific CRROs.

However, the Board oversees the setting of targets related to CRROs through CRRO related KPIs which are monitored through the estate management and the ESG Management Committee, which meets on a regular basis. Remuneration policies of Key Management Personnel are also linked to performance targets including CRRO related targets, while other relevant employees are subjected to annual performance evaluations against targets.

The Audit Committee reports to the Board on:

- Exposure to physical climate risks such as rainfall variability, temperature variances, and extreme weather events;
- Progress on climate adaptation initiatives, including renewable energy initiatives, water management and carbon footprint monitoring
- Compliance with climate-related regulations and ESG certification.

Management's Role

In 2025, the Company formally established an ESG Management Committee dedicated to manage climate related risk monitoring and reporting. The ESG Committee is headed by the Chief Executive Officer and comprises representation from all departments. The Committee reports directly to the Audit Committee every quarter.

The scope of the Committee extends to all business units and functions of the Company and the full range of ESG-related activities

The ESG Management Committee's responsibilities:

- Oversee the development and implementation of the Company's ESG and sustainability strategy, policies, and supporting processes.
- Integrate ESG principles into the Company's business model, operations, value chain, and corporate culture.
- Incorporate sustainability and climate-related risks and opportunities (SRROs) into the Company's overall risk management framework and set measurable targets.
- Guide business units in implementing ESG initiatives while strengthening internal capabilities and competencies.
- Monitor ESG performance, improve sustainability disclosures, and oversee sustainability reporting and external assurance processes.
- Engage stakeholders and provide updates and recommendations to the ESG Management Committee and Audit Committee on ESG matters, risks, and regulatory developments.

The CEO of the upcountry estates and the Director Operations of low country estates, are responsible for the day-to-day assessment and management of climate-related risks and opportunities. This responsibility is coordinated through Estate Superintendents and senior management at the Colombo Head Office.

Policies and Procedures

CRROs are reflected in Board approved policies on environmental protection and the TOR of the ESG Management Committee.

3. STRATEGY

The objective of climate-related financial disclosures on strategy is to explain the Company's strategy for managing CRROs.

CRRO1	Extreme Weather Events - Rainfall	
CRROs impact on Prospects	Description	Heavy rainfall and flooding cause immediate impacts on the plantations, resulting in crop loss, disrupting the supply chain, and affecting the labour force and infrastructure.
	Physical Risk or Transition Risk	Physical risk
	Time Horizon	Medium, Long
	Define time horizon	Please refer Time Horizon on page 39
Business Model and Value Chain	Current Effects on Business Model and Value Chain	There is no material impact in the current financial year
		The immediate impacts on business model

SLFRS Sustainability Related Financial Disclosures

CRRO1	Extreme Weather Events - Rainfall	
	Anticipated Effects on Business Model and Value Chain	• Lower crop yields, excessive rainfall, prolonged droughts, and irregular weather cycles contribute to reduction in crop yields in both tea and rubber. In tea cultivation, excessive rainfall or prolonged drought affects bush health, reduces leaf flush (growth rate of emerging pluckable shoots) and disrupts optimal plucking intervals, leading to lower crop production volumes. • Lower quality: Excessive rainfall occurrences significantly contribute towards the overall quality and crop yield of both tea and natural rubber through mechanisms such as reduced photosynthesis, soil nutrient leaching, and increased pest and disease prevalence. For tea, this typically results in a diluted flavour, while for rubber, it contributes towards lower dry rubber content (DRC) and reduced number of tapping days • Reduced number of tapping days for rubber and lower worker outturn : Excessive daily rainfall prevents rubber tappers and tea pluckers from attending to harvesting due to difficulty in commuting and slippery nature of terrain • Increased need for drainage and water overflow infrastructure : Higher intensity and longer duration rainfall requires effective increased drainage structure to capacity to prevent soil erosion
	Where is it Concentrated?	The impact was concentrated on supply chain, labour force and infrastructure. **Supply chain :** Impact was due to small holders' inability to deliver green leaf due to inundated and damaged roads. Suppliers of other goods and services were also delayed due to damages to access roads to estates. **Labour force:** Inability of estate labour to report to work due to flooding of estate roads and in a few cases displacement of estate families. **Infrastructure :** Estate infrastructure impact was limited to estate roads that were flooded and/or damaged preventing transportation of green leaf, latex and labour. No plant and machinery was damaged.

CRRO1	Extreme Weather Events - Rainfall	
Strategy and Decision Making	Plans to respond in Strategy, Risk Management, Transition Plans and Climate-related Targets	The Company responds to such risks through: • Geohazard mapping /NBRO directives • Insurance cover for vehicles, plant and machinery • Adaption of good agricultural practices, including: o Building drainage o Desilting and maintenance of drains o Bamboo cultivation along river banks o Adoption of contour planting and soil conservation methods to mitigate erosion due to erratic rainfall • Regular maintenance of estate roads, housing, factories and other infrastructure • Installation of micro-climatic monitoring systems to assess temperature, rainfall, and humidity fluctuations, aiding proactive planning. **Targets** The Company is in the process of setting targets
	How the Company is Resourcing and Plan to Resource Activities	• The Company will utilise internal funds and estate labour in the implementation process of risk management measures.
	Progress (qualitative and quantitative)	All scheduled field and drainage maintenance and repairs for the year, were completed on target.
Financial Effects	Current year financial effects to P&L (PL), Balance Sheet(BS) and Cash Flows (CF)	There is no significant impact in the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	The Company does not anticipate a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the Financial Statements.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	The Company is utilising the two year transitional relief on anticipated effects. (Refer Note 1.8 Transitional Relief under the basis of preparation)
Climate resilience	Resilience Assessment	The Company is utilising the two year transitional relief. (Refer Note 1.8 ‘Transitional Relief’ under the basis of preparation)
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	The Company is utilising the two year transitional relief for resilience assessment with regards to conducting the scenario analysis. (Refer Note 1.8 ‘Transitional Relief’ under the basis of preparation)

SLFRS Sustainability Related Financial Disclosures

CRRO1	Extreme Weather Events - Rainfall	
Judgements and Uncertainties	Judgements	Please refer Table 2 : Significant judgements and uncertainties.
	Uncertainties	Please refer Table 2 : Significant judgements and uncertainties

CRRO2	Extreme Weather Events - Drought	
CRROs impact on Prospects	Description	Extended periods of dry weather with little or no rainfall. The volume of rainfall during this period is below the minimum requirement of rainfall for plantation crops.
	Physical Risk or Transition Risk	Physical risk
	Time Horizon	Medium, Long
	Define time horizon	Please refer Time Horizon on page 39
Business Model and Value Chain	Current Effects on Business Model and Value Chain	There is no material impact in the current financial year
	Anticipated Effects on Business Model and Value Chain	• Decline in tea crop yields: Drought reduces tea yields by causing severe physiological stress, disrupting metabolite production, reduced growth rate and limiting plant water absorption, leading to up to a 53% drop in production. It causes stunted growth, temporary/chronic wilting, leaf drop defoliation, and scorching, particularly impacting the young clonal tea shoots due harvesting shortly • Decline in latex yields : Drought reduces natural rubber latex yields by restricting the water available for latex synthesis, inducing premature leaf shedding, and causing physiological stress that impairs the tree's metabolic functions. Because latex is composed of approximately 60% water, any limitation in water uptake immediately results in a drop in regeneration capability • Decline in overall quality of tea: Drought reduces tea quality by causing physiological and bio changes in the plant, leading to lower levels of constituent compounds like polyphenols and amino acids, resulting in a less vibrant flavour and aroma. Key impacts include reduced photosynthetic activity and increased oxidative stress, which produce less tender, smaller, and fibrous leaves. • Changes to plant nutrition needs : Drought reduces the nutritional needs of tea and rubber plants primarily by slowing metabolic activity to conserve resources. This inhibits the growth of tea and rubber plants • Increased need for water for cultivation: Due to the lack of rain water, it becomes necessary to provide water to tea and rubber plantations by sourcing water through other means such as irrigated water, ground water or surface water sources, harvested rainwater which may however increase water stress within the area.

CRRO2	Extreme Weather Events - Drought	
	Where is it Concentrated?	• The impact is concentrated on the crops due to inhibited growth/destruction from lack of water. • Employees are also impacted due to the need for hydration for sustenance.
Strategy and Decision Making	Plans to respond in Strategy, Risk Management, Transition Plans and Climate-related Targets	The Company responds to such risks through: • Adaption of key agricultural practices, including: o Shade trees within estates o Sprinkler irrigation o Gravity fed irrigation o Rainwater harvesting • Installation of micro-climatic monitoring systems to assess temperature, rainfall, and humidity fluctuations, aiding proactive planning. **Targets** The Company is in the process of setting targets
	How the Company is Resourcing and Plan to Resource Activities	• The Company will utilise estate labour in deploying ongoing drought resistant strategies across its estates • These activities will be funded through the Company's estate budgets.
	Progress (qualitative and quantitative)	All targets on planting shade trees and maintaining different irrigation techniques and gravity fed irrigation systems have been met during the year. All rainwater harvesting points are well maintained and operational.
Financial Effects	Current year financial effects to P&L (PL), Balance Sheet(BS) and Cash Flows (CF)	**Impact in 2025-26** There is no significant impact in the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	The Company does not anticipate a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the Financial Statements.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	The Company is utilising the two year transitional relief on anticipated effects. (Refer Note 1.8 Transitional Relief under the basis of preparation)
Climate resilience	Resilience Assessment	The Company is utilising the two year transitional relief. (Refer Note 1.8 Transitional Relief under the basis of preparation)
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Not undertaken this financial year. The Company is utilising the two year transitional relief on resilience assessment with regards to conducting the scenario analysis. (Refer Note 1.8 Transitional Relief under the basis of preparation)
Judgements and Uncertainties	Judgements	Please refer Table 2 : Significant judgements and uncertainties.
	Uncertainties	Please refer Table 2 : Significant judgements and uncertainties.

SLFRS Sustainability Related Financial Disclosures

CLIMATE RELATED OPPORTUNITIES

<table>
<tr><th>CRRO3</th><th colspan="2">Transition to renewable energy</th></tr>
<tr><td>CRROs impact on Prospects</td><td>Description</td><td>Investments in solar and hydro power systems and other renewable energies that can reduce greenhouse gas emissions and lower operational costs.</td></tr>
<tr><td></td><td>Physical Risk or Transition Risk</td><td>Not applicable</td></tr>
<tr><td></td><td>Time Horizon</td><td>Short, Medium, Long term impact</td></tr>
<tr><td></td><td>Define time horizon</td><td>Please refer page 39</td></tr>
<tr><td>Business Model and Value Chain</td><td>Current Effects on Business Model and Value Chain</td><td>The business model is being rationalised to accommodate the most cost effective renewable energy mix
• Transporting uprooted rubber trees as fuelwood for upcountry tea factories
• Solar energy for factories
• Machinery upgrades for energy efficiency
Value chain impact
Attempts are being made to reduce the carbon footprint along the value chain.
• Green packaging
• Waste recycling
• Regenerative and precision agriculture
• Emission monitoring
• Transitioning factories towards carbon neutral status
• Expanding timber cultivations and replacing harvested blocks by replanting</td></tr>
<tr><td></td><td>Anticipated Effects on Business Model and Value Chain</td><td>Impact on business model
• Operate the business by using diversified energy systems (instead of the traditional 100% dependence on fossil fuel and grid electricity)
• Lower energy risk
• Improved competitiveness/market access due to sustainable image
Value chain
• Involve multiple energy sources in the value creation process
• Integrate recycling into the value chain (by using uprooted rubber plants as fuelwood)
• Improved land and water utilisation in creating value (by allocating lands for energy plantations, climate resilient crops, use water for hydropower etc..)
• Reduce or contain operating costs while expanding production.</td></tr>
</table>

CRRO3	Transition to renewable energy	
	Where is it Concentrated?	In the manufacturing operation
Strategy and Decision Making	Plans to respond in Strategy, Risk Management, Transition Plans and Climate-related Targets	Strategy response • Develop an energy mix of solar energy, hydro power, and fossil fuels to support the business Risk management • Generate renewable energy sources internally within the Company for better controls • Strictly manage budgets for sustainable funding **Transition plan steps** 1. Initially, all upcountry tea factories to adopt solar power 2. Cultivate energy plantations 3. Expand solar power to low country factories 4. Build mini hydro plants in the upcountry estates (long term horizon) 5. Reduce dependence on national grid **Targets** • The Company is in the process of setting targets for the next financial year
	How the Company is Resourcing and Plan to Resource Activities	• Internal funding • Bank Loans
	Progress (qualitative and quantitative)	• FY 2025-26 targets for setting up solar panels in upcountry estates have been met. • Rubber wood as biofuel target was met
Financial Effects	Current year financial effects to P&L (PL), Balance Sheet(BS) and Cash Flows (CF)	Impact for 2025-26 of renewable energy transition
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	The Company does not anticipate a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the Financial Statements.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	The Company is utilising the two year transitional relief on anticipated effects. (Refer Note 1.8 'Transitional Relief' under the basis of preparation)

Impact for 2025-26 of renewable energy transition

	Impact	Value Rs
P&L	Reduction in expenses	Nil
BS	Increased asset value	Rs.142Mn
CF	Cost of solar panels	Rs.142Mn

SLFRS Sustainability Related Financial Disclosures

CRRO3	Transition to renewable energy	
Climate resilience	Resilience Assessment	The Company is utilising the two year transitional relief on resilience disclosures. (Refer Note 1.8 'Transitional Relief' under the basis of preparation)
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	The Company is utilising the two year transitional relief on scenario analysis. (Refer Note 1.8 'Transitional Relief' under the basis of preparation)
Judgements and Uncertainties	Judgements	Please refer Table 2 : Significant judgements and uncertainties
	Uncertainties	Please refer Table 2- Significant judgements and uncertainties

4. RISK MANAGEMENT

1) Processes and Policies Relating to Climate-related Risks

The climate related risk management process has been integrated into the overall ERM framework through continuous climate related data collection from estates, which are communicated regularly through established reporting structures.

Identified risks are evaluated based on their likelihood and potential impact on crop yield levels, quality attributes, costs and revenue. Financial impacts are assessed through crop yield levels and productivity variance analysis, revenue sensitivity analysis and cost impact analysis.

As an agribusiness, climate risk mitigation strategies are continuous and long term, except in the case of sudden extreme weather events that require immediate responses. For these situations, such as potential flood threats and landslides, the Company already has in place trained response teams in all estates and established procedures to trigger relocation of vulnerable communities and supply relief. The Company also engages with government agencies in identifying sudden climate-related threats to estate communities.

1.1 Identification of risks

Risk identification:

- Continuous monitoring and data collection of rainfall, temperature, soil and crop related data at estate level.
- Use of historical climate data and agronomic insights to detect variations in weather
- Collection of geohazard mapping data from national agencies pertaining to our estate locations and estate lands, in order to identify landslide and flood prone locations
- Monitoring water level data for rivers in the location of our estates and water level fluctuations in low lying areas
- Inclusion of regional and national weather warnings from national agencies
- Potential impacts on different types of crops and elevations are identified

1.1.1 Inputs and parameters

Parameters	Description	Inputs
Physical Risks- Acute	Extreme rainfall, floods, landslides, droughts	• Rainfall, flood and landslide data • River water level data • Replacement cost • Insurance premiums
Physical Risks - Chronic	Rising temperature, changes in established weather patterns, soil erosion and soil degradation, ageing tea bushes	• Temperature data • Soil fertility data • Replanting costs • VP cultivar cost
Transition risks	New climate change related regulations, market demand for emission certifications	• Emissions monitoring • Carbon footprint calculation
	Changes in global demand patterns for tea	• Sales volumes • Sales prices
	Shift towards renewable energy use	• Cost comparisons

1.1.2 Climate-related Scenario Analysis

The Company is utilising transitional reliefs on scenario analysis under SLFRS S2, where Disclosures on Climate resilience has a relief period of two years from the date of mandatory application, to fully comply with climate resilience disclosure requirement

1.2. Assessment

The Company assessed CRROs by identifying potential CRROs based on historic data on weather patterns and management judgement. These CRROs were assessed against the probability of occurrence within the given time horizon, and the possible financial impact of each CRRO was estimated. The CRROs were then ranked according to probability coupled with highest impact.

Identification

CRROs were identified based on historical climate related data and management experience

Assessment

Each CRRO was assessed against the likelihood of occurrence and potential financial impact

Prioritisation

CRROs were prioritised as those that were most likely to occur coupled with the highest level of financial impact

SLFRS Sustainability Related Financial Disclosures

Nature

The nature of assessment included qualitative and quantitative criteria.

Likelihood

The likelihood of an occurrence of a CRRO was based on management judgement and historical data. CRROs that had a likelihood of occurrence probability of 71%-100%, were taken into consideration. For instance, extreme weather in the form of severe rainfall, was classified as a high probability climate risk, based on more recent weather patterns that demonstrate sudden deviations in rain fall patterns in the past few years]

Note 2: Likelihood of occurrence

Description	Downstream Value Chain
Likely	71% - 100%
Possible	36% - 70%
Unlikely	00% - 35%

Magnitude/Exposure

The CRROs with high probability of occurrence, as well as impact of over 1% on profit before tax, were prioritised.

Note 3: Severity of the effect

Description	Financial Impact
Significant	10% impact to profit before Tax
Moderate	5% impact to profit before Tax
Minor	1% impact to profit before Tax

1.3 Prioritisation

In order to prioritise climate impact monitoring, the Company is integrating climate related risks into the overall Enterprise Risk Management framework. This includes continuous monitoring and documentation of climate data in tandem with quality, production, labour availability, cost and revenue data. The Company's full ERP system was rolled out in 2025, which is also expected to support real time data collection and analysis.

1.4 Monitoring

The Company monitors climate related risks and opportunities through a number of mechanisms, but primarily through the ongoing Enterprise Risk Management process, as well as the ESG Management Committees recommendations.

1.5 Changes in the Process

Whether and how the entity has changed the processes it uses compared with the previous reporting period

This is the first attempt at SLFRS Sustainability related Financial Disclosures.

2. Processes and Policies Relating to Climate-related Opportunities

i. The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.

1. Identification of climate-related risks that could significantly impact the Company's costs, revenue and profitability, as well as and product portfolio and elevation/ geographically specific risks.
2. By developing strategic responses and adaptation and mitigation measures to address risks, the Company also identifies opportunities, such as the transition opportunity towards renewable energy. In addition, real time market trends are considered to identify product specific market opportunities.
3. Identified opportunities are assessed through
    - o Technical feasibility assessments, including agronomic and geographic suitability and operational requirements
    - o Assessment of associated risks (including funding risks) and possible implementation difficulties
    - o Compliance assessments against environmental and other regulations and international accreditations
    - o Financial evaluation through cost-benefit analysis, return on investment (ROI), and payback period assessments
    - o Analysis of potential revenue enhancement, cost savings, or efficiency gains
    - o Evaluation of environmental and social benefits, including improved resource efficiency and reduced emissions
4. Opportunities are prioritised based on their potential to deliver optimal strategic, financial, and operational outcomes.

3. Integration to Overall ERM

The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process

As an agri-business with a high dependency on weather patterns for cultivation and harvesting, the identification, assessment, and monitoring of climate-related risks have historically been embedded within core risk management practices. Therefore, climate-related risk management is integrated into the Company's overall ERM framework through a structured data collection process starting at estate level supported by clear reporting structures all the way to the Board.

Through the recently constituted ESG Management Committee, which is a cross functional team with representation from all key functions, a dedicated platform has now been operationalised with expertise across different fields, to integrate CRROs across all operational aspects.

5. METRICS AND TARGETS

Climate-related Metrics

KPPLC has commenced climate risk monitoring in the current financial year and the climate-related metrics and targets disclosed enable users to assess how the Company monitors, manages, and progresses on material climate-related risks and opportunities. The Company has aligned this process with global climate goals, including near- and long-term Science-Based Targets and the Company's Net Zero roadmap.

In order to compile the required data the Company monitors selected climate-related metrics relevant to its operations, including:

- Energy consumption within tea and rubber factories
- Fuel usage for estate operations and logistics
- Water usage in tea and rubber processing
- Fuel usage in timber harvesting and processing
- Water usage in timber harvesting and processing
- Water usage in oil palm harvesting
- Fertiliser application efficiency and soil health indicators

Emission targets

The Company is in the process of setting targets.

Cross Industry Metrics

Greenhouse Gas Emissions (GHG)

KPPLC measures and discloses its greenhouse gas (GHG) emissions in alignment with the GHG Protocol, ISO 14064-1:2018, and SLFRS S2 requirements. The disclosures cover all consolidated operations under the operational control boundary and include Scope 1 and Scope 2 (location-based).

Basis of Determination of Organisational Boundary and Operational Boundary

The Company has selected the financial control approach for its measurement of GHG emissions.

Scope 1 (Direct Emissions)	Company vehicles, plant and machinery
Scope 2 (Indirect - Energy)	Electricity from the national grid

Methodology used for the measurement and disclosure of GHG Emissions

GHG Measurement Standards Applied

- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (2004)
- GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard

GHG Disclosures

- SLFRS S2 – Climate-related Disclosures

GHG Internal Verification

- ISO 14064-1:2018 – for internal emissions assurance and verification
- SBTi FLAG Guidance – for land-sector related emissions disclosures

Summary of GHG Emissions

Scope	2025 ($mtCO_2e$)
Scope 1	2,137.79
Scope 2	2,059.44
	4,197.23

SLFRS Sustainability Related Financial Disclosures

GHG Scope 1 and Scope 2 Emissions

Description	Greenhouse gas emissions (metric tonnes CO_2e) 2025/26	
	Scope 1	Scope 2
Consolidated accounting group	2,137.79	2,059.44
Other investee (investment in associate, joint ventures)	-	-
Total (Operational control approach)	2,137.79	2,059.44

GHG Scope 1 and Scope 2 Emissions

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Direct emission from stationary combustion (Generator)	Diesel	IPCC emission factor	IPCC 6th Assessment report (AR6)
Scope 1	Mobile combustion	Direct emission from mobile combustion transporting Diesel	Diesel	IPCC emission factor	IPCC 6th Assessment report(AR6)
Scope 1	Process combustion	Direct emissions from mobile petrol	Petrol	IPCC emission factor	IPCC 6th Assessment report(AR6)
Scope 1	Fugitive Emissions	Direct emission from bio mass combustion (Firewood)	Firewood	IPCC emission factor	IPCC 6th Assessment report(AR6)
Scope 2	Electricity Consumption	Fugitive - CO_2 emissions from fire extinguishers	CO_2 fire extinguishers	Sri Lanka Energy Balance 2024 by Sri Lanka Sustainable Energy Authority	IPCC 6th Assessment report(AR6)
		Indirect emission from imported electricity	Electricity	Sri Lanka Energy Balance 2024 by Sri Lanka Sustainable Energy Authority	IPCC 6th Assessment report(AR6)

Climate-related Physical Risks

CRRO	Description	Impact
Physical Risk- Acute	• Storms/high intensity rain • Floods • Landslides	The Company is currently in the process of quantifying the amount and percentage of assets or business activities vulnerable to climate related physical risks, and this information will be presented in the next reporting period.
Physical Risk -Chronic	• Rising temperature • Soil degradation • Ageing crops	The Company is currently in the process of quantifying the amount and percentage of assets or business activities vulnerable to climate related physical risks, and this information will be presented in the next reporting period.

Climate-related Transition Risks

CRRO	Description	Impact
Transition risks	• New climate change related regulations • Market demand for emission certifications	The Company is currently in the process of quantifying the amount and percentage of assets or business activities vulnerable to climate related transition risks, and this information will be presented in the next reporting period.

Climate-related Opportunities

Opportunity	Description	Impact
Renewable energy	• Rising awareness on climate change has created opportunities for renewable energy adoption.	The Company is currently in the process of quantifying the amount and percentage of assets or business activities vulnerable to climate related opportunities, and this information will be presented in the next reporting period.

Capital Expenditure

Risk category	Capital expenditure 2025-26
Renewable energy	Investment on solar panels – Rs.142 Mn

Internal Carbon Pricing

The Company has not set carbon pricing for its emissions.

Remuneration

Remuneration is currently not directly linked to CRROs

Industry Specific Metrics

Industry-based metrics are aligned with the SLFRS S2 requirements and draw from the SASB Agricultural Products Standard, which provides sector relevant indicators covering emissions, energy, water, and land use.

SLFRS Sustainability Related Financial Disclosures

Sustainability Accounting Standards Board (SASB) Index

Agricultural products Sustainability Accounting Standard (Version 2023-12)

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Disclosure reference and/ or response
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO_2-e	FB-AG-110a.1	2,137.79
	Discussion of long and short term strategy to manage Scope 1 emissions, emissions reduction targets, and performance against targets	Discussion and Analysis	N/A	FB-AG-110a.2	Pages 80 to 84
	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AG-110a.3	Nil
Energy Management	1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AG-130a.1	Nil
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	FB-AG-140a.1	Currently we are not collecting this information
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-AG-140a.2	
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-AG-140a.3	
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rates and (2) associated corrective action rates for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-AG-250a.1	The Company has not obtained GFSI-benchmarked certification (e.g., BRCGS, FSSC 22000, SQF) during the reporting period. Food safety and quality assurance are currently managed through ISO and Rainforest Alliance certification frameworks, which the Company considers appropriate to its current market and buyer requirements.

Topic	Metric	Category	Unit of Measure	Code	Disclosure reference and/ or response
	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme	Quantitative	Percentage (%) by cost	FB-AG-250a.2	
	1) Number of recalls issued and (2) total amount of food product recalled 1	Quantitative	Number, Metric tonnes (t)	FB-AG-250a.3	
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	FB-AG-320a.1	Currently we are not collecting this information
Environmental & Social Impacts of Ingredient Supply Chain	1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, and (2) percentages by standard	Quantitative	Percentage (%) by cost	FB-AG-430a.1	0%
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances	Quantitative	Rate	FB-AG-430a.2	Nil
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	n/a	FB-AG-430a.3	
GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion and Analysis	n/a	FB-AG-430b.1	We do not use GMOS in our operations
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	n/a	FB-AG-440a.1	0%

SLFRS Sustainability Related Financial Disclosures

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Disclosure reference and/or response
Production by principle crop	Quantitative	MT	FB-AG-100.A	Crop & Yield page 237
Number of processing facilities	Quantitative	Number	FB-AG-100.B	Manufactured capital page 75
Total land area under active production	Quantitative	Hectares	FB-AG-100.C	Our Plantations page 236
Cost of agricultural products sourced externally	Quantitative	Currency	FB-AG-100.D	Rs.506Mn

Climate-related Targets - No

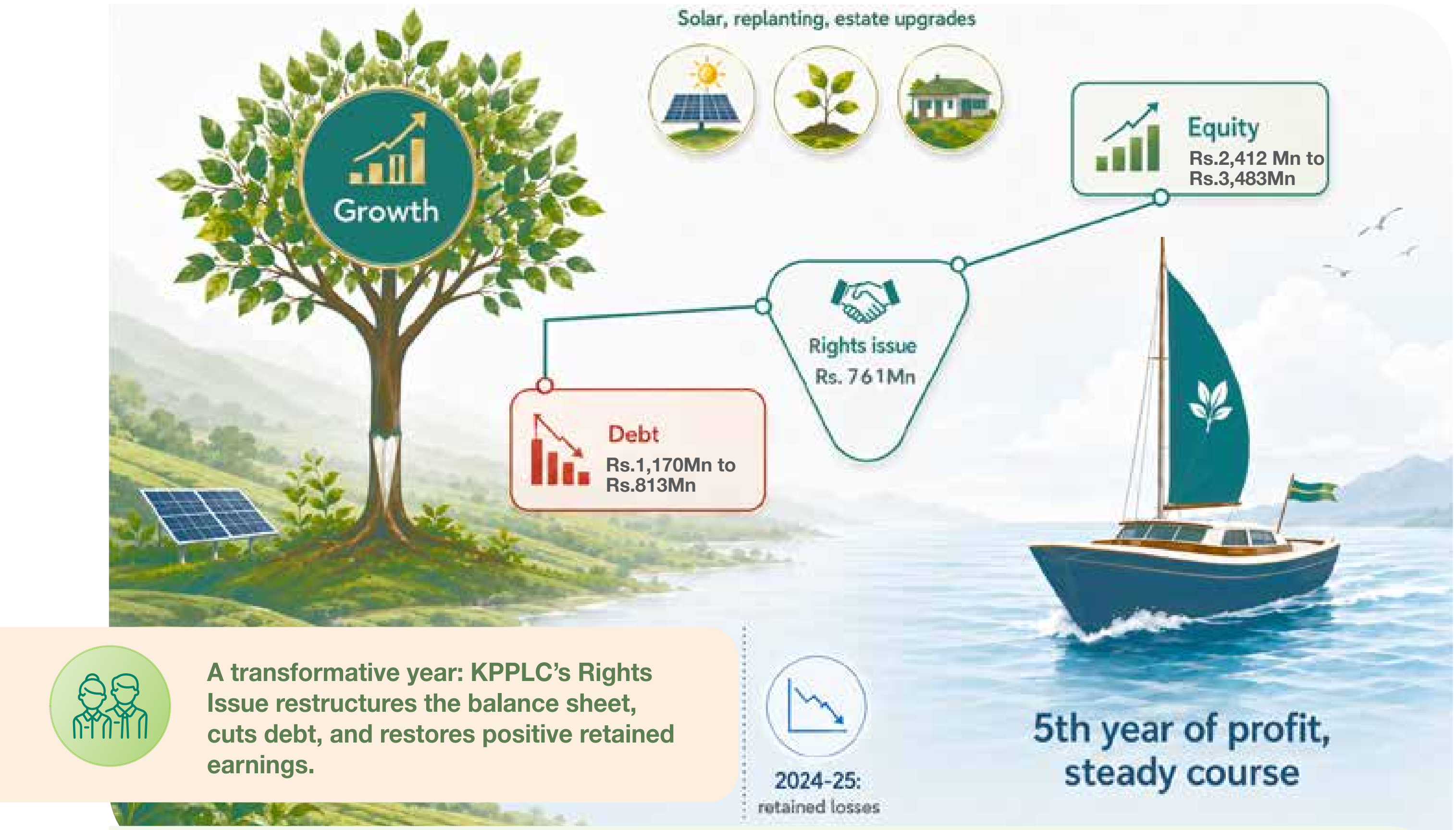
Targets have not yet been established for the current financial year (2025/26)

Managing Our Capitals

Valued Growth, Multiplied Value

Growth is sustained by how well we nurture what we hold. Across all capitals, we balance productivity with responsibility, ensuring that each resource is managed with care, contributing to a system that creates value that lasts.

Financial Capital



FY2025–26 was a turning point for KPPLC. A Rs 761 Mn Rights Issue reduction in debt to Rs 813 Mn and lifted equity past Rs 3,400 Mn, eliminating accumulated losses. Revenue grew 10% to Rs 5,600 Mn on higher crop volumes, and despite cost pressures the profit after tax rose by 32% to Rs 473 Mn — the fifth consecutive profitable year. With gearing down to 0.23 and the current ratio nearly doubled, KPPLC heads into the new year on much stronger footing.

The 2025-26 financial year marks a turning point for KPPLC's financial position with the Company effectively restructuring its balance sheet through a successful Rights Issue. The Company closed the year by eliminating accumulated retained losses and restoring the balance sheet to a positive retained earnings position, reinforcing long-term financial stability and shareholder confidence.

In parallel, KPPLC maintained operating profitability for the fifth consecutive year with a revenue growth of approximately Rs 500 Mn, while continuing to reduce its working capital deficit through. The Company also continued to invest strategically in operational capacity enhancement, with capital expenditure amounting to Rs. 477 Mn during the year to strengthen manufacturing capabilities, improve estate operations, and support long-term productivity growth.

RIGHTS ISSUE 2025

KPPLC successfully completed a Rights Issue in October 2025, issuing 84,628,125 shares at Rs. 9 per share, raised Rs. 761.6 Mn. The Rights Issue was undertaken primarily to strengthen the Company's balance sheet, reduce debt obligations, and improve liquidity for future operational requirements.

During the year, the proceeds were utilised to:

1. Settle related party liabilities amounting to Rs. 296.4 Mn as at 31 March 2025
2. Repay broker borrowings amounting to Rs. 369.1 Mn as at 31 March 2025
3. The balance of Rs. 96.5 Mn used for working capital requirements.

The funds from the Rights Issue significantly reduced exposure to high-interest loans, freeing up funds for investments.

CAPITAL INVESTMENTS IN 2025/26

In the year under review, KPPLC invested approximately Rs.477Mn in tangible assets and estate development initiatives aimed at improving operational efficiency, manufacturing capacity, and long-term agricultural sustainability.

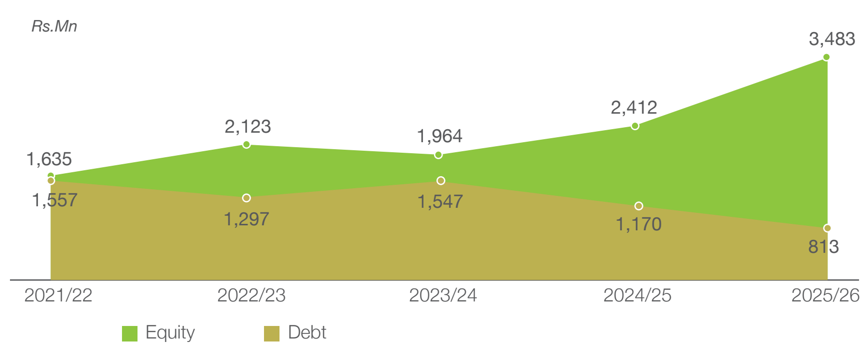
Key investments included:

- Installation of a colour sorter for the Bogahawatte Factory – Rs. 23.6 Mn
- Purchase of a lorry for produce transportation – Rs. 12.3 Mn
- Upgrading of the Mount Vernon Factory – Rs. 46.1 Mn
- Investment in replanting/upkeep of tea/rubber – Rs. 89.8 Mn
- Investment in timber, fuelwood, and minor crops – Rs. 30.9 Mn
- Installation of solar panels across nine tea factories – Rs.142Mn

FINANCIAL CAPITAL BASE

The proceeds from the Rights Issue were used to reduce total interest-bearing borrowings to Rs. 813Mn, from Rs. 1,170 Mn, reflecting a reduction of approximately Rs. 350 Mn in outstanding debt. The retired debts were mainly high-interest cost loans.

At the same time, total equity increased substantially to Rs. 3,483 Mn from Rs. 2,412 Mn in the previous year, supported by the restoration of positive retained earnings. This strengthened capital base places the Company in a more resilient financial position to support future growth, operational expansion, and long-term value creation for shareholders.



Financial Capital

Key Performance Indicators — Company

KPIs continued to strengthen compared to the previous year, reflecting improving profitability and declining debt.

Earnings per Share
Rs 1.23 ▲ 21%

Return on Equity
0.14 ▼ 7%

Interest Coverage
2.56

Gearing ratio
0.23 ▼ 53%

Return on Assets
0.05 ▲ 25%

Current Ratio
0.90 ▲ 100%

Kotagala Plantations' financial capital base

Capital type - Company	2024-25	2025-26	% change
Total equity Rs Mn	2,412	3,483	44%
Total debt Rs Mn	1,170	813	(31%)

Capital type - Group	2024-25	2025-26	% change
Total equity Rs Mn	2,527	3,472	37%
Total debt Rs Mn	1,170	813	(31%)

KEY PERFORMANCE INDICATORS

Key performance indicators have continued to strengthen compared to the previous year, reflecting improving profitability and declining debts.

Company	2024-25	2025-26	% change
Earnings per share (EPS)	1.02	1.23	21%
Interest coverage (Times)	2.56	2.56	-
Return on Assets (ROA)	0.04	0.05	25%
Return on Equity (ROE)	0.15	0.14	(7%)
Gearing ratio	0.49	0.23	53%
Current ratio	0.46	0.90	100%

Group	2024-25	2025-26	% change
Earnings per share (EPS)	1.05	0.90	(14%)
Interest coverage (Times)	2.57	2.16	(16%)
Return on Assets (ROA)	0.04	0.04	-
Return on Equity (ROE)	0.14	0.10	(29%)
Gearing ratio	0.46	0.23	50%
Current ratio	0.47	0.89	89%

FINANCIAL STATUS AS AT END MARCH 2026

Revenue

Although prices for both rubber and oil palm increased, tea prices declined during the year. However, supported by good agricultural practices KPPLC was able to increase crop volumes in all 3 main crop categories during the year, which compensated for the lower tea prices. In addition, the ongoing mechanisation in tea estates have contributed to better volumes.

Year	2024-25	2025-26	% change
Company - Revenue (Rs Mn)	5,068	5,600	10%
Group - Revenue (Rs Mn)	5,186	5,701	10%

Revenue source	2024-25	2025-26	% change
Tea (Rs Mn)	3,894	4,175	7%
Rubber (Rs Mn)	793	922	16%
Oil palm (Rs Mn)	381	503	32%

Gross Profit

The Cost of Sales increased by 16% to Rs 4,821 Mn from Rs 4,165 Mn in the previous year due to increased fuel and fertiliser prices.

Year	2024-25	2025-26	% change
Company Gross Profit (Rs Mn)	904	779	(14%)
Group Gross Profit (Rs Mn)	920	783	(15%)

Profit from Operations

KPPLC's Net Finance Cost for the year reduced to Rs 303 Mn from Rs 373 Mn in the previous year, due to the retirement of high-interest-yielding borrowings and reduction in outstanding balances.. However, administrative expenses increased to Rs 369 Mn from Rs 349 Mn and profit before tax declined by 17% to Rs 490 Mn, mainly due to reduction in gross profit.

Year	2024-25	2025-26	% change
Company- Profit before tax (Rs Mn)	591	490	(17%)
Group - Profit before tax (Rs Mn)	599	365	(39%)

Financial Capital

Tax payment

	2024-25	2025-26	% change
Company			
Deferred tax - Recognised in the Profit or Loss Rs 000	(234,000)	(17,023)	93%
Deferred Tax - Recognised in the other comprehensive income - Rs 000	(39,038)	70,153	279%
Deferred tax - Total Rs 000	(273,038)	53,130	119%
Group			
Deferred tax - Recognised in the Profit or Loss Rs 000	(234,000)	(17,023)	93%
Deferred Tax - Recognised in the other comprehensive income - Rs 000	(39,038)	70,153	279%
Deferred Tax - Total Rs 000	(273,038)	53,130	119%

Profit for the year

KPPLC reported an after tax profit of Rs 473 Mn for the financial year 2025-26 which is an improvement of 32%.

	2024-25	2025-26	% change
Company - Profit after tax (Rs Mn)	357	473	32%
Group - Profit after tax (Rs Mn)	365	348	(5%)

Financial Position

KPPLC's financial position continued to strengthen with total assets strengthening to Rs 9,831 Mn from Rs 9,432 one year ago, out of which current assets amounts to Rs 1,318 Mn, from Rs 1,022 Mn last year. The Company's biological assets accounted for Rs 5,419 Mn, as at end March 2026, compared to Rs 5,449 last year.

Total Liabilities of the Company declined to Rs 6,347 Mn, from Rs 7,020 Mn.

Cash Flow

The improvement in working capital management is reflected in the increase in the current ratio from 0.46 at the end of the current financial year to 0.90

Company	2024-25	2025-26	% change
Net Cash Inflow from Operating Activities (Rs Mn)	411	(96)	(123%)
Net Cash Outflow used in Investing Activities (Rs Mn)	22	(290)	(1,418%)
Net Cash (used in)/Inflow from Financing Activities (Rs Mn)	(377)	393	204%

Group	2024-25	2025-26	% change
Net Cash Inflow from Operating Activities (Rs Mn)	402	(86)	(121%)
Net Cash Outflow used in Investing Activities (Rs Mn)	22	(290)	(1,418%)
Net Cash (used in)/Inflow from Financing Activities (Rs Mn)	(377)	393	204%

Outlook and plans

In the new financial year, KPPLC will continue to focus on managing its working capital, while increasing revenues by applying precise agricultural methods and mechanisation. Cost savings from the solar panels installed in tea factories during the 2025-26 financial year, will start accruing in the new financial year, creating a safeguard against energy-cost increases. The Company also plans to implement a new cloud-based ERP system to enable real-time and accurate data access, while ensuring centralised visibility and management of processes. In addition, the Company will continue developing supplementary revenue-generating initiatives including tea centres, minor crop cultivation, vehicle service centres, and tourism-related projects, to boost the topline.

Human Capital

Empowering Our People: Building a Resilient, Skilled, and Well-Cared-For Workforce across our Estates

KPPLC continued to review and improve estate management and administration structures to organise estate production better, while focussing on maintaining a high level of regulatory compliance and improving employee productivity through technology integration and skill development. The Company also prioritised its sustainability certifications and carbon compliances through training for employees, and aligning processes with sustainability principles.

COMPLIANCE STATEMENT

KPPLC did not face any significant fines or penalties during the financial year 2025-26 for non-compliance with labour laws and regulations. All statutory payments for the applicable year, have been made on time.

Compliance with anti-child labour and forced labour regulations

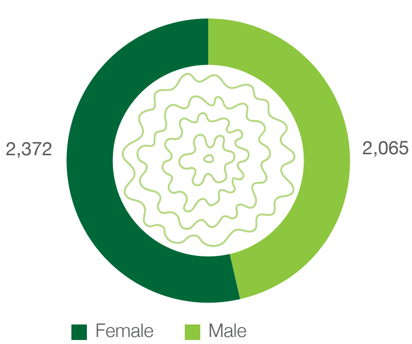
As a responsible corporate KPPLC does not use any form of child labour, or forced labour in any of its activities. The Company collaborates with the National Child Protection Authority and the Department of Labour to prevent child abuse and to protect the rights of children in its estates and is fully compliant with national laws and regulations preventing child labour and forced/bonded labour.

Strategic priorities for 2025-26

KPLC has prioritised alignment of human resources with corporate objectives by improving HR administration, enhancing productivity, and improving employee compliance with external accreditation standards. Progress under these priorities are given below.

HR Priority	Status as at 31st March 2026
Streamlining HR administration	
Digital Attendance System	Done
New screening system for recruitment	Done
Factory and Field Productivity Enhancements	
Skill Development & Training:	Done
Performance-Based Incentive Models	Done
Productivity Committee Concept	Done
Improving compliance	
Training for accreditations (ISO, RA, GHG Verification, EUDR)	Done
Occupational Safety and Health (OSH) compliance	Done

OUR WORKFORCE - BY GENDER



Human Resources Profile 2025/26

KPPLC's total human capital base comprised 4,437, as at end March 2026, inclusive of its executive management, clerical and other staff, and estate workers in both upcountry and low country operations.

Employees by category

Employee category	Number of employees 2025-26	Number of employees 2024-25	Number of employees 2023-24
Executives	47	45	48
Clerical, Technical & Other Staff	390	380	416
Estate Workers*	4,000	4,318	5,916
Total	4,437	4,743	6,380

*The estate workers do not include oil palm estate workers, as oil palm labour has been outsourced. However, KPPLC provides training and safe working conditions for this category.

Human Capital

Total employees by category, gender, age and service period for 2025-26

Asset Type		2025/26			
		Workers	Clerical, Technical & Other Staff	Executives	Total
Region-wise	Kotagala	2,246	218	17	2,481
	Horana	1,754	162	14	1,930
	Head Office	-	10	16	26
Gender-wise	Male	1,740	286	39	2,065
	Female	2,260	104	8	2,372
Age Distribution	Below 30 Years	105	42	12	159
	30 - 45 Years	1,541	177	18	1,736
	Over 45 Years	2,354	171	17	2,542
Service Distribution	Below 5 Years	1,542	210	30	1,782
	5 - 15 Years	920	106	6	1,032
	Over 15 Years	1,538	74	11	1,623
Total Employees		4,000	390	47	4,437

New recruitments and turnover

KPPLC continued to see outflow of estate workers during the year despite wage increases. Total employee turnover for the year was 1,667 and the Company also recruited a total of 893 new employees during the year.

Asset Type	Recruitments		Resignations	
	2025-26	2024-25	2025-26	2024-25
Kotagala Up Country				
Staff	107	64	198	63
Workers	168	131	526	1,555
Kotagala Low Country				
Staff	24	26	59	27
Workers	575	439	870	709
Head Office	19	4	14	1
TOTAL	893	664	1,667	2,355

Retention Strategy

While the Company emphasises retention of all grades of employees, retaining estate employees is the most urgent due to the continuous outflow of this traditional workforce from estates. Productivity Committees have now been established in all KPPLC estates and now act as a common platform for dialogue between management and staff. In order to address the persistent stigma associated with estate work, the Company is redefining job roles, introducing machinery and investing in training to enhance both the professional status and financial incentives of estate workers.

The Company is also improving remuneration structures, performance-based incentives, long-service awards and investing in skill development, as well as conducting regular feedback sessions, employee satisfaction surveys, and one-on-one meetings with supervisors.

Industrial Relations

All employees in KPPLC estates have freedom of association and all tea and rubber estate workers are unionised. The Company did not experience any serious industrial disputes during the reporting period. Operational changes are communicated by managers to their respective teams and are required to give adequate notice to employees prior to any changes being implemented.

Wages

- Estate workers: Based on a 2026 Budget proposal, the Rs 1,350 daily wage of an estate worker, was increased by 400 rupees, with the government contributing Rs 200 and the Regional Plantation Companies (RPCs) contributing Rs 200, to increase the daily wage of plantation workers to Rs. 1,750, effective January 1, 2026. This package is structured as a base daily wage of Rs. 1,550 and an attendance incentive of Rs. 200. This follows the September 2024, minimum daily wage increase for tea and rubber estate workers by 35%, to Rs 1,350, with an additional allowance of Rs. 50 for each extra kilogram of harvest, effective from October 10, 2024, excluding the employer's contributions to the Employers' Trust Fund (ETF) and Employees Provident Fund(EPF)
- Estate staff: The estate staff category come under a staff collective agreement.
- Other employees: Salaries and benefits of other employees are based primarily on the Shop and Office Employees Act of 1954, EPF Act, ETF Act and the Payment of Gratuity Act.

KPPLC contributes 12% of an employee's basic salary to the Employees' Provident Fund and contributes 3% of an employee's salary to the Employees' Trust Fund as specified under the EPF Act, and make provision for Gratuity Payments annually, for all employees who have been employed by the Company.

Training and development

Average hours of training per year, per employee

Gender	Average Training Hours
Male	24 hours
Female	24 hours

Average hours of training by employee category

Employee category	Average Training Hours
Executives	30 hours
Clerical, Technical & Other Staff	30 hours
Workers	24 hours

Human Capital

Training programmes conducted during the year

	Training	Target Group		
1	Grievance mechanism	Executives	Staff	Workers
2	Gender equality	Executives	Staff	Workers
3	Assess-and-address child labour, forced labour, discrimination, and workplace violence and harassment	Executives	Staff	Workers
4	Occupational Health and Safety	Executives	Staff	Workers
5	IPM strategy	Executives	Staff	Workers
6	Safe handling of agro chemicals storage & transporting	Storekeeper		
7	Awareness on handling of agrochemicals	Chemical Sprayers		
8	Awareness on how to use of the PPE	Workers		
9	First Aid	Staff / Workers		
10	Fire Drill	Staff / Factory Workers		
11	Rainforest Alliance Standard Requirements	Executives	Staff	Workers
12	Food Safety Management System Requirements	Executives	Staff	Factory Workers
13	Quality Management System Requirements	Executives	Staff	Factory Workers
14	Personal Hygiene	Staff / Factory Workers		
15	Sanitary Facility	Staff / Factory Workers		

Performance Evaluations

All employees received performance evaluation during the year, which is also a key tool to identify training needs and employee concerns. The performance evaluation system includes self-assessments, supervisor reviews, and peer feedback.

Percentage of employees who received performance evaluations in 2025-26

Employee category	%	Evaluated by
Executives		Department heads
Clerical, Technical & Other Staff		Department heads
Workers		Department heads

Health and Safety Initiatives

OHS initiatives include comprehensive safety training, regular equipment inspections, and the provision of PPE. Chemical sprayers are also provided washrooms and showering facilities. Health camps and wellness programmes are organised to promote physical and mental well-being. On-site medical facilities and periodic health check-ups are provided to ensure optimal employee health. Annual health screenings, including blood tests (FBC & SGPT) for chemical spraying workers, are conducted.

Grievance Management

Employees can voice concerns via formal complaints, suggestion boxes, or confidential hotlines. Our HR team ensures timely resolution of grievances, fostering a culture of trust and mutual respect.

Rewards and Recognition

The Company organises many reward and recognition schemes for employees in order to motivate and inspire employees. These include awards for outstanding performance, annual awards ceremonies, and public acknowledgment in Company communications.

Employment Benefits

KPPLC's employee benefits package includes competitive wages, overtime allowances, cash plucking incentives, and annual performance-based bonuses tied to Company performance, medical insurance, maternity leave, and childcare support for primary and higher education.

KPPLC Worker Housing Initiative

KPPLC's housing scheme for worker families in collaboration with the PHDT is an ongoing housing development programme funded by the Indian and Sri Lankan governments. Each house receives Rs 2.8 million from the Indian government and an additional Rs 400,000 from the Sri Lankan government. During the year, 25 housing units for workers were commenced through the Indian housing project

Employee engagement events during the year

Plans for the future

The Company will continue to digitise HR administration and performance monitoring to create a performance oriented workplace, through recognition of employee dedication and contributions. Investments in training is a core component of the HR development programme targeting both estate and factory personnel. The Company also intends to collaborate with external institutions to provide specialised programmes in sustainable agriculture, digital literacy, and contemporary plantation management practices. In parallel, a formal leadership development programme will be introduced to build internal talent pipelines and strengthen succession planning. Improvements to employee welfare will remain a priority, with ongoing enhancements to healthcare facilities and housing infrastructure.

Manufactured Capital

Cultivating Resilience: Strengthening KPPLC's Biological and Manufacturing Asset Base for Sustainable Growth

During the current financial year, KPPLC continued with its ongoing factory development plan, designed to improve productivity and revenues. The tea and rubber factories also play a crucial role in reducing KPPLC's carbon footprint, with the planned expansion of the solar power programme contributing to lower emissions in the next financial year. Prudent agricultural practices helped protect KPPLC's biological assets from the effects of extreme rainfall and mitigated the impacts of Cyclone Ditwah in November 2025.

KPPLC's manufactured asset base comprises its biological assets, which include its plantations and physical assets which are essential to add value to biological assets as well as inventories of manufactured goods.

KPPLC's manufacturing asset base comprises 12 tea factories and 8 rubber factories. The tea factories are equipped to manufacture all three types of black tea – rotorvane and CTC in the high grown factories, and orthodox tea in both high and low grown factories. The rubber factories are equipped to produce natural rubber latex, crepe and sole crepe. The rubber factories are equipped with effluent treatment plants to treat and filter waste water to prevent greywater and sewage discharge into the environment. During the current year, KPPLC continued to improve the management of its asset base to create value for its stakeholders.

IMPACT OF CYCLONE DITWAH

We are pleased to report that impacts of Cyclone Ditwah on KPPLC's physical and biological assets were minimum, due to proactive estate preparedness for extreme weather events. Ongoing investments into desilting drainage systems and the strategic planting of shade trees helped protect commercial crops and other assets by facilitating water runoff during high-intensity rainfall. Physical damage was largely limited to damages to internal estate roads and some workers' quarters.

BIOLOGICAL ASSETS

Under KPPLC's crop diversification strategy the Company's biological asset mix remained unchanged in the financial year 2025-26, with tea, rubber, timber and oil palm as the major crops, and the recent addition of smaller extents of cinnamon and coconut.

EXTENT OF BIOLOGICAL ASSETS

Extent of biological assets

Asset Type	Extent (ha) 2024-25	Extent (ha) 2025-26	% change 2024-25 vs 2025-26
Tea Plantations	2,400.63	2,390.67	(0.4%)
Rubber Plantations	2,175.38	2,149.91	(1%)
Oil Palm Plantations	525.88	525.88	-
Timber & Other Plantations	1,126.61	1,269.72	-

TEA

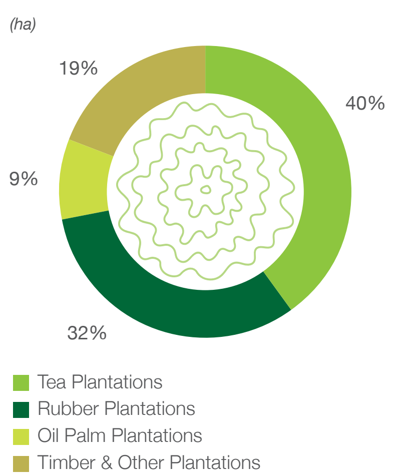
KPPLC's upcountry tea estates are already 95% VP varieties, which deliver higher yields and offer better drought resistance. Due to the high cost and labour requirements of tea replanting, productivity levels were sustained through systematic infilling programmes.

The low country estates comprise 179.74 ha of tea that are currently operating below their optimal productivity levels. Therefore, the Company has invested in plant nurseries for a comprehensive infilling and rehabilitation programme, targeting a total of 86 ha, that will commence in the new financial year, to strengthen plant density, improve field conditions, and progressively enhance overall yields.

RUBBER

KPPLC's rubber extent has been significantly impacted by prolonged periods of extreme wet weather in recent years, while persistently low rubber prices rendered production economically unviable, against rising labour costs and other production costs. As a result, underperforming rubber lands were progressively diversified into alternative crops. Nevertheless, the Company continues to retain a strategic rubber extent as part of its long-term land use strategy, ensuring an appropriate balance within its primary crop portfolio and preserving optionality for future market recovery. During the current year, 118 ha of rubber was replanted ensuring adequate supplies for the future.

EXTENT OF BIOLOGICAL ASSETS



Manufactured Capital

OIL PALM

Oil palm is currently the most profitable and most cost-effective crop in KPPLC's low country estates, due to excellent climate resistance and significantly lower labour requirements, compared to tea and rubber. However, the Company cannot expand its oil palm extent, due to the prevailing ban on oil palm cultivation. The Company is prepared to expand oil palm extent by another 1,500 ha when restrictions are lifted.

COMMERCIAL FORESTRY

The profitability of KPPLC's eucalyptus grandis commercial timber extent in the upcountry has increased from the current financial year due to value addition by logging and sawing. All harvested timber extent was replanted.

Commercial timber is now being cultivated in the low country estates as well. These are low country species such as Alstonia, Nandun and Hora, spread over 100 ha, that will be ready for harvesting in 2-3 years. Although the extent is not sufficient to support a saw mill, they will generate additional revenue for low country estates by supplying to the domestic construction industry.

CINNAMON AND COCONUT

During the current financial year, the Company planted 20 ha of cinnamon and 10 ha of coconut. The crops will be ready for harvesting within 2-5 years.

Value of biological assets

Asset Type	Net Carrying Value LKR 000 2024-25	Net Carrying Value LKR 000 2025-26	% change 2024-25 vs 2025-26
Tea Plantations	848,219	812,881	(4%)
Rubber Plantations	1,906,012	1,905,060	-
Oil Palm Plantations	330,414	302,025	(9%)
Timber & Other Plantations	2,365,161	2,399,266	1%

Investment in biological assets

Type of activity	2024/25 LKR 000	2025-26 LKR 000	% Change 2024/25 vs 2025/26
Good agricultural practices	268,195	384,074	43%
Fertiliser	364,249	340,389	(7%)
Tea infilling	3,841	1,741	(51%)
Rubber replanting	88,159	88,194	-

OTHER PHYSICAL ASSETS

Total capital investments for the financial year 2025-26 came to Rs.355 Mn inclusive of investments into plant and machinery, buildings, vehicles and other physical assets.

Manufacturing asset base

KPPLC's primary manufacturing base comprises 12 tea factories and eight rubber factories, although not all facilities are currently operational.

Of the three tea factories located in the low country, only one is presently in operation, relying primarily on smallholder leaf due to the reduced output from the low grown estate extent. The planned infilling programme for the low country tea fields, scheduled to commence in the new financial year, is expected to significantly enhance green leaf supply and improve factory utilisation and productivity levels.

Of the eight rubber factories, five are currently operational. Two of the non-operational factories were originally configured to manufacture product categories that no longer align with prevailing market demand and will require reconfiguration to restore commercial viability. The third factory has been closed owing to insufficient latex supplies from the respective estate and it is more economically viable to channel available latex to a neighbouring facility for processing into pale crepe.

Among the five operational rubber factories, four produce pale crepe and one manufactures sole crepe, with the entire output marketed through the Colombo Rubber Auctions.

Tea production	No of factories	Location	Capacity / Year
Rotorvane tea factories	5	Nuwara Eliya	73,200
CTC tea factories	1	Nuwara Eliya	31,000
Orthodox tea factories	6	Nuwara Eliya/Kalutara	52,000
Reprocessing tea factories	1	Kelliewatte	
Rubber factories	8	Kalutara/Horana	16,300

Investment in technology

Tea production	2024-25 value LKR 000	2025-26 value LKR 000
Mechanisation initiatives	16,451	21,875
Plant and machinery	24,159	87,464
Computers and digital devices	168	-

FACTORIES

As part of its colonial-era legacy, many of KPPLC's factories require systematic and in some cases, extensive, modernisation. Accordingly, the Company has initiated a phased factory upgrading programme to better align manufacturing capabilities with evolving market demand, while enhancing automation, improving energy efficiency, and reducing reliance on manual labour. During the current financial year, this transformation programme progressed as planned, supported by repairs, and annual maintenance to plant and machinery, including high cost rotorvane machinery overhauls.

- Two CTC tea production lines at the Mount Vernon factory were upgraded through the replacement of roller segments, improving machine efficiency as well as tea quality.
- The Rayigam factory was equipped with a new colour sorter to enhance product consistency and grading accuracy.
- Structural enhancements were carried out at the sole crepe factory in Padukka, alongside the upgrading of the effluent treatment system to ensure compliance with the European Union Deforestation Regulation (EUDR).
- Effluent treatment facilities at the remaining four rubber factories were also upgraded, together with targeted structural improvements to strengthen operational standards and environmental performance.

SOLAR POWER

We have invested in solar power at all nine upcountry tea factories.

INVESTMENT IN VEHICLES

- During the year five leaf transport lorries were overhauled
- One new produce transport lorry was purchased to transport outputs from factories to Colombo auctions.

SERVICING CENTRE

- A servicing and repair centre was opened to handle vehicles servicing inhouse.

SAW MILL

- A saw mill was commissioned at Mount Vernon estate to value add to timber harvests. Outputs of Class 1 timber for the construction industry, will be expanded in the new financial year.

Manufactured Capital

STATUS OF PHYSICAL ASSETS

Asset Type	Value 2024-25 Rs. 000	Value 2025-26 Rs. 000	% change
Manufactured products inventory	437,975	365,403	(17%)
Buildings	1,495,213	1,513,067	1%
Plant and Machinery	741,928	829,392	12%
Furniture & Fittings	9,798	10,148	4%
Tools & Equipment	157,307	182,753	16%
Vehicles	245,304	289,678	18%
Others	181,545	361,876	99%

PLANS FOR THE FUTURE

KPPLC's factory development programme will continue into the new financial year, further strengthening revenue streams and positioning the Company for long-term sustainability.

Currently KPPLC operates only one CTC tea factory, at Mount Vernon Estate. However, CTC prices are now trending. We are planning to upgrade the existing CTC factory at Mt Vernon, which will increase KPPLC's CTC outputs. Thus, even KPPLC's upcountry operations will have the capability to cater to orthodox small leaf, leafy and CTC, tea demand. This will improve the Company's competitiveness in the CTC category. In the low country, the Company intends to recommence operations at the two currently closed tea factories in the Vogan and Gikiyanakanda estates by sourcing green leaf from smallholders. The necessary supply chain arrangements have already been established, with adequate volumes negotiated to ensure operational continuity.

Simultaneously, the tea field infilling programme, which is estimated to span approximately six months, will be initiated to progressively secure supplies of the Company's own green leaf for the sustainable manufacture of low grown tea over the long term.

To further enhance energy security and manage long-term energy costs, preliminary work will commence on a mini hydropower project at Mount Vernon Estate to supply electricity to the Mount Vernon tea factory.

In addition to its core plantation and manufacturing activities, the Company plans to expand into tourism-related ventures. Five estate bungalows have been identified for tourism development, with upgrading work scheduled to commence on three upcountry bungalows located in the Stonycliff and St Andrews estates. The Tea Centre at Derryclare Estate will be expanded and repositioned as a premium outlet, while plans are also underway to establish a new Tea Centre at Sorana Estate in Horana.

Intellectual Capital

Cultivating Knowledge: Advancing KPPLC's Transformation Through Innovation, Science, and Smart Agriculture

During the current financial year, KPPLC commenced systematic alignment of agricultural practices in upcountry and low country estates with the latest recommendations of the tea and rubber research institutes. The Company has also intensified training and awareness of all grades of employees in order to modernise the entire value chain, manage the carbon footprint and align operations with international accreditations.

Intellectual Capital

KPPLC is now driving intensive internal changes to transition from a traditional plantation company into a modern agri-business, and an indispensable component of this transformation is its intellectual capital base. Within the current environment of extreme competition and price unpredictability in global tea and rubber markets, KPPLC 's position is that production increases must be achieved while maintaining quality and ethical standards, in order to successfully enter new markets and command higher returns. Therefore, in the current financial year, the Company continued enhancing its intellectual capital base to facilitate this transition.

TRAINING AND UPSKILLING

Given the wide-ranging changes required in the short term to enable the Company's rapid transformation, training has become an indispensable component to upskill employees at all levels. Accordingly, KPPLC's ongoing, Company-wide, training programmes extended from senior corporate management and CEOs, to estate managers, department heads, field officers, and estate workers.

Specialised training events during 2025-26

- Training for corporate management on SLFRS S2 compliance

Specialised accreditations

KPPLC has a suite of globally recognised, accreditations, that have contributed towards enhancing organisational knowledge through continuous training in specialised technical areas.

All 10 of KPPLC's upcountry estates are Rainforest Alliance certified, and all nine upcountry tea factories are ISO 22000:2018 Food Safety certified, and five factories are also certified for ISO 9001:2015 Quality Management Systems. These accreditations are obtained through regular, independent audits, demonstrating the knowledge of KPPLC's employees on international product quality and safety standards, and ethical business practices in the production of tea.

In the low country, two estates Rayigam and Giriyanakanda estates that operate both tea and rubber factories are ISO 22000:2018 Food Safety and ISO 9001:2015 Quality Management Systems certified. In addition, the Padukka rubber factory has been aligned to EUDR compliance requirements and is pending certification. Padukka is also in the process of getting FSC certified.

KPPLC factories are also aligning with global carbon emission controls. All 10 up country tea estates have obtained ISO 14064-1 GHG verification on their greenhouse gas (GHG) emissions calculations, and all nine factories are aiming to be carbon neutral in the next financial year, indicating the growing knowledge among the employees on managing KPPLC 's carbon footprint.

DIGITAL AND TECHNOLOGY INNOVATIONS

Due to weather related disruptions of telecommunications Sri Lanka's hill country estate face geographically specific challenges in adopting digital solutions. However, KPPLC has put in place physical infrastructure to enable internet access for operational administration and communications.

- **Use of Drones :** KPPLC is now successfully deploying drones in its upcountry tea estates for foliar fertiliser spraying and fungicide spraying. The strategic use of drones has significantly reduced the need for manual labour in this activity, thereby freeing up workers for the higher value task of green leaf harvesting.

- **Mechanised harvesting :** KPPLC is experimenting with different types of harvesting machines in its tea fields. Currently, the Company is shifting to the adoption of single-person harvesting machines that are more energy efficient and are lightweight. The Company plans to gradually adopt machine harvesting for its entire tea extent in both upcountry and low country tea fields. As mechanised rubber tapping has not been effective, the Company is working with the RRI to introduce productivity improvement techniques.

Factory development : KPPLC 's ongoing factory development programme is aimed at upgrading and eventually fully automating its tea and rubber factories. Please refer the Manufactured Capital chapter for progress in the current financial year.

SCIENCE-BASED GOOD AGRICULTURAL PRACTICES

KPPLC 's tea fields are being aligned with agricultural advisories issued by the Tea Research Institute (TRI) and the Rubber Research Institute (RRI) with the direct involvement of soil and plant specialists. Collectively, these modern, science-based practices will, over the long term, directly contribute towards enhancing resilience of KPPLC's estates towards extreme weather patterns, while also improving crop productivity and maximising land use.

- **Climate resilience:** KPPLC's climate resilience strategy encompasses a range of measures. These include cultivation of shade trees, correct drainage alignment and regular desilting of drains, and land risk mapping.
- **Water management:** KPPLC's estates apply drip irrigation and gravity fed irrigation systems in order to conserve water.
- **Optimising the energy mix:** KPPLC has commenced adopting the energy mix recommended by the TRI to manage production expansion, while minimising emissions and containing energy costs. Therefore, the Company is transitioning to an optimum energy mix of solar power, , fossil fuels and electricity from the national grid.
- The objective is to ensure self-sustained factory operations.
- **Integrated pest management (IPM) systems:** IPM systems are being introduced utilising a combination of chemical, biological and cultural techniques to ensure maximum outputs, while complying with internationally recognised maximum residue levels.
- **Site specific fertiliser:** KPPLC tea estates are developing site specific fertiliser formulae and applications, to address specific soil conditions, based on soil tests, to enhance soil nutrition. The leaves and topmost parts of the branches of Gliricidia and Calliandra plantations will be applied to tea fields as a green manure and mulch, adding nutrients to the soil and to conserve soil moisture. These leaves can also be used for compost due to good nitrogen fixation ability.
- **Infilling:** An extensive infilling programme is scheduled for low country tea fields in the new financial year in order to enhance production of low country tea in the medium term.

PLANS FOR THE FUTURE

KPPLC will continue to enhance its intellectual base by experimenting and adopting innovative agricultural applications and will expand the use of technological solutions such as modern machinery, renewable energy and digital applications, including Agentic Artificial Intelligence to manage production and good governance.

Natural Capital

Nurturing Nature: Our Commitment to Conservation, Compliance, and Sustainable Stewardship of our Natural Capital

In line with KPPLC's Net Zero target in the near future, the Company streamlined its conservation initiatives and strengthened emission control measures through systematic emission monitoring and the expansion of renewable energy solutions across its manufacturing operations. Emphasis was placed on building internal capacity to meet international accreditation standards as well as good agricultural practices, alongside the enhancement of environmental impact monitoring mechanisms and compliance systems.

KPPLC recognises that the responsible stewardship of its natural capital is fundamental not only to long-term business sustainability, but also to the broader wellbeing of the nation. With more than 11,000 hectares under its care across the hill country in the Nuwara Eliya District and the low-country estates spanning the Horana–Kalutara districts, the Company remains mindful of the balance required between productivity and environmental responsibility.

These extensive landholdings encompass natural waterways, forested areas, protected zones, and habitats rich in diverse flora and fauna. Safeguarding these ecological assets while maintaining agricultural output is therefore a strategic priority. Accordingly, the Company continued to invest in the conservation, restoration, and responsible management of its natural capital base, ensuring that environmental sustainability remains embedded within its operational practices.

STATEMENT OF COMPLIANCE

KPPLC has maintained full compliance with all applicable Sri Lankan environmental laws and regulations, including those issued by the Central Environmental Authority (CEA), Department of Forest Conservation, and National Water Supply and Drainage Board.

In the previous (2024-25) financial year, KPPLC reviewed and revised its Environmental Policy Framework in 2024-25 in order to comply with sustainability accreditations.

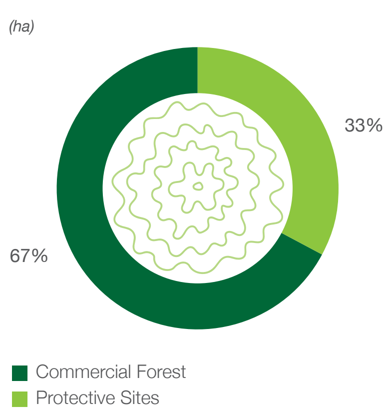
Compliance Assurance Measures:

- All factories and major operational sites have valid Environmental Protection Licenses (EPLs) and are subject to quarterly internal audits and annual third-party assessments.
- Compliance monitoring is managed through a centralised Environmental Compliance Checking system, allowing reporting of environmental KPIs and regulatory obligations.
- The Company adheres to international certification standards, including, Rainforest Alliance, and ISO standards.
- Environmental Impact Assessments (EIAs) and Initial Environmental Examinations (IEEs) are conducted for all new developments, with required mitigation plans fully implemented.
- KPPLC takes a preventive approach to compliance, investing in training, technology, and infrastructure to ensure that all operational activities meet, or exceed, legal and ethical environmental standards.

OUR NATURAL CAPITALS

Upcountry and low country lands of Kotagala Plantations PLC

FOREST COVER



FOREST COVER

Commercial Forest	Extent (ha)
Mature Timber plantations	681.16
Immature Timber plantations	63.87
Replacement Timber plantations	65.43
Marginal/Due for replanting land	15.28
Sub Total	825.74

Protective forests/sites	Extent (ha)
Natural Forest	103.13
River Reservation	123.56
Slope Reservations	68.38
Wetland Reservation	66.93
Railway Reservation	3.10
Landslide prone Reservation	53.85
Sub Total	418.95
Grand Total	1,244.69

Natural Capital

Water	
• Lakes	2
• Rivers	3
• Streams	8
• Waterfalls	4
• Natural ponds	1
• Marsh land (wetland)	66.93 Ha

INVESTMENT ON CONSERVATION 2025-26

KPPLC has continually invested in environmental protection and sustainable management of natural resources

	2021-22	2022-23	2023-24	2024-25	2025-26
Conservation activity		**Investment LKR Mns**			
1. Complying with environmental regulations	1.75	2.85	0.77	3.1	2.1
2. Complying with environmental protection accreditations	9.3	8	0.45	8.7	4.0
3. Sustainable agricultural practices	346	500	558.2	824	724.5
4. Water management	1.4	1.1	7.35	1.9	-
5. Environmental impact assessments	3.3	3.0	12.43	2.2	1.0
Total	361.75	514.95	579.2	839.9	731.6

ENVIRONMENTALLY FRIENDLY AGRICULTURAL PRACTICES

Science-based, environmentally friendly agricultural practices are being introduced across all estates under tea and rubber research institute guidelines and training.

Key sustainable practices:

- Site specific fertiliser applications based on soil tests
- Integrated pest management systems are being introduced, combining both chemical and biological methods, to effectively control pest attacks, while maintaining internationally recognised maximum residue levels
- Utilisation of green manure and cover crops to enrich soil and prevent degradation.

ENERGY CONSERVATION INITIATIVES

Energy management is a core component of KPPLC's sustainable growth strategy and in addition to monitoring energy consumption at all production facilities, the Company is also investing in energy efficient solutions. The Company also continually raises energy conservation awareness among employees and estate residents.

- Lighting systems were upgraded to LED technology in all factories offices and quarters, reducing electricity consumption by 10%.
- Retrofitted factories with variable frequency drives (VFDs) and energy-efficient motors.
- Conducted energy audits in 80% of operational units, leading to the implementation of energy-saving measures.

Renewable energy systems are gradually being integrated into the value chain. Solar power was incorporated into all nine upcountry tea factories, briquettes and sawdust is used for tea firing, uprooted rubber plants are being used as bio fuels.

WATER CONSERVATION INITIATIVES

Key water conservation actions:

- Established rainwater harvesting system across reducing dependency on surface water.
- Rehabilitated natural springs and streams, ensuring water security during dry periods.
- Established water stewardship committees at estate level to monitor and optimise water use.
- Effluents from tea and rubber factories are treated to national environmental standards
- Fencing off all natural water sources to prevent encroachment
- Protecting river banks through bamboo cultivation. KPPLC estates house many water ways including those that feed Devon Falls. In order to protect these waterways, the Company has started planting bamboo on the river banks. Bamboo plantations have also commenced in low country marsh lands.

CIRCULAR ECONOMY INITIATIVES

- Uprooted rubber trees are used as firewood
- Organic waste composting units established across all estates, converting biomass and kitchen waste into fertiliser.
- Initiated plastic recycling programmes, reducing plastic waste
- Introduced repair and reuse protocols for estate tools and machinery

WASTE MANAGEMENT

Structured waste management systems have been introduced to all estates and are regularly monitored.

Key waste initiatives:

- Estate-wide waste segregation and recycling initiatives, with zero waste to landfill targets in pilot estates.
- Safe collection and disposal of hazardous agrochemical waste, in compliance with national guidelines.

BIODIVERSITY PROTECTION INITIATIVES

Compliance with EUDR Requirements

EUDR

KPPLC's low country rubber estates are compliant with the European Union Deforestation Regulation (EUDR) requirements, demonstrating that KPPLC's rubber production complies with international sustainability standards.

FSC Certification

FSC
www.fsc.org
The mark of responsible forestry
FSC® A000504

KPPLC's low country rubber estates are in the process of obtaining FSC certification, covering 11 rubber estates and 4 rubber factories. The FSC certification is an independent verification of KPPLC's sustainable sourcing and biodiversity conservation practices in its rubber production process.

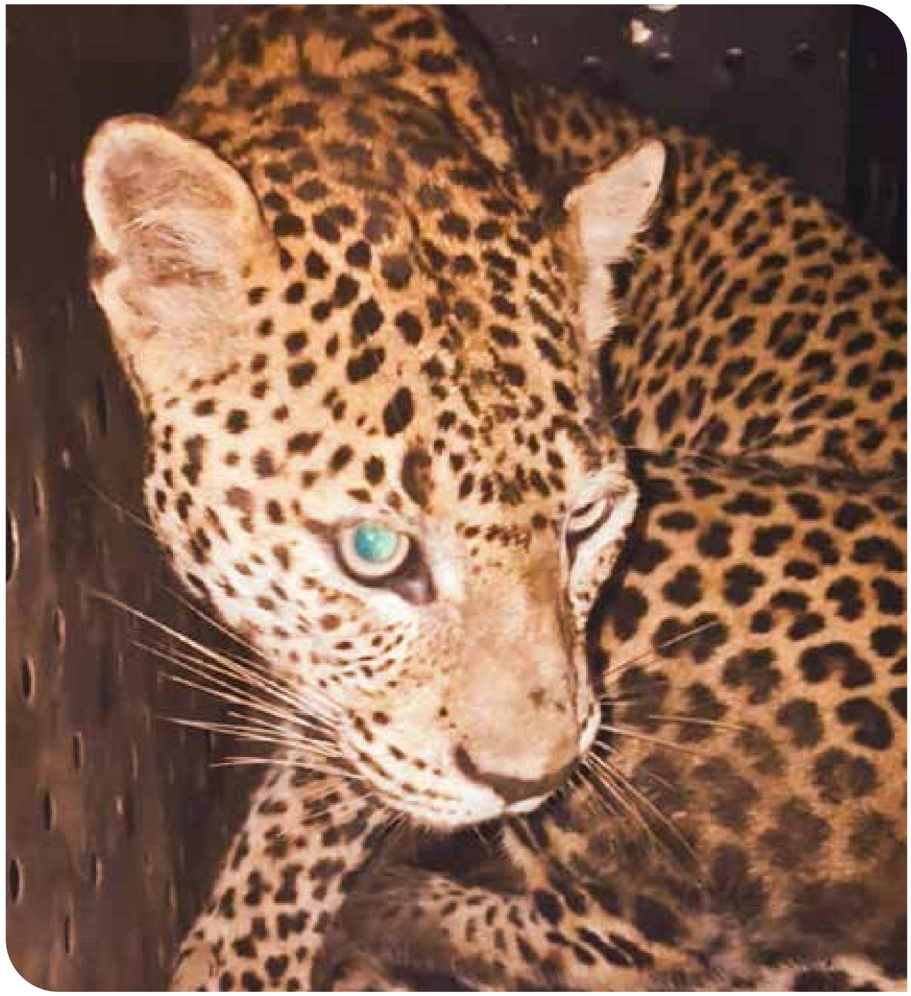
Natural Capital

Other biodiversity conservation initiatives:

- Designation of conservation zones encompassing 20 hectares of forested and wetland areas.
- Collaborative wildlife monitoring programmes with local environmental organisations.
- Snare removal campaigns and wildlife corridor mapping to support fauna movement.
- Engagement of communities through eco-clubs and biodiversity education programmes.
- In the current financial year estate community members and estate workers were educated on protecting leopard habitats and techniques to protect leopards and minimise human-leopard conflict

PLANS FOR THE FUTURE

In the new financial year KPPLC will enhance compliance with international accreditations while also upgrading all operational sites for energy efficiency. All grades of staff will continue to receive training in modern agricultural practices, environmental compliance requirements and environmental conservation principles.



Social Capital

Building Stronger Communities: KPPLC's Enduring Commitment to Stakeholders, Welfare, and Social Wellbeing

During the current financial year, KPPLC extended timely support to its upcountry estate communities in the wake of Cyclone Ditwah, proactively providing shelter and rehabilitation assistance to those affected. This swift response ensured that there were no fatalities, or serious injuries, among KPPLC's upcountry estate residents during the disaster, while also safeguarding their personal belongings and documents from severe flooding. In parallel, the Company engaged with all other stakeholders in a spirit of mutual trust and goodwill, honouring both its social responsibilities and business commitments in full.

Social Capital

REGULATORY COMPLIANCE

KPPLC remained fully compliant with regulations pertaining to marketing and labelling of products during the year.

ENGAGING WITH OUR STAKEHOLDERS

During the year, the Company maintained professional and ethical practices with all stakeholder groups and ensured compliance with all applicable regulations with different stakeholder groups. Feedback from stakeholders was valued and encouraged through dedicated communication channels to better understand stakeholder expectations in product and service delivery. Engagements with different stakeholder groups during the year are summarised below.

Stakeholder category	How we ensure meaningful engagement
Regulators	We ensured timely regulatory reporting and statutory payments and facilitated inspection visits to our factories whenever requested.
The Management Agent: Lankem Tea and Rubber Plantations (Private) Ltd (LT&RP)	Regular meetings were conducted to update our parent regarding the Company's operations
Golden shareholder	All statutory communications were conducted on time through the Plantation Management & Monitoring Division, under the purview of the Ministry of Plantation Industries
Ultimate parent: Ultimate parent – The Colombo Fort Land & Building PLC	Regular communications were conducted through the Chairman and the Board of Directors
Other shareholders	• A rights issue was conducted successfully in October 2025 giving our shareholders the opportunity to increase their stake in the Company. • All statutory disclosures were made on time for shareholders including: • The annual report for the financial year was made available to each shareholder • Quarterly Financial Statements were made available • Annual General Meeting was conducted on September 03 2025. Shareholders are given the opportunity to meet senior management and raise questions • All material disclosures were sent to the Colombo Stock Exchange and published on the stock exchange website, including the quarterly accounts • We also accommodate shareholder enquiries through our company secretaries • The Company website has been improved to provide more information regarding the Company to shareholders
Banks	We engaged regularly with our banking services providers for financial requirements during the year
Buyers and Brokers	We facilitated regular estate visits for buyers and brokers
Retail customers	Our retail customers are mainly our local buyers of Kotagala tea

Stakeholder category	How we ensure meaningful engagement
Employees	We continued to improve our HR policies and administration and also accommodated the Rs 200 wage increase for our estate workers. Please refer the Human Capital chapter for details on how we engaged with our employees during the year
Trade Unions	We continue to maintain a close rapport with all trade unions
Resident Communities (Kotagala estates are home to a resident estate population of over 44,000)	We continued to conduct many welfare programmes for estate communities and estate children including health and welfare programmes as well as educational support for children.
Suppliers • Fertiliser suppliers • Overseas suppliers • Green leaf suppliers in the low country • Agrochemical suppliers • Fuel & Electricity suppliers • Firewood suppliers • Packing Material suppliers • Machinery and Spare Parts suppliers • Hardware Items suppliers • Transporters	• We continuously evaluate our suppliers and their products to ensure that the Company maintains high quality while remaining competitive in terms of pricing. • Recommendations of the Tea Research Institute are followed in interactions with green leaf suppliers and we also engage in regular discussions with green leaf suppliers to ensure a consistent supply throughout the year. • New green leaf supplies were negotiated during the year to expand production of low country tea in the new financial year
Certification/ Accreditation Bodies	We engaged with different accreditation bodies during the year. These are: • We have been consistently RA certified for almost 10 years and all our factories completed the ISO audits successfully • SGS Lanka (PVT) LTD for Carbon Footprint Certification and Greenhouse Gas Assertion Report • Agencies to assist in complying with the European Union Deforestation Regulation (EUDR) requirements • FSC certification accreditation bodies
Government and non-governmental organisations engaged in social welfare	• KPPLC collaborated with the Tea Research Institute and the Rubber Research Institute to improve agricultural practices and to obtain technical training for employees • Following the Ditwah cyclone our estates engaged with many relief and rehabilitation agencies as well as national agencies regarding the safety and welfare of our estate communities • We also engaged with external organisations for various welfare projects for estate communities • Plantation Human Development Trust (PHDT)

Social Capital

Stakeholder category	How we ensure meaningful engagement
Industry associations	• KPPLC represented the plantation sector during negotiations with the Government during the year, with regards to the Rs 200 wage increase. Membership in associations 1. The Planters' Association of Ceylon 2. Colombo Tea Traders' Association 3. Employers' Federation of Ceylon 4. Colombo Rubber Traders' Association 5. Chamber of Commerce

QUALITY CERTIFICATIONS

KPPLC's tea factories are ISO certified for manufacturing quality standards and also for food safety standards ensuring that our customers get the best quality products.

Upcountry estates

ESTATE	ISO 22000:2018 Food Safety Management System	ISO 9001-2015 Quality Management System
01. Bogahawatte	Certified	
02. Chrystlers' Farm	Certified	
03. Craigie Lea	Certified	Certified
04. Drayton	Certified	Certified
05. Kelliewatte	Certified	
06. Mount Vernon	Certified	Certified
07. Mayfield	Certified	Certified
08. Stonycliff	Certified	
09. Yuillifield	Certified	Certified

Lowcountry estates

ESTATE	ISO 22000:2018 Food Safety Management System	ISO-9001-2015 Quality Management System
Rayigam	Certified	Certified
Gikiyanakande	Certified	Certified

Carbon footprint management

KPPLC upcountry estates have all obtained GHG verification and are also certified carbon footprint.

ESTATE	ISO 14064-1 GHG Verification
Bogahawatte	Certified
Chrystlers Farm	Certified
Craigie Lea	Certified
Derryclair	Certified
Drayton	Certified
Kelliewatte	Certified
Mayfield	Certified
Mount Vernon	Certified
Stonycliff	Certified
Yuillefield	Certified

Ethical certifications

All upcountry estates are Rainforest Alliance certified, independently verifying that KPPLC upcountry tea was produced using methods that support social equity, environmental responsibility, and economic viability.

ESTATE	RAINFOREST ALLIANCE
Bogahawatte	Certified
Chrystlers Farm	Certified
Craigie Lea	Certified
Derryclair	Certified
Drayton	Certified
Kelliewatte	Certified
Mayfield	Certified
Mount Vernon	Certified
Stonycliff	Certified
Yuillefield	Certified

Social Capital

CONSUMER ENGAGEMENT

A majority of KPPLC tea and rubber are sold in bulk form at tea and rubber auctions and through business-to-business clientele such as industry buyers and brokers. Therefore, our interactions with consumers are limited engagements through our tea centres.

However, we are gradually expanding our retail presence through our tea centres such as the Rosita Tea House which was opened in 2024, our tea boutique in the Colombo Head Office, called Tea Window, and our Mobile Café which allows visitors to indulge in fine tea and refreshments in various scenic locations within our estates. Over the next few year, we will be expanding our retail footprint through tea centres and hospitality offerings.

COMMUNITY ENGAGEMENTS

KPPLC believes in fostering inclusive growth and enhancing the well-being of its estate communities. A range of community welfare activities were implemented during the year, reflecting our strong commitment to corporate social responsibility and sustainable development.

Investments in community welfare - Rs.Mn

Community welfare activity	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Worker Housing (green gold/ Indian)	93	-	68	52	420	216	158	404
Sanitation Facilities	-	-	1	1	-	-	-	-
Water Facilities	1	8	-	4	-	2	3.2	43.25
Child Care (new crèche)	1	-	11	-	19	2	3.4	-
Re-Roofing	-	-	-	-	-	1	-	3.74
Other Investment	2	26	3	6	-	-	1.5	-
Total	98	34	83	63	439	221	166.1	450.99

CYCLONE RELIEF AND REHABILITATION

Cyclone Ditwah caused intense rainfall in KPPLC's upcountry estates, and a few workers' quarters located close to rivers were temporarily inundated, although no landslides were reported within the estates. However, high-risk communities were identified through estate disaster response teams and evacuated at an early stage to safe locations such as schools and kovils, preventing any loss of life, or serious injuries, and enabling residents to safeguard their belongings and important documents.

During this period of displacement the Company provided food and other essential requirements for displaced families. Rehabilitation and resettlement of affected quarters were completed within two weeks after flood waters receded. The Company is collaborating with Government agencies to permanently relocate families in high risk areas, to safer locations.

HEALTHCARE & WELL-BEING

The Company conducts free health camps every year with the medical authorities for estate communities.

This year 300 employees benefited from free oral cancer screening. This event was organised due to the high prevalence of betel chewing, smoking and alcohol consumption by estate communities.

EDUCATION & CHILD DEVELOPMENT

KPPLC continued to support education of estate children and youth by donating school supplies and providing scholarships. The Company operated Child Development Centres (CDCs) for young children ensuring better early childhood education for children of estate families. In order to support estate youth, career guidance and skill development programs were conducted within estates.

Certificate of Compliance at Tags Awards 2025

INFRASTRUCTURE AND HOUSING

Estate housing and sanitation facilities were improved, ensuring access to clean water and proper waste management. The road networks and transportation facilities within estates that were damaged during Cyclone Ditwah are being rebuilt.

PLANS FOR THE FUTURE

KPPLC will continue to support its estate communities through sustained health and welfare initiatives, while placing strong emphasis on empowering children and youth from estate families by expanding access to education and personal development opportunities. Living conditions will be progressively enhanced through improvements in housing, sanitation, and the creation of supplementary income streams to strengthen household resilience.

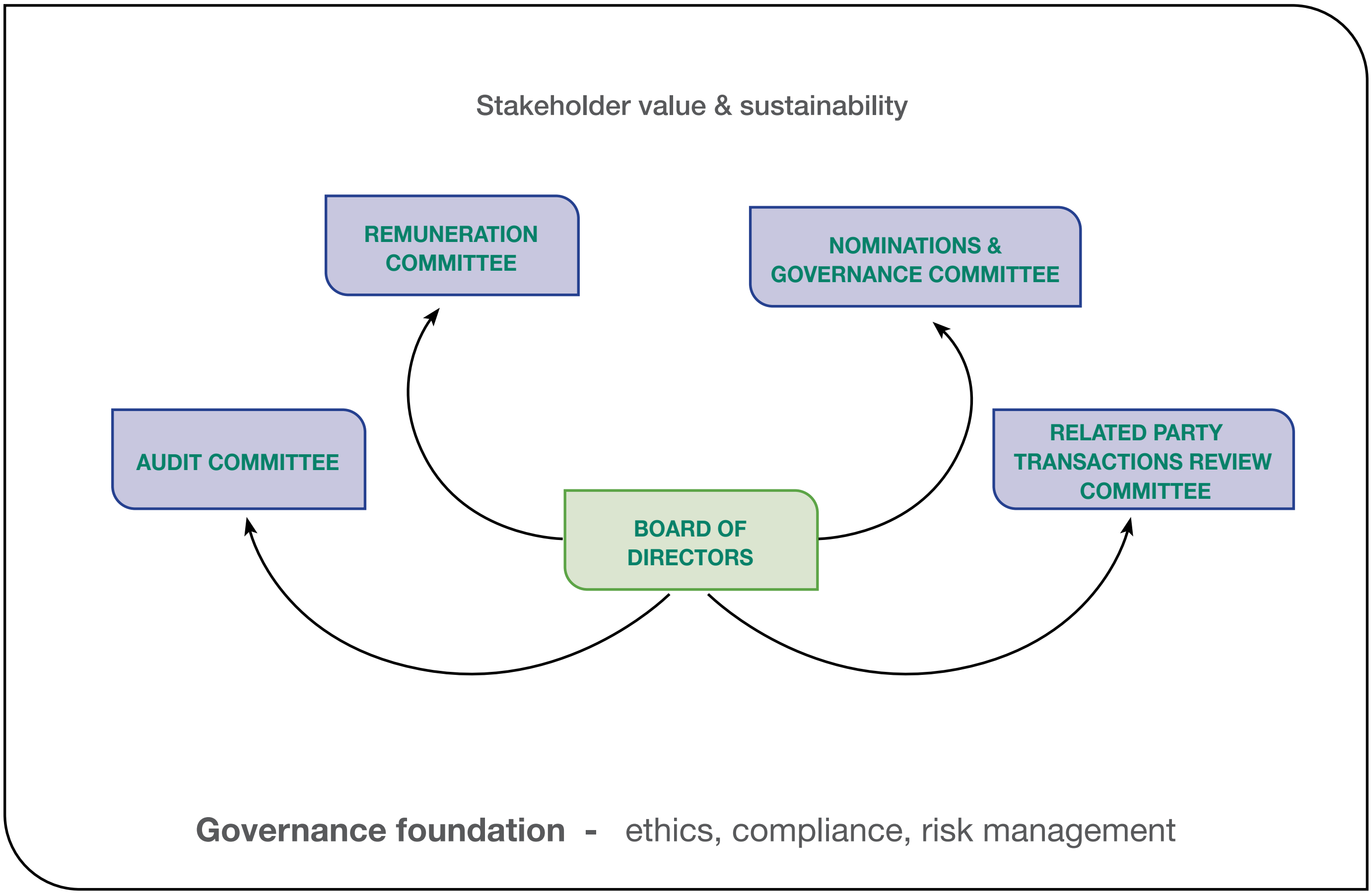
Engagements with all other stakeholder groups will be continuously reviewed and refined to drive meaningful improvements, with the objective of enhancing long-term social value creation.

Enterprise Governance

Lasting Integrity, Lasting Trust

Integrity defines how we operate, and trust sustains us. Through resilient governance frameworks and disciplined oversight, we ensure that every decision supports accountability, transparency, and long-term resilience.

Governance System



Kotagala Plantations has a comprehensive governance framework that adheres to applicable regulations and best practices. The Board of Directors provides strategic direction and risk management, supported by specialised sub-committees. To further strengthen governance, the Company has added Directors with relevant expertise, created new management roles, and implemented enhanced compliance systems. These measures have improved the level of compliance and paved the way for international accreditations.

The governance framework of Kotagala Plantations PLC is compliant with the Colombo Stock Exchange regulations and the Companies Act No.07 of 2007.

The Board of Directors is the final authority of the Company and provides oversight for the Company's strategic direction, as well as managing risks and good governance. The Board has appointed sub-committees to assist in its deliberations. The sub committees are the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and the Nominations and Governance Committee.

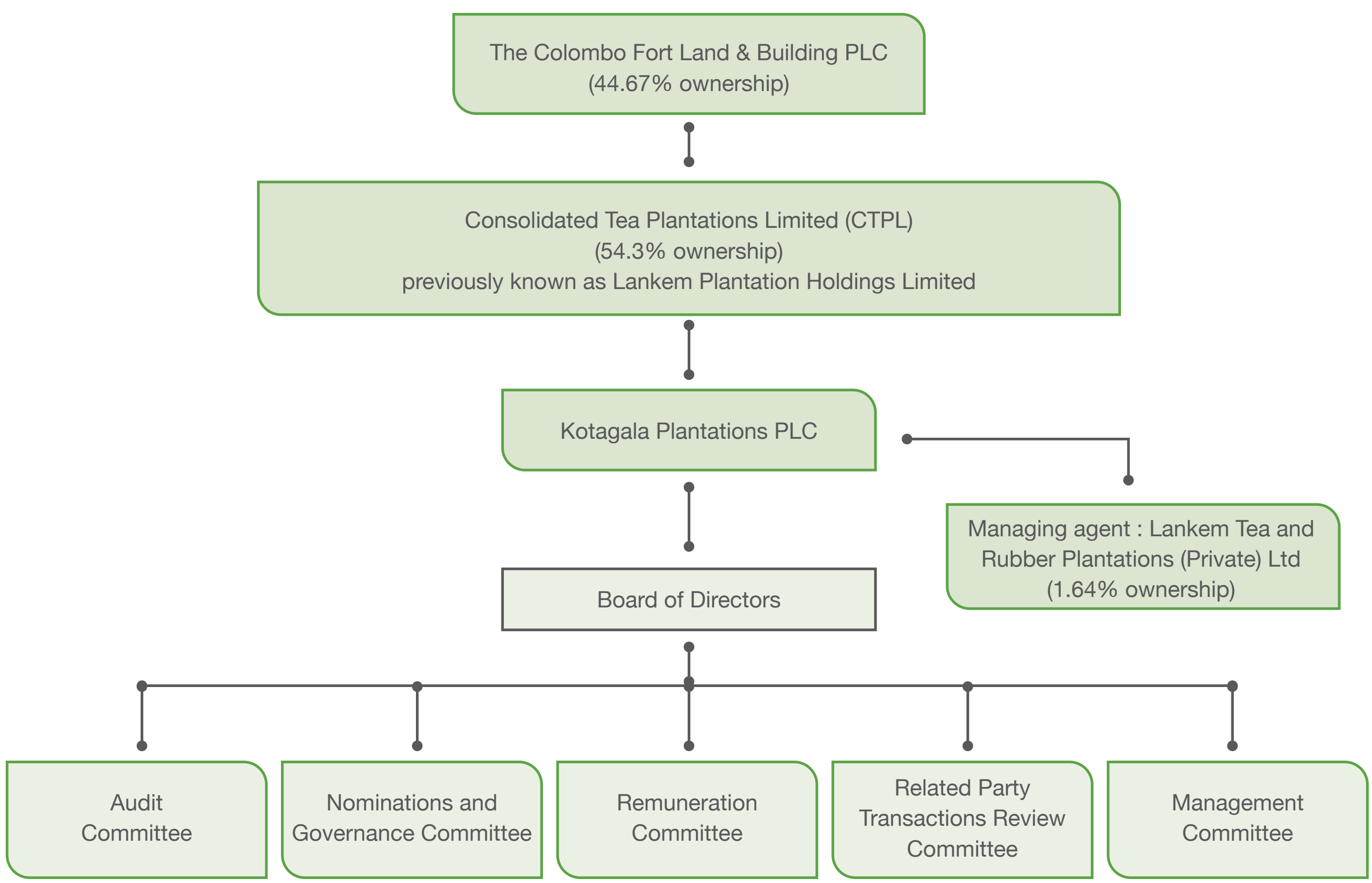
In addition a Management Committee has been established with the participation of Directors & Managers.

Kotagala Plantations' Managing Agent is Lankem Tea and Rubber Plantations (Private) Ltd. The parent of Kotagala Plantations PLC is Consolidated Tea Plantations Limited (CTPL), previously known as Lankem Plantation Holdings Limited. The ultimate parent of Kotagala Plantations' is The Colombo Fort Land & Building PLC (CFLB).

The Kotagala Board is headed by the Chairman who is a Non-Executive Director. The powers of the Chairman and the highest executive have been separated.

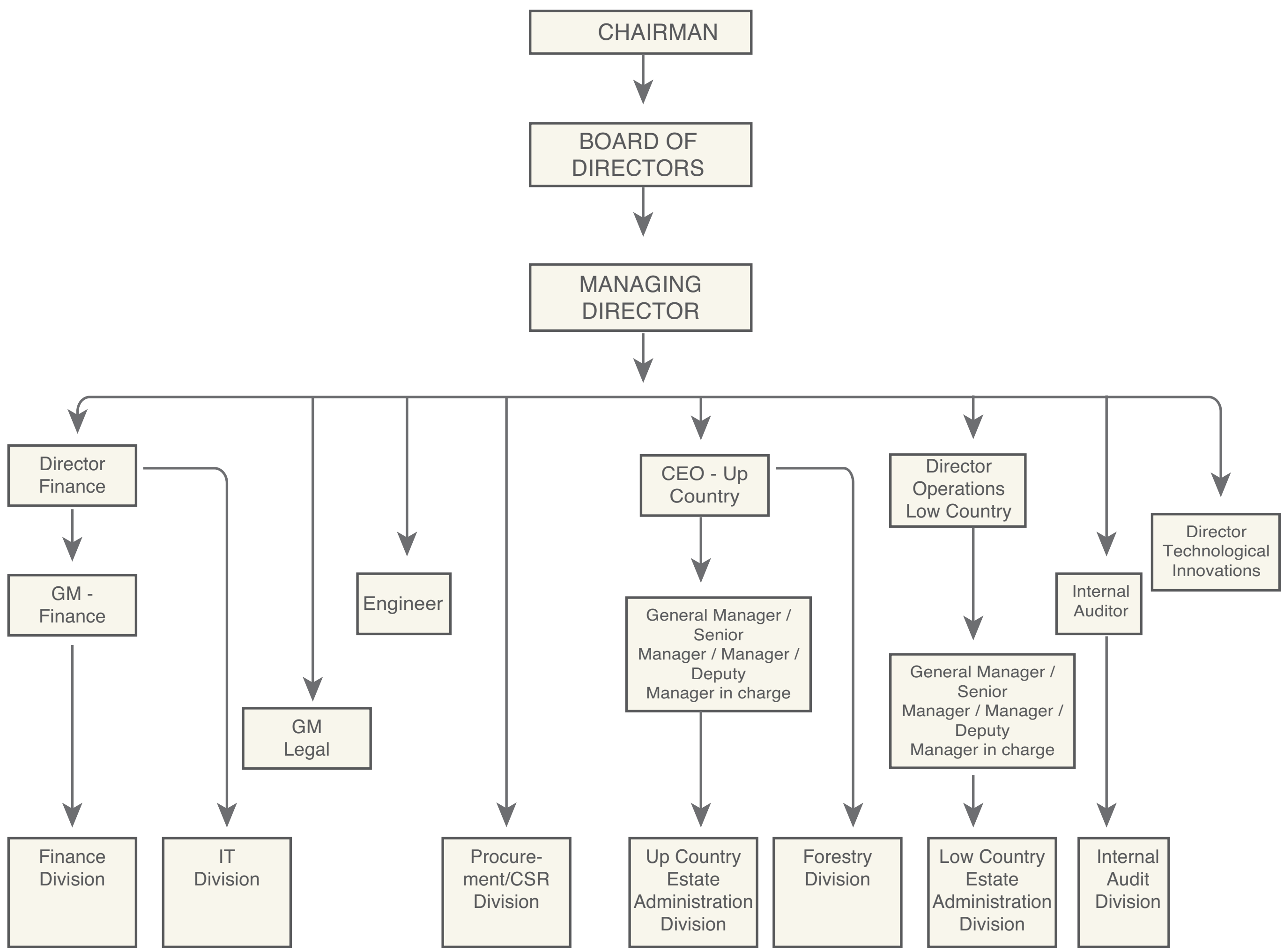
The Board capabilities are strengthened with the combination of Executive Directors, Non-Executive Directors and Independent Non- Executive Directors with diverse backgrounds. The Governance structure has been improved by introducing new management positions and recruiting experienced and qualified management personnel for professional management across functional aspects. In addition, the Company's governance processes have also been significantly strengthened by introducing layers of supervision along the organisational hierarchy and introducing reporting and monitoring systems. These measures have improved the compliance of the Company and efforts are ongoing to strengthen compliance through international accreditations.

GOVERNANCE STRUCTURE



Governance System

ORGANIZATION STRUCTURE OF KOTAGALA PLANTATIONS PLC



Corporate Governance Principle	Company's adherence
Directors	
Composition of the Board	Currently the Board comprises of three Executive Directors and four Non-Executive Directors two of whom are Independent. The Directors possess a strong balanced blend of skills, experience to offer guidance in core areas important to the Company. Mr. S.D.R. Arudpragasam - Non - Executive (Chairman) Mr. S.S. Poholiyadde – Executive (Managing Director) Mr. Anushman Rajaratnam - Non – Executive Mr. K. Mohideen - Executive (Director Finance) Mr. K.G. Punchihewa - Independent Non-Executive Mr. S.B. Perera - Independent Non-Executive Dr. L.S.K. Hettiarachchi - Executive (Appointed w.e.f. 01.04.2025) Independent Non-Executive Directors have submitted a signed and dated declaration of their independence/non-independence to the Board. The Board makes a determination annually as to the Independence or non independence of each Independent Non Executive Director based on such declarations made on the defined criteria and other information available to the Board. The names of Directors determined to be "independent " are set out in the Annual Report. Mr .K.G. Punchihewa and Mr. S.B. Perera, Independent Non- Executive Directors of the Company , meet the criteria for defining independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.
Decision making of the Board	The Board has met on six occasions during the year under review. In addition to Board Meetings, matters are referred to the Board and decided by Resolutions in writing. The number of meetings of the Board and the individual attendance by members is shown below: **Name of Director** — **No. of Meetings attended** Mr. S.D.R. Arudpragasam 6/6 Mr. S.S. Poholiyadde 6/6 Mr. Anushman Rajaratnam 6/6 Mr. K. Mohideen 6/6 Mr. K.G. Punchihewa- 6/6 Mr. S.B. Perera 5/6 Dr. L.S.K. Hettiarachchi 6/6 (Appointed w.e.f. 01.04.2025)

Governance System

Corporate Governance Principle	Company's adherence
	The Board is responsible for:- Ensuring the conduct of the Company's affairs in the best interest of its stakeholders. Identifying Strategic options implementation and monitoring their success. Appointment of the Directors, ensuring staff succession and determining remuneration of senior executives and staff in consultation with the respective Committees. Ensuring an effective internal control system. Ensuring a proactive risk management system. Ensuring compliance with highest ethical standards and legal standards. Approval of major capital investments acquisition expansions and Budgets Approval of interim and annual financial statements for publication. Ensuring compliance with the Company policies. The Directors have made themselves aware of applicable laws ,rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.
Chief Executive Officer	Mr. C. J. De costa- Up Country
Chairman's Role	The Chairman is a Non-Executive Director and is responsible for steering the Board to preserve order and to facilitate the effective discharge of Board functions. He conducts Board proceedings in a manner which always ensures the following: • **The effective participation of Directors.** • **Encourages an effective contribution from Directors within their respective capabilities, for the benefit of the Company.** • **Ascertains the views of Directors on issues under consideration.** The Board is in complete control of the Company's affairs and is alert to its obligation to all shareholders and other stakeholders.
Fit & Proper Assessment	The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman , Directors and CEO satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.
Company Secretaries	The Company and all Directors may seek advice from Corporate Managers & Secretaries (Pvt) Ltd who are qualified to act as Secretaries as per the provisions of the Companies Act No. 7 of 2007.
Obtaining independent professional advice	Advice is sought from independent experts whenever the Board deems it necessary. The Directors are updated on the changes in the plantation industry as well as on the general aspects which may affect the Company's operations.
Independent Judgement	The Board of Directors at all times exhibit high standards of integrity, commitment and independence of judgement. Each Director dedicates the time and effort necessary to carry out his responsibilities.

Corporate Governance Principle	Company's adherence
Managing Agents	The Board of Directors has delegated the management of Plantation and the task of achieving the strategic objectives set out by the Board to the managing agents, Lankem Tea & Rubber Plantations (Pvt) Ltd (LT &RP). The managing agents meets frequently and review the progress towards achieving the budgets and discuss the operational issues. The successful implementation of the Capital Expenditure programmes and focusing on the development strategies are also key priorities.
Financial Acumen	The Board comprises of five finance professionals who possess the knowledge and the competence to offer the Board the necessary guidance on matters relating to finance.
Supply of Information	Prior to each meeting all Directors are provided with an Agenda and a file of Board Papers which includes summarised Financial Statements, operational statistics, performance reviews, sales reports, Schedules of Capital Expenditure and a Progress Report, covering all significant issues with the comparatives of prior year and budget. Minutes of all the Meetings are properly recorded and circulated amongst the Directors. This information is provided at least 7 days prior to the meeting which gives Directors adequate time for qualitative deliberation and analysis.
Nominations and Governance Committee/ Appointments to the Board	New Directors are proposed for appointment by the Nominations and Governance Committee in consultation with the Chairman of the Company in keeping with the provisions of the Articles of Association of the Company in relation to same and in compliance with the policies adopted by the Company and the Rules on Corporate Governance. The Board as a whole annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election. Upon the appointment of a new Director to the Board, the Company makes the required disclosures of such Director to the shareholders by making announcements to the Colombo Stock Exchange. The Nominations and Governance Committee Report is set out on page 141
Disclosure of appointments of New Directors to the Shareholders.	The new appointments are made available to shareholders by making announcements to the Colombo Stock Exchange.
Re-election and Reappointment of Directors	In terms of the Articles of Association of the Company a Director appointed to the Board holds office until the next Annual General Meeting, at which he seeks re-election by the shareholders. The Articles require one-third of the Directors in office or a number nearest to one third (excluding the Managing Director and the Appointed Directors) to retire by rotation at each Annual General Meeting. The Directors who retire are those who have been longest in office since their last election. Retiring Directors are eligible for re-election by the shareholders. The Nominations and Governance Committee of the Company has duly recommended to the Board the re-election and reappointment of the Directors at the forthcoming Annual General Meeting and the Board of Directors have duly approved the said re-election and reappointment of the Directors. Further the Members have refrained from participating in decision making relating to their own re-election/ reappointment.

Governance System

Corporate Governance Principle	Company's adherence
RELATIONSHIP WITH SHAREHOLDERS	
Constructive use of AGM/ General Meetings	The Company always welcomes the active participation of the shareholders at the Annual General Meeting. Questions put up by the shareholders are answered thus promoting a healthy dialogue. The required number of days notice has been given to the shareholders in terms of the Companies Act No.7 of 2007 and the Articles of Association of the Company.
Communication with Shareholders	The Company publishes the Annual Report together with the interim reports in order to communicate information to the shareholders in a timely manner.
Major Transactions	There have been no transactions during the year under review which fall within the definition of "Major Transactions" as set out in the Companies Act.
Price Sensitive Information	Due care is exercised with respect to share price sensitive information.
Others	The Company maintains a website under the name https://lankemplantations.lk/kotagala-plantations/ which offers any individual or corporate, information on the Company and its affairs. The Company's principal communicator with all its stakeholders are its Annual Report and Quarterly Financial Statements. The shareholders are free to communicate with the Company. Whenever possible, the Company implements their suggestions. The policy on Relations with Shareholders and Investors is available on the Company's website https://lankemplantations.lk/kotagala-plantations/ and the contact persons are mentioned. Major issues and concerns of shareholders are communicated to the Board by the Senior Management and the Corporate Secretaries.
ACCOUNTABILITY AND AUDIT	
Financial Reporting	The Board attaches high priority to timely publication of quarterly and annual results with comprehensive details (both financial &non-financial) going beyond statutory requirements. This enables both existing and prospective shareholders to make fair assessments on the Company's performance and future prospects. The financial statements are prepared in accordance with Sri Lanka Accounting Standards. The Company's accounting formats and procedures are in compliance with the procedures laid down by the regulatory authorities.
Disclosures	The Annual Report of the Board of Directors is on pages 131 to 134 of this report. The Statement of Directors responsibilities for the financial reporting is on page 144 and the Auditor's Report on the financial statements is on the pages 147 to 149 of this annual report.
Going Concern	The Board of Directors after reviewing the financial position and the cash flow of the Company are of the opinion that the Company has adequate resources to continue operations well in the foreseeable future. Therefore, the Board adopts the going concern basis in preparing Financial Statements.
Internal Control	The Directors are responsible for maintaining an effective internal control system and proactive risk management strategy. Internal controls cover both financial and operational matters and risk management to safeguard the assets of the Company. The risk management strategy of the Company is on pages 124 to 130 of this report. The Company also ensures that effective internal and external audit procedures are followed and the Board reviews the reports in order to maintain the progress of the systems and results.

Corporate Governance Principle	Company's adherence
Internal Audit	The Internal Audit division comprises of the Head of Internal Audit and Assistants who report directly to the Managing Director. The Audit Committee is apprised of any pertinent matters. Internal Auditors are empowered to examine and review the financial reporting systems, internal control procedures, accounting policies and compliance with accounting standards. They also review the adequacy of systems for compliance with legal, regulatory and ethical requirement and company policies.
External Audit	The Company maintains a professional relationship with the external auditors, KPMG. This ensures their objectivity, independence and compliance with regulatory and ethical requirements.
Audit Committee	The Audit Committee Report is set out on pages 136 to 138 of this Report.
DIRECTORS' REMUNERATION	
Remuneration Committee	The Remuneration Committee Report is set out on page 135 of this Report
Disclosure of Remuneration	Aggregate remuneration paid to the key management personnel is disclosed in Note 32 to the Financial Statements.
RELATED PARTY TRANSACTIONS	
Related Party Transactions Review Committee	The Related Party Transactions are disclosed in Note 32 to the Financial Statements. The Report of the Related Party Transactions Review Committee appears on pages 139 and 140
OTHERS	
Management Committees	The Management Committee comprises of Directors, Consultants, General Managers and Deputy General Managers. Meetings are held once a month where a review in detail is carried out on the performance of each individual estate based on both financial and relevant non-financial indicators.
Compliance with Legal Requirements	The Board is conscious of its responsibility to the shareholders, the Government and the Society in which it operates and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board strives to ensure that the Company and its subsidiary comply with the laws and regulations of the Country.
Social & Environmental Matters	The Company has for many years recognised the benefits that accrue from responsible employment, environmental and community policies which are dealt with in detail in the Chairman's Review, Managing Director's - Review and CEO's Review.
Rights of Employees /Other Stakeholders	The Company identifies the rights of employees. Several employee performances enhancing mechanisms such as performance appraisals and training initiatives are in place for the career building of the employees. A series of best practices and techniques are now embedded in the business and applied intelligently within the organisation. Constant responsiveness to all stakeholder interests and an effective risk management process are critical success factors to ensure that the governance process will continue to add value in the future. The extent to which the Corporate Governance practices are adopted in the Company is given as above in this report.
Compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance	The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 103 to 123

Governance System

Corporate Governance Principle	Company's adherence
Company Policies	The Company has established a comprehensive suite of Corporate Policies that align with the Listing Rules of the Colombo Stock Exchange (CSE) and reflect the Company's commitment to ethical governance, transparency and sustainable business practices. These policies encompass key areas such as: • Matters relating to the Board of Directors. • Board Committees. • Corporate Governance, Nominations and Re-election. • Remuneration. • Internal Code of Business Conduct and Ethics. • Risk Management and Internal Controls. • Relations with shareholders and investors. • Environmental, Social and Governance (ESG) sustainability. • Control and Management of Company Assets and Shareholder Investments. • Corporate Disclosures. • Whistleblowing. • Anti-Bribery and Corruption. These policies are publicly accessible on the Company's website at https://lankemplantations.lk/kotagala-plantations/

CORPORATE GOVERNANCE

Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

	Rule	Adherence
9.2	POLICIES	
9.2.1	**Establish and maintain the following policies** a) Matters relating to the Board of Directors b) Board Committees c) Corporate Governance, Nominations and Re-election d) Remuneration e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Risk management and Internal controls g) Relations with Shareholders and Investors h) Environmental, Social and Governance Sustainability i) Control and Management of Company Assets and Shareholder Investments j) Corporate Disclosures k) Whistleblowing l)Anti-Bribery Corruption	Complied
9.2.2.	Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	Not Applicable
9.2.3.	Listed entities shall disclose in its Annual Report. i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website. ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	Will be made available when requests are received.
9.2.5	i) If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii) If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii) The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	The Company is compliant with Rule 9.2.1 and therefore Rule 9.2.5 is not applicable

Governance System

	Rule	Adherence
9.3	**BOARD COMMITTEES**	
9.3.1	**Establishment of Committee**	
	(a) Nominations and Governance Committee	Complied
	(b) Remuneration Committee	Complied
	(c) Audit Committee	Complied
	(d) Related Party Transactions Review Committee.	Complied
9.3.2	Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	Complied
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
9.4	**ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS**	
9.4.1	Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
9.4.2.	Communication and relations with shareholders and investors (a) Have a policy on effective communication and relations with shareholders and investors (b) Disclose the contact person for such communication. (c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders (d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	Complied

	Rule	Adherence
9.5	**POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS**	
9.5.1	Establish and maintain formal policy governing matters relating to the Board a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID c) Board diversity – experience, skills, competencies, age, gender, industry requirements d) Maximum number of Directors and rationale e) Frequency of Board meetings f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	a) Complied (b) Not Applicable (c)-(j) Complied
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.	Complied
9.6	**CHAIRPERSON AND CEO**	
9.6.1	Chairperson shall be a Non-Executive Director Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Complied Complied
9.6.2	Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable
9.6.3	The Requirement for a SID	
	a) Appoint of an Independent Director as the SID in the following instances: i) The positions of the Chairperson and CEO are held by the same individual. ii) The Chairperson is an Executive Director. iii) The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4	Set out the rationale for appointment of SID in the Annual Report	Not Applicable

	Rule	Adherence
9.7	FITNESS OF DIRECTORS AND CEOS	
9.7.1	a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilise the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments.	Complied
9.7.3	**'Fit and Proper Assessment Criteria' set out in Rule 9.7.3** a) Honesty, Integrity and Reputation – (i)-(vii) b) Competence and Capability –(i)-(ii) c) Financial Soundness –(i)-(iii)	Complied
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5	**Disclosures in the Annual Report** a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria b) Any non-compliance/s and remedial action taken to rectify non compliance	Complied Not Applicable
9.8	BOARD COMPOSITION	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2	Minimum Number of Independent Directors: (a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied Not Applicable

	Rule	Adherence
9.8.3	**Criteria for determining independence:**	
	A Director shall not be considered independent if he/she: (i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/ or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business; a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. (ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and the requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	Complied.

	Rule	Adherence
9.8.5	**The Board of Directors of Listed Entities shall require:**	
	(a) Each Independent Director to submit a signed and dated declaration annually	Complied
	(b) Make an annual determination as to the "independence" of Independent Director and set out the names of Directors determined to be 'independent' in the Annual Report.	Complied
	(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Not applicable
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2 A) In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules B) Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market	Complied with Rule 9.8.1 and 9.8.2 9.8.6 A and B Not Applicable
9.9	**ALTERNATE DIRECTORS**	
	Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive Director. c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. d) Immediate Market Announcement regarding the appointment of an Alternate Director e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.	Complied

	Rule	Adherence
9.10.	DISCLOSURES RELATING TO DIRECTORS	
9.10.1	Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report. . (maximum number of Listed Company Directorships – 25)	Complied
9.10.2	Market announcement on appointment of new Director (i - iii)	Complied - New Appointments during 2025/2026 have been disclosed
9.10.3	Immediate Market Announcement regarding any changes to the composition of the Board Committees (i - ii)	No changes to the Board Subcommittees during 2025/2026
9.10.4	**Disclosure in Annual Report - Directors details** - Name, qualifications and brief profile - Nature of his/her expertise in relevant functional areas - Whether either the Director or Close Family Members has any material business relationships with other Directors - Whether Executive, Non-Executive and/or independent Director - Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) - Number of Board meetings attended - Names of Board Committees in which the Director serves as Chairperson or a member - Attendance of committee meetings - TOR and powers of SID	Complied Not Applicable
9.10.5	Non-Disclosure of Changes to Board and Committees Failure to disclose new appointments or changes to the Board of Directors Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii)	Not Applicable

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	Rule	Adherence
9.11	NOMINATIONS AND GOVERNANCE COMMITTEE	
9.11.1	**Establishment of Nominations and Governance Committee**	Complied
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	**Written terms of reference**	Complied
9.11.4	**Composition**	
	(1) The members of the Nominations and Governance Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson (3) Identify Members in the Annual Report	Complied
9.11.5	**Functions**	
	(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees (ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors (iv) Establish and maintain a set of criteria for selection of Directors (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop a succession plan for the Board of Directors and Key Management Personnel (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices. (ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	Complied
9.11.6	**Disclosures in Annual Report**	
	Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	Complied

	Rule	Adherence
9.12	REMUNERATION COMMITTEE	Refer Page 101 of the Corporate Governance Report and the Remuneration Committee Report on Page 135
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received	
9.12.2	Establishment of Remuneration Committee	
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5	Written terms of reference	
9.12.6	Composition	
	(1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) Where both the parent company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson.	
9.12.7	**Functions**	
	(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	
9.12.8	**Disclosure in Annual Report**	
	a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent Company's Remuneration Committee in the case of a group Company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors	Refer the Remuneration Committee Report on page 135 and Note 32 to the Financial Statements.

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	Rule	Adherence
9.13	AUDIT COMMITTEE	Refer Audit Committee Report
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions	Complied
9.13.2	Written terms of reference	Complied
9.13.3	Composition	
	(1) The members of the Audit Committee shall;	
	(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.	Complied
	(b) Not comprise of Executive Directors of the Listed Entity	
	(2) Quorum - requires that the majority of those in attendance to be independent directors.	Complied
	(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	Complied
	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
	(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Managing Director & Director Finance were in attendance by invitation.
	(6) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4	Functions Detailed in Rule (1) (i) –(xiii) and (2)	Complied
9.13.5	Disclosures in Annual Report (a) Names of chairperson and members with nature of directorship (b) Status of risk management and internal control – Company and group (c) Statement on CEO and CFO assurance on operations and finances (d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. (e) Availability of formal Audit Charter (f) Internal audit assurance and summary of the work internal audit function (g) Details demonstrating effective discharge of functions and duties (h) Statement on external auditors' assurance on their independence (i) Confirmation on determining auditor's independence	Refer Audit Committee Report

	Rule	Adherence
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	Refer Related Party Transactions Review Committee Report
9.14.1.	Establishment of Committee Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Complied
9.14.2	Composition (1) The Related Party Transactions Review Committee shall comprise of; - Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors - May comprise of Executive Directors - An Independent Director shall be appointed as the Chairperson	Complied
9.14.3	Functions (1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations	Complied
9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. (3) Board of Directors to approve RPT when required by the committee (4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) Be present while the matter is being considered at the meeting; and, (b) Vote on the matter.	Complied Not Applicable
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied

	Rule	Adherence
9.14.6	Shareholder Approval 1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction. a) Non-recurrent transaction i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates b) Recurrent transaction (i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or (ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favourable to the Related Party than those generally available to the public.	Not Applicable
9.14.7	Disclosures	
	(1) Immediate Disclosures	
	(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.	Complied
9.14.8	Disclosures in the Annual Report	Refer Note 32 to the Financial Statements.

	Rule	Adherence
9.14.9	Acquisition and Disposal of Assets From/to Related Parties	
	1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)] 2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets. (3) Rule 9.14.9(1) does not apply to: a) Transactions between the Listed entity and a wholly owned subsidiary. b) Transaction between wholly owned subsidiaries of the Listed Entity. c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business. (4) a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration. b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice. (5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval (6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include: a) Key assumptions, conditions or restrictions that impact the estimate value. b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation. c) Sources of information relied upon for the valuation. d) Identity of individuals participating in the valuation assignment and their qualifications. e) Confirmation of the independence of the parties participating in the advice. f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.	Not Applicable

	Rule	Adherence
9.14.10	Exempted Related Party Transactions	
	(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favourable to the Related Party than those generally available to the public. (b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalisation of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares. (c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules). (d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction. (e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka. (f) Directors' fees and remuneration, and employment remuneration	Complied
9.15	**PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS**	Not Applicable
	A. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2 B. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market: - If non-compliance is rectified: (a) - (b) - If non-compliance is not rectified: (c) - (e)	Not Applicable
9.17	ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS	
	(i) Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested (ii) Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; (iii) Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; (iv) Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Complied Refer Annual Report of the Board of Directors and Corporate Governance Report

	Rule	Adherence
9.18	**ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**	
	a) Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1),9.11.4(2), 9.12.6, 9.13.3(1),9.13.3(4),9.13.3(6) or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules. b) The non-compliance must be rectified within three (03) months from the date of non-compliance. c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period.. d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored—whichever is earlier. e) Upon being placed on the Watch List, the Entity must make a Market Announcement including: -The remedial action proposed within six (06) months. -The following statements: i) Any change in the plan will be announced within 1 Market Day after Board approval. ii) If the plan is not implemented within 6 months, trading will be suspended. iii) If suspension lasts more than 6 months, delisting will follow. f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting. g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made. h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer. i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed. j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance. k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3. l) The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC."	Not Applicable

Governance System

DIRECTORS OTHER DIRECTORSHIPS

The details pertaining to the names of the Companies in Sri Lanka in which the Directors serve as a Director or Key Management personnel is given below.

Abbreviations:

C	-	Chairman	GMD	-	Group Managing Director
DC	-	Deputy Chairman	MD	-	Managing Director
EC	-	Executive Chairman	JMD	-	Joint Managing Director
EX	-	Executive Director	CEO	-	Chief Executive Officer
NE	-	Non Executive Director	D	-	Director
INE	-	Independent Non Executive Director	Alt	-	Alternate Director
S	-	Secretary	SID	-	Senior Independent Director

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S.S. Poholiyadde		Mr. Anushman Rajaratnam		Mr. K. Mohideen		Mr. K.G. Punchihewa		Mr. S.B. Perera		Dr. L.S.K. Hettiarachchi (Appointed w.e.f. 01.04.2025)	
The Colombo Fort Land and Building PLC*	✓	C/NE	✓	NE	✓	GMD/EX			✓	INE	✓	INE		
Kotagala Plantations PLC*	✓	C/NE	✓	MD/EX	✓	NE	✓	EX	✓	INE	✓	INE	✓	EX
Agarapatana Plantations PLC*	✓	C/NE	✓	MD/EX	✓	NE	✓	EX	✓	INE	✓	INE		
Lankem Developments PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE		
C M Holdings PLC*	✓	C/NE			✓	NE								
York Arcade Holdings PLC*	✓	C/NE			✓	NE								
Lankem Ceylon PLC*	✓	C/NE			✓	EX			✓	INE	✓	INE		
E.B. Creasy & Company PLC*	✓	C/MD/EX							✓	INE	✓	INE		
Muller & Phipps (Ceylon) PLC*	✓	C/NE							✓	INE	✓	INE		
Laxapana PLC*	✓	C/NE							✓	INE	✓	INE		
Beruwala Resorts PLC*	✓	C/NE			✓	NE					✓	INE		
Marawila Resorts PLC*	✓	C/NE			✓	NE					✓	INE		
Sigiriya Village Hotels PLC*	✓	C/NE			✓	NE					✓	INE		

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S.S. Poholiyadde		Mr. Anushman Rajaratnam		Mr. K. Mohideen		Mr. K.G. Punchihewa		Mr. S.B. Perera		Dr. L.S.K. Hettiarachchi (Appointed w.e.f. 01.04.2025)	
J.F.Packaging PLC* (Formerly known as J.F. Packaging Limited. Name change effective from 09.01.2026 consequent to the Initial Public Offering of the Company)	✓	C/NE			✓	NE			✓	INE	✓	INE		
C W Mackie PLC*	✓	C/NE			✓	NE					✓	INE		
ACME Printing & Packaging PLC*	✓	NE			✓	NE			✓	SID				
Colombo Fort Investments PLC*	✓	C/NE			✓	NE								
Colombo Investment Trust PLC*	✓	C/NE			✓	NE								
Alliance Five (Private) Limited*	✓	C			✓	D			✓	D	✓	D		
American Lloyd Travels Limited*	✓	D			✓	D								
Associated Farms (Private) Limited*	✓	C												
ACME Packaging Solutions (Private) Limited*	✓	D			✓	D								
B.O.T. Hotel Services (Private) Limited*	✓	C												
C. W. M. Hotels Holdings Limited	✓	D			✓	D								
Candy Delights Limited*	✓	C/MD												
Capital Investments Limited*	✓	D												
Capital Leasing Company Limited*	✓	C			✓	D								
Century Equity Trust Limited	✓	D												
Ceyflex Rubber Limited*	✓	C												
Ceylon Tapes (Private) Limited*	✓	C			✓	D			✓	D	✓	D		
Ceytape (Private) Limited*	✓	C			✓	D			✓	D	✓	D		
Colombo Fort Group Services (Private) Limited*	✓	D			✓	D								
Colombo Fort Holdings Limited*	✓	D												
Colombo Fort Hotels Limited*	✓	C			✓	D								
Colombo Fort Properties (Private) Limited*					✓	D								
Colombo Fort Travels Limited*	✓	D												
Colombo Residencies (Private) Limited	✓	D												
Colonial Motors (Ceylon) Limited*	✓	C/NE			✓	D								

Governance System

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S.S. Poholiyadde		Mr. Anushman Rajaratnam		Mr. K. Mohideen		Mr. K.G. Punchihewa		Mr. S.B. Perera		Dr. L.S.K. Hettiarachchi (Appointed w.e.f. 01.04.2025)	
Company Holdings (Private) Limited	✓	D												
Consolidated Commercial Investments (Private) Limited					✓	D								
Consolidated Holdings (Private) Limited	✓	D			✓	D								
Consolidated Tea Plantaions Limited*	✓	D	✓	D	✓	D	✓	D	✓	D	✓	D		
Consolidated Trust (Private) Limited					✓	D								
Corporate Systems Limited*	✓	C												
Creasy Plantation Management Limited*	✓	D												
Darley Butler & Company Limited*	✓	C/MD												
E. B. Creasy Ceylon (Private) Limited*	✓	C												
E. B. Creasy Logistics Limited*	✓	C												
E.B. Creasy Trading Limited*	✓	D												
E.B. Creasy Milk Foods Limited* (Striking Off in progress)	✓	C												
Far Eastern Exports (Colombo) Limited*	✓	D			✓	D								
Financial Trust Limited					✓	D								
Fortland Finance Limited	✓	C												
Galle Fort Hotel (Private) Limited*	✓	D			✓	D								
Guardian Asset Management Limited*	✓	D												
Great Eastern Resorts Ltd					✓	D								
Group Three Associate (Private) Limited*	✓	C												
Horton Plains Resorts and Spa Limited					✓	D								
Imperial Hotels Limited*	✓	C			✓	D								
JF Ventures Limited*	✓	C			✓	D			✓	D	✓	D		
Kiffs (Private) Limited*	✓	C			✓	D			✓	D	✓	D		
Lanka Special Steel Limited*	✓	C												
Lankem Agrochemicals Limited*	✓	C			✓	D								
Lankem Cargo Storage Limited*	✓	D			✓	D								
Lankem Chemicals Limited* (Striking Off in progress)	✓	C			✓	D								

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S.S. Poholiyadde		Mr. Anushman Rajaratnam		Mr. K. Mohideen		Mr. K.G. Punchihewa		Mr. S.B. Perera		Dr. L.S.K. Hettiarachchi (Appointed w.e.f. 01.04.2025)	
Lankem Consumer Products Limited* (Striking Off in progress)	✓	C			✓	D								
Lankem Exports (Private) Limited*	✓	C												
Lankem Minerals Limited*	✓	D			✓	D								
Lankem Paints Limited*	✓	C			✓	D								
Lankem Plantation Services Limited*	✓	D												
Lankem Research Limited* (Striking Off in progress)	✓	C			✓	D								
Lankem Tea & Rubber Plantations (Private) Limited*	✓	C	✓	MD	✓	D	✓	D						
Lankem Technology Services Limited* (Striking Off in progress)	✓	C												
Maitland & Knox (Private) Limited	✓	D			✓	D								
Mayfield Investments (Private) Limited					✓	D								
Motor Mart Ceylon (Private) Limited* (Striking Off in progress)	✓	D			✓	D								
Muller & Phipps (Health Care) Limited*	✓	C												
Nature's Link Limited*	✓	C												
Nutriklim (Ceylon) Limited	✓	D												
Oakley Investments (Private) Limited	✓	D			✓	D								
Property and Investment Holdings (Private) Limited	✓	D			✓	D								
Rubber & Allied Products (Colombo) Limited*	✓	C	✓	D	✓	D	✓	D						
Sherwood Holidays Limited*	✓	C												
Sigiriya Resorts Limited					✓	D								
Sunagro Farms Limited*	✓	C			✓	D								
Sunagro Lifescience Limited*	✓	C			✓	D								
Sunrise Resorts Limited					✓	D								
Sterling Steels (Private) Limited*	✓	C												
Teacom (Private) Limited*	✓	C			✓	D								
Transways (Private) Limited*					✓	D								

Governance System

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S.S. Poholiyadde		Mr. Anushman Rajaratnam		Mr. K. Mohideen		Mr. K.G. Punchihewa		Mr. S.B. Perera		Dr. L.S.K. Hettiarachchi (Appointed w.e.f. 01.04.2025)	
Tropical Beach Resorts Limited					✓	D								
Udaveriya Plantations Limited	✓	D			✓	D								
Unicom Clearing and Forwarding (Private) Limited*	✓	C			✓	D								
Union Commodities (Private) Limited*	✓	C	✓	D	✓	D	✓	D						
Union Commodities Exports (Private) Limited*	✓	C			✓	D								
Union Commodities Teas (Private) Limited*	✓	C			✓	D								
Union Group (Private) Limited*	✓	D			✓	D								
Union Investments (Private) Limited*	✓	D			✓	D								
Voyages Ceylan (Private) Limited*					✓	D								
Waverly Power (Private) Limited*	✓	C	✓	D	✓	D	✓	D						
Weligama Hills Limited	✓	D			✓	D								
York Conventions (Private) Limited*					✓	D								
York Hotel Management Services Limited*	✓	C			✓	D								
York Tours Limited*					✓	D								
Cambodian Rubber Plantation Industries PTE Ltd					✓	D								
Consolidated Rubber Plantations PTE Ltd					✓	D								
Kelani Valley Canneries Limited					✓	D								
Sunquick Lanka (Pvt) Ltd					✓	D								
Sunquick Lanka Properties (Pvt) Ltd					✓	D								
Lanka Agro Plantations Limited					✓	D								
Plantation Human Development Trust									✓	D				
Fintrex Finance PLC											✓	NE		
Teejay Lanka PLC											✓	INE		
Teejay Lanka Prints (Private) Limited											✓	D		
Teejay India Private Limited											✓	D		
Teejay Mauritius Private Limited											✓	D		
Nubian Threads Private Limited											✓	C		

NOTES:

The Companies marked with an * are Subsidiaries of Associates of the The Colombo Fort Land & Building Group.

Mr. S.D.R. Arudpragasam was appointed as the Non-Executive Chairman of C.W. Mackie PLC with effective from 01.04.2026. Further, Mr. S.D.R. Arudpragasam was appointed as the Non-Executive Chairman of Colonial Motors (Ceylon) Limited with effect from 02.04.2026.

Mr. S.S. Poholiyadde was appointed as a Non-Executive Director to the Board of The Colombo Fort Land & Building PLC with effect from 01.01.2026.

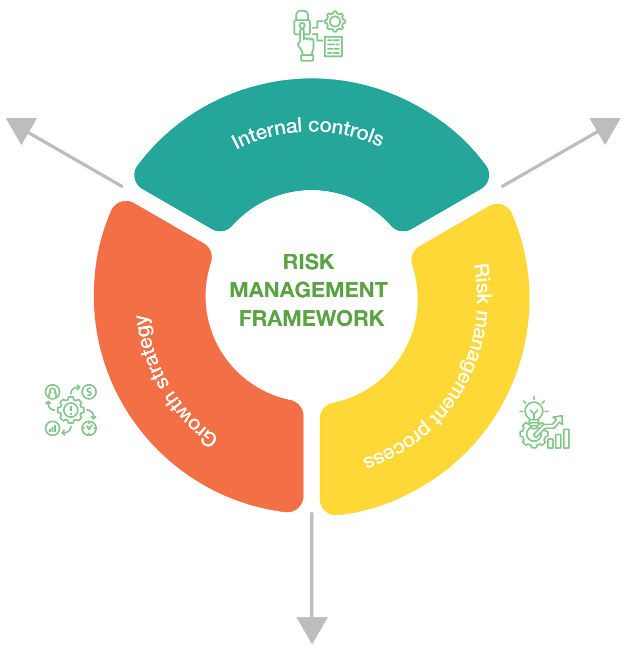
Mr. Anushman Rajaratnam was appointed as the Managing Director of Union Commodities (Pvt) Ltd with effect from 16.05.2025. Further, Mr. Anushman Rajaratnam was appointed to the Board of Consolidated Trust (Private) Limited with effect from 23.03.2026.

Mr. K.G. Punchihewa ceased to be a Director of Plantation Human Development Trust with effect from 28.09.2025.

Mr. S.B. Perera resigned from the Boards of Ceytape (Private) Limited, JF Ventures Limited, Kiffs (Private) Limited, Alliance Five (Private) Limited and Teejay India Private Limited with effect from 10.05.2025 and from the Board of Teejay Mauritius Private Limited with effect from 31.05.2025.

Dr. L.S.K. Hettiarachchi was appointed to the Board of Kotagala Plantations PLC with effect from 01.04.2025.

Managing the Risks



Internal Controls
Independent audits and segregation of duties safeguard Group assets

Risk Management Process
A continuous cycle of identify, assess, mitigate and review drives control.

Growth Strategy
Capital allocation is phased to balance growth against risk capacity.

Sri Lanka's economy remained on a recovery trajectory for the greater part of the 2025–26 financial year, sustaining growth momentum underpinned by moderate interest rates and subdued inflation. The only significant disruption was Cyclone Ditwah. Against this stable macroeconomic backdrop, KPPLC reduced its financial risks through a successful rights issue, which was used to further reduce its debts. The Company also maintained a prudent and strategic approach in its capital investments, carefully balancing the risk-benefits. Consequently, KPPLC's risk profile had improved significantly by end March 2026.

The most significant risk element in the macro landscape of 2025-26 was Cyclone Ditwah, due to its widespread and intense impact through severe flooding and landslides, resulting in significant displacement and economic disruption across the country. The plantation sector was inevitably affected, particularly estates located in the hill country.

As RPCs began recovering from the impact of Ditwah, the sector faced a further wage increase, effective January 2026. The full financial impact of this latest wage increase will materialise in the new financial year. Meanwhile, tea prices at the Colombo Tea Auctions remained below the previous year's levels, contributing to a decline in revenue.

With the US bombardment of Iran in March 2026, and the ensuing disruption of sea and air transport, volatility in commodity market spiked towards the end of the year, putting pressure on Sri Lanka's plantation sector. In addition to short term export disruptions and rising logistics costs, this situation may also endanger Sri Lanka' s Tea-for-Oil Barter Agreement with Iran. Meanwhile, the ongoing Russia–Ukraine war, had also heightened price unpredictability during the year under review. In addition, the European Union Deforestation Regulation, scheduled to come into effect in 2026, imposed further compliance requirements on plantation companies.

Despite these challenges, KPPLC remained steadfast in its strategic direction, and continued its investment programme aimed at improving production facilities and employee productivity. The Company's financial performance for the year reflects the effective implementation of its strategies amid a challenging risk environment and underscores the strength of KPPLC's risk management framework.

Emerging risks in the new financial year

The plantation sector faces a rising risk environment in the new financial year, due to higher operational and financial risks compared to 2025-26. These include:

- The wage cost risk will increase significantly in the plantation sector from the new financial year, as companies must absorb the additional cost although tea prices may not keep pace.
- The potential for tea prices to remain lower than the previous year, or to be more volatile due to global trade and geopolitical tensions, which increases revenue uncertainty in plantation companies.
- Lower demand from Iran will expose low country tea to price pressure
- Plantation companies may be saddled with varying levels of post-cyclone recovery costs in the new financial year.
- As no firm and final decision has been announced regarding lease extensions of plantation lands, the element of uncertainty remains.
- Climate change related weather anomalies can be expected to persist which would negatively impact both yield and quality.

Risk management process

KPPLC has aligned its risk management processes with the three lines of defence model, where the ultimate responsibility of risk management is borne by the Board, supported by the Audit Committee and the Management Committee. The estate managers, regional managers and operational divisions are responsible for identifying, assessing, and managing risks at different levels.

The risk management process is integrated into the overall governance, internal controls and strategy planning and implementation process across the entire organisation and all activities. The Board is involved in risk identification and assessment through management feedback, and approves suitable risk responses. External market developments both within the country, and internationally, are continually monitored against KPPLC's strategic objectives to identify potential threats to strategic progress.

Managing the Risks

Effectiveness of internal controls

The quality of internal controls is maintained through regular audits of finances and inventories and regulatory compliance checks. The findings are also presented to the Board. In addition, the Company complied with audits for:

- Rainforest Alliance certification
- ISO health and safety and quality management systems certification
- GHG Verification certification
- Carbon footprint certification

Risk management report for 2025-26

Risk	Risk description	Potential impact	Response to risk	Risk rating
SOCIAL CAPITAL				
Taxation	Increased tax payments and impact of deferred tax expenses	High	Planning cash flows for future tax payments	High
Socio-political unrest	Can disrupt Company operations and disrupt operations of suppliers	High	The Company possesses synergistic benefits from being in a group which includes a chemical supplier and another Company in plantation business. Healthy relationships are maintained with our suppliers	Decreasing risk
Import restrictions	Import restrictions on fertilizer and agrochemicals, impacted crop outputs, quality	High	By switching to inputs available in the market to sustain the operations	Low
Governance/ compliance risk	Regulatory compliance lapses can lead to fines and penalties and loss of licenses	High	• All outstanding employee statutory payments were settled. • Monthly reporting, record keeping and monitoring with regards to statutory employee payments, was strengthened. • Monthly HR Audits have been introduced • The Company's legal division also monitors compliance with all regulatory requirements. • Compliance levels with quality assurance standards in factories are being improved.	Low

Risk	Risk description	Potential impact	Response to risk	Risk rating
Policy and regulations	Ban on oil palm cultivation hinders revenue growth Government delays in issuing permits for harvesting timber reduces revenue	High	• Obtained permits in the current financial year to harvest timber	Low
Energy cost	Rising fuel and electricity costs have increased operating costs	Medium	• Have commenced use of biofuels using uprooted rubber trees as alternative to more expensive liquid fuels We are considering other renewable energy options as well as alternatives for electricity	Decreasing risk
Reputational risk	The credibility of the Company may be impacted due to a range of reasons	Low	• We improved compliance with all national regulations in the current year • We comply with international accreditations • Any customer and supplier complaints are resolved immediately • Employee grievances management was improved in the current year • Community health camps were conducted • Other community welfare programs are ongoing	Low
FINANCIAL CAPITAL				
Interest rate risk	This is a high risk for the Company although interest rates declined due to debt repayment obligations	High	We negotiate better terms on loans	Low
Debt payments	• **Repayment of loans** Near term debt maturities	High	• Bank loans were restructured for longer tenures • We are negotiating for funding for impending debt payments • We are developing new revenue sources, including the manufacture of refuse tea, branded tea and tourism products to strengthen finances	Low

Managing the Risks

Risk	Risk description	Potential impact	Response to risk	Risk rating
Foreign exchange risk	The Company may face a shortage of funds due to debt obligations	High	• We maintain tight cashflow controls • Loans and overdraft facilities are arranged with banks to meet planned cash flow commitments	Medium
NATURAL CAPITAL				
Climate change risk	Extreme weather caused rubber outputs to decline and had negative impacts on tea	High	• Over the long term, we will be diversifying out of rubber as climate change impacts will worsen • We have already adopted crop diversification to spread the risk • We plan to expand oil palm in rubber estates • The Company has the option of increasing or decreasing bought crop according to weather patterns • Prudent agriculture practices, such as rain guards for rubber trees and planting of TRI recommended clones and other agri cultural practices are used to minimise drought effects and proactive planning has helped the Company to minimise the risk of adverse weather conditions.	High
Environmental impact risks	Negative impacts on the environment can result in fines and reputational damage	Low	• The Company complies with all environmental regulations and inspections • The Company complies with additional environmental accreditations	Low
Pests and diseases	Rubber leaf disease caused losses to rubber plantations	Medium	• We are using high quality agrochemicals to control this threat	Low

Risk	Risk description	Potential impact	Response to risk	Risk rating
MANUFACTURED CAPITAL				
Commodity market risk	Global commodity price fluctuations impact our earnings	High	• We have adopted a crop diversification strategy to better balance the risks • We are investing in international accreditations to obtain better market access for tea and rubber • We have a full range of high grown and low grown tea and different types of rubber which helps optimise earnings. • We enter into forward contracts with rubber buyers to reduce price fluctuations	High
ICT risks	Loss of data and breakdown of systems due to cyber attacks	Low	• Internal controls on IT safety were reviewed • Backup systems are maintained • Contracts with established agents for licensed software were renewed	Low
Plant and equipment risk	Risk of machinery breakdowns	Low	• Insurance policies for our assets were renewed • Provision is made for assets defects and malfunctions and for obsolescence due to advancements in technology. • We buy from the best suppliers to ensure quality goods • The factories in the estates and other infrastructure are maintained regularly and upgraded when required. • Factories are also upgraded under the Rainforest Alliance/ ISO standards	Low

Managing the Risks

Risk	Risk description	Potential impact	Response to risk	Risk rating
HUMAN CAPITAL				
Operational risks	Ineffective processes can lead to low productivity and waste, and prevent achievement of strategic objectives	Medium	• The management structure has been improved • Reporting and monitoring systems are being improved • Productivity committees have been set up with CEOs and all managers • Estate vacancies are reported monthly for quick action • Training is being provided to improve efficiency and productivity and reduce wastage • Quarterly performance evaluations have been introduced for all deputy managers and assistant managers for their estates and divisions • Monthly target setting and reviewing have been improved • The ERP system was improved further for better real time data • The use of the Human Resource Information System is being improved for better administration • Solutions for problems relating to IT/ digitalisation, particularly in up country estates due to signal losses, are now being reviewed with the assistance of external expertise.	Low
Industrial disputes	Industrial actions by trade unions	Low	• All outstanding statutory payments were settled • Many initiatives were introduced to engage with employees during the current financial year. Please refer the Human Capital chapter.	Low
Labour losses	Outmigration of estate labour	High	• Employee welfare facilities were improved (Please refer Human Capital chapter for greater details) • Mechanisation and automation were expanded	High

Annual Report of the Board of Directors

The Board of Directors of Kotagala Plantations PLC present their Report together with the Audited Financial Statements for the year ended 31st March, 2026. The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best practices.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW/FUTURE DEVELOPMENTS

The principal activities of the Company are cultivation, manufacture and sale of Tea, Rubber and cultivation and sale of Oil Palm. Chairman's message, Managing Director's review, operational review of the CEO and review on financial capital describes the performance of the Company during the year with comments on financial results and future developments.

The Directors to the best of their knowledge and belief confirm that the Company and its subsidiary have not engaged in any activities that contravene laws regulations and prudential requirements and that there are no material non-compliances.

FINANCIAL STATEMENTS

The Financial Statements of the Group are given on pages 150 to 232.

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on pages 147 to 149.

ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 157 to 169.

INTEREST REGISTER

DIRECTORS' INTEREST IN TRANSACTIONS

The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 7 of 2007.These have been entered in the Interest Register which is maintained by the Company. The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director and the said transactions are disclosed in Note 32 "Related Party Transactions " on pages 211 to 213.

The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

During the financial year the Company has not entered into any contracts in which the Directors have had a material interest. Neither the Directors nor their close family members have had any material business relationships with other Directors.

DIRECTORS' INTEREST IN SHARES

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act No. 07 of 2007.

Details pertaining to Directors direct shareholdings are set out herein.

Name of Director	No. of Shares as at 31.03.2026	No. of Shares as at 31.03.2025
Mr. S.S. Poholiyadde	2,000,082	266,115
Mr. K.G. Punchihewa	468	375

DIRECTORS' REMUNERATION

The Directors' remuneration in respect of the Group for the Financial Year 2025/2026 is disclosed in Note 7 to the Financial Statements.

Annual Report of the Board of Directors

CORPORATE DONATIONS

No donations were made during the year. (2024/25 – Nil)

DIRECTORATE

The names of the Directors who held office during the financial year and are currently in office are given below. Brief profiles of the Directors appear on pages 18 to 19.

Mr. S.D.R. Arudpragasam – Chairman
Mr. S.S. Poholiyadde – Managing Director
Mr. Anushman Rajaratnam – Director
Mr. K. Mohideen – Director Finance
Mr. K.G. Punchihewa – Director
Mr. S.B. Perera – Director
Dr. L.S.K. Hettiarachchi – Director

In terms of Articles 92 and 93 of the Articles of Association Mr. K.G. Punchihewa retires by rotation and being eligible offers himself for re-election.

Mr. S.D.R. Arudpragasam who is over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. S.S. Poholiyadde who has attained the age of seventy years retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

ENTERPRISE GOVERNANCE

Adoption of good governance practices has become an essential requirement in today's corporate culture. The practices carried out by the Company are given in the Enterprise Governance Statement on pages 94 to 123.

AUDITORS

The Financial Statements of the Company for the year have been audited by KPMG, Chartered Accountants, the retiring Auditors who have expressed their willingness to continue as Auditors of the Company and are recommended for reappointment. A resolution to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, KPMG was paid Rs.8.6 Mn (2024/2025 – Rs.8Mn) as audit fees and fees for audit related services by the Company. In addition KPMG was paid Rs.0.3 Mn. (2024/25 – Rs.0.3 Mn) by the Company as fees for non-audit related work. As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interests in the Company.

REVENUE

The revenue of the Group for the year was Rs.5.7 Bn (2024/25 - Rs.5.18 Bn). The revenue of the Company for the year was Rs.5.6 Bn. (2024/25 – Rs. 5.1 Bn)

RESULTS

The Group made a Profit before Tax of Rs.365 Mn. (2024/25- Rs.599 Mn).

The Company made a Profit before Tax of Rs.490 Mn. (2024/25- Rs.591 Mn). The detailed results are given in the Statement of Profit or Loss and Other Comprehensive Income on page 150.

DIVIDENDS

The Board of Directors have not recommended the payment of a dividend on the Ordinary Shares of the Company for the year ended 31st March, 2026.

MANAGING AGENTS & MANAGEMENT FEE

Lankem Tea & Rubber Plantations (Pvt) Limited (LT & RP), a subsidiary of Consolidated Tea Plantations Ltd, (formerly known as Lankem Plantation Holdings Limited,) continue to manage the affairs of the Company.

LT & RP did not charge Managing Agent's Fees in the year under review.

INVESTMENTS

Investments made by the Group and the Company are given in Note 15 to the Financial Statements on pages 187 to 190.

PROPERTY, PLANT & EQUIPMENT

During 2025/2026 the Group invested Rs.355.8 Mn. in Property, Plant & Equipment. (2024/25 - Rs. 109.8 Mn). Further, the Directors are of the opinion that the net amounts at which land and other Property, Plant & Equipment appear in the Statement of Financial Position are not greater than their market value as at 31st March, 2026.

CAPITAL EXPENDITURE - COMPANY

The capital expenditure of the Company during the year amounted to Rs. 477 Mn. (2024/25 - Rs. 220.7 Mn) which includes Rs.120.8 Mn in replanting expenditure (2024/25 - Rs. 110.9 Mn) Information relating to movements in Property, Plant & Equipment are given in Notes 13 and 14 on pages 179 to 186 in the Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at 31st March, 2026 was Rs. 2,333,015,635/- and is represented by 423,140,625 Ordinary Shares and 01 Golden Share.

RIGHTS ISSUE OF SHARES

The Company made a Rights Issue of Eighty Four Million Six Hundred and Twenty Eight Thousand One Hundred and Twenty Five (84,628,125) Ordinary Shares at a price of Rs. 9/- per share to the holders of the Issued Ordinary Shares of the Company as at end of trading on 18th September 2025 in the proportion of one (01) new ordinary share for every four (04) existing issued ordinary shares held in the capital of the Company. The issue closed on 14th October 2025. The issue was fully subscribed and the consideration received was Rs. 761,653,125/-.

The details on the utilisation of proceeds is set out under share information on page 240 of this report. Due disclosure on the utilisation of proceeds was made to the Colombo Stock Exchange (CSE) in the published Interim Financial Statements.

Consequent to the Rights Issue of shares, Company's Stated Capital amounted to Rs. 2,333,015,635/- represented by 423,140,625 Ordinary Shares and 01 Golden Share.

RESERVES

The total reserves of the Group as at 31st March 2026 amounted to Rs. 1,139 Mn. (31st March 2025 - Rs. 955 Mn) comprising of Retained profit of Rs. 245.4Mn, Foreign Currency translation Reserve - Rs. (11.4) Mn, (31st March, 2025- Rs. (11.4 Mn.) Revaluation Reserve - Rs. 905.8 Mn (31st March, 2025 - Rs. 1,020.9 Mn.) The movements are shown in the Statement of Changes in Equity in the Financial Statements.

RELATED PARTY TRANSACTIONS

In respect of the financial year ended 31st March 2026 there were no recurrent Related Party Transactions which exceeded the respective disclosure thresholds mentioned in Section 9 Colombo Stock Exchange Listing Rules.

Non-recurrent Related Party Transactions which exceeded the respective disclosure thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules are disclosed in Note 32 to the Financial Statements.

The Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the financial statements are disclosed in Note 32 from pages 211 to 213.

TAXATION

Income Tax expense comprise of current and deferred tax. Income tax expense is recognised in Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Inland Revenue (Amendment) Act No. 45 of 2022 was certified by the speaker on 19th December 2022. As per the Amendment Act, the Company is liable to pay tax at the rate of 30% on its taxable profits (2024/25-30%).

Prior to 7th July 2022, profit from the business of "Agro processing" and "investment income taxed at the rate of 14% and 24% respectively as per Inland Revenue (Amendment) Act No 10 of 2021. Profit from the business of "Agro Farming" will continued to be exempt from income tax up to 2023/24 under the Inland Revenue (Amendment) Act No.45 of 2022.".

SHARE INFORMATION

Information relating to earnings, net assets, market value per share and share trading is given on pages 150, 152 and 238.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

No circumstances have arisen since the Reporting Period that would require adjustment other than those disclosed in Note 31 to the Financial Statements on page 210.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital Commitments and Contingent Liabilities as at the Reporting date are disclosed in Notes 29 and 30 to the Financial Statements on page 210.

EMPLOYMENT POLICY

The Company's recruitment and employment policy is non-discriminatory. The occupational health and safety standards receive substantial attention. Appraisals of individual employees are carried out in order to evaluate their performance and realise their potential. This process benefits the Company and the employees. The number of persons employed by the Company at the year end was 4,437 (2024/ 25 – 4,743)

Annual Report of the Board of Directors

There were no material issues relating to employees and industrial relations during the year ended 31st March 2026.

SHAREHOLDERS

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

STATUTORY PAYMENTS

The statutory payments due in relation to employees and the Government are being paid.

ENVIRONMENTAL PROTECTION

The Company's business activities can have direct and indirect effects on the environment. It is the Company's policy to minimise any adverse effects its activities have on the environment and to promote co-operation and compliance with the relevant authorities and regulations.
We confirm that the Company has not undertaken any activities which have caused or are likely to cause detriment to the environment.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's system of internal control. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are either prevented or detected within a reasonable period of time. The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the Financial Statements.

GOING CONCERN

As noted in the Statement of Directors' Responsibilities on page 144 the Directors have adopted the going concern basis in preparing Financial Statements.

For and on behalf of the Board,

S. S. Poholiyadde
Director

K. Mohideen
Director

By Order of the Board,

Corporate Managers & Secretaries (Private) Ltd.
Secretaries

28th August 2026

Report of the Remuneration Committee

The Remuneration Committee continues to play a pivotal role in shaping the Company's approach to executive and management compensation, serving as a cornerstone for attracting, retaining, and motivating the leadership talent who drive our strategic objectives.

During the year under review, the Committee remained steadfast in its mandate to develop, recommend, and oversee the Company's Remuneration Policy for Executive Directors and key management personnel, ensuring alignment with best practices in corporate governance and the Company's long-term sustainable growth.

In an increasingly dynamic business environment, we have worked diligently to ensure that our compensation frameworks remain tightly aligned with shareholder interests and organisational performance, while creating a differentiated reward architecture that incentivises long-term value creation.

Recognising that sound compensation policies extend beyond executive pay, the Committee also emphasised transparency, equity, and inclusive practices across all tiers of the workforce, reflecting our commitment to responsible corporate citizenship. As we navigate evolving economic conditions and shifting stakeholder expectations, including emerging ESG considerations, we conducted a thoughtful recalibration of our policies to ensure they adequately reflect the changing nature of work and future ambitions. Importantly, a Board approved non-discriminatory remuneration policy remains firmly in place for all Non-Executive Directors to safeguard their independence, enabling the continued recruitment of distinguished external talent without compromising oversight integrity.

REMUNERATION POLICY

The key objective of the Committee is to attract, motivate and retain qualified and experienced personnel and to ensure that the remuneration of executives at each level of management is competitive and are rewarded in a fair manner based on their performance.

KEY RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

Determine and agree with the Board on a remuneration framework for the Key Management Personnel, based on performance, benchmarking principles, industry trends, and historical remuneration data.

Plan for succession of Key Management Personnel to ensure leadership continuity and organisational stability.

Review and recommend the Company's overall remuneration strategy, policies, practices, and performance-based pay plans. Formulate guidelines, policies, and parameters for structuring compensation packages for all Key Management Personnel within the Company.

Review executive compensation information to ensure alignment with current market and industry standards.

COMPOSITION

The Remuneration Committee of the Company comprises of the following members:

Mr. K.G. Punchihewa	-	Chairman - Independent Non-Executive Director
Mr. S.B. Perera	-	Member - Independent Non-Executive Director
Mr. Anushman Rajaratnam	-	Member - Non Executive Director

Brief profiles of the Committee members are given on pages 18 and 19.

The Remuneration Committee has well defined Terms of Reference outlining the Committee's composition, quorum , authority and its responsibilities.

The Company's Secretaries Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Remuneration Committee.

MEETINGS AND ATTENDANCE

The Remuneration Committee met on one occasion during the financial year.

The attendance of the Committee was as follows;

Mr. K.G. Punchihewa - Chairman	–	1/1
Mr. S.B. Perera	–	1/1
Mr. Anushman Rajaratnam	–	1/1

The Managing Director assists the Committee by providing relevant information and participating in the deliberations of the Committee.

The proceedings of the Remuneration Committee are reported to the Board of Directors.

The details on the aggregate remuneration of the Executive and Non-Executive Directors is given in Note 32 to the financial Statements..

K.G. Punchihewa
Chairman
Remuneration Committee

28th August 2026

Report of the Audit Committee

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the integrity of financial Reporting.

This includes the review of financial statements to ensure they are prepared in accordance with Sri Lanka Accounting and Auditing Standards, as well as regulatory compliance, covering the Group's compliance with Financial reporting requirements under the Companies Act, Colombo Stock Exchange regulations, and SEC Act provisions. The Committee also monitors the Group's internal control systems and risk management frameworks through independent and objective reviews, whilst safeguarding the interests of the shareholders and other related stakeholders. Additionally, the Committee also oversees sustainability and ESG related matters. The Committee has reviewed and monitored the financial review processes to provide an additional assurance on the reliability of the Financial Statements.

COMPOSITION

Audit Committee of the Company comprise of the following members.

Mr. K.G. Punchihewa - Chairman - Independent Non-Executive Director

Mr. S.B. Perera – Member Independent Non-Executive Director

Mr. Anushman Rajaratnam - Member-Non-Executive Director

The Committee has varied knowledge & experience, financial expertise with high standing of integrity and business acumen in order to carry out their role efficiently and effectively. The Chairman of the Committee, Mr. K.G. Punchihewa is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and Member of the Certified Public Accountants (CPA) - Australia. All three members are finance professionals.

Brief profiles of the Audit Committee members are given on pages 18 and 19 of this Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited function as the Secretaries to the Audit Committee.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee reviews and advises the Company to ensure that the financial reporting system is in adherence with the Sri Lanka Accounting Standards and other regulatory and statutory requirements. It also reviews the adequacy of internal controls and the business risks.

The Committee peruses the operational reviews prepared by the management and assesses the future prospects of the business operations and the fact that the going concern assumption used in the preparation of the Financial Statements is appropriate.

The Audit Committee recommends to the Board the appointment or reappointment of external Auditors ensuring independence and maintains a professional relationship with them. The Committee also recommends to the Board the fees payable to External Auditors.

The Audit Committee reviewed the Quarterly Unaudited Financial Statements and the Annual Audited Financial Statements for the year ended 31st March 2026 and has recommended the Financial Statements for the approval of the Board of Directors.

CHARTER OF THE AUDIT COMMITTEE

The Committee is governed by the specific terms of reference set out in the Audit Committee Charter which has been reviewed by the Audit Committee and approved by the Board of Directors of the Company in line with the Rules on Corporate Governance under the Listing Rules of the Colombo Stock Exchange.

The Terms of Reference of the Audit Committee was amended during the financial year ended 31st March, 2026 in Line with the requirements of SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 – "Climate related Disclosures" and was duly approved by the Committee and the Board.

The Committee focuses on the following objectives in discharging its responsibilities taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

(a) Risk Management

(b) Efficiency of the system of internal controls

(c) Independence and objectivity of the External (Statutory) Auditors

(d) Appropriateness of the principal accounting policies used

(e) Financial Statement integrity

MEETINGS AND ATTENDANCE

The Audit Committee has met in total on six occasions during the financial year ended 31st March, 2026.

Meeting attendance of the Audit Committee is as follows:

Mr. K.G. Punchihewa – Chairman	– 6/6
Mr. S.B. Perera	– 6/6
Mr. Anushman Rajaratnam	– 4/6

At least one Meeting of the Audit Committee has been held in each quarter of the financial year.

The other members of the Board and Senior Management Personnel of the Company are invited to the meetings whenever required. External Auditors were present at discussions whenever they were invited. The Proceedings of the Audit Committee were reported to the Board of Directors.

In addition to the meetings, certain other matters referred to the Committee are reviewed and recommended by Resolutions in writing.

RISK MANAGEMENT INTERNAL CONTROL AND FINANCIAL REPORTING

The Directors are responsible for maintaining an effective internal control system and proactive risk management strategy. The Committee has reviewed the Representation Letter from the Executive Management of the Company assuring that the Internal control measures cover both financial and operational matters and also adequate risk management measures are in place to safeguard the assets of the Company and the Group. The risk management strategy of the Company is given on pages 124 to 130 of this report. The Committee has also reviewed the Risk Management framework adopted by the Company.

In carrying out its oversight responsibilities, the Audit Committee examined the financial reporting systems deployed in preparing the Financial Statements. The Committee confirmed that the Accounting processes maintained reliability, the adopted Accounting Policies demonstrate consistency, and the methodologies used in align with all mandatory financial reporting obligations requirements under the CSE Listing Rules, the Companies Act, the SEC Act, Sri Lanka Accounting Standards (SLFRS/ LKAS and other applicable regulatory requirement/

SUSTAINABILITY AND ESG

In the financial year 2025/26 the responsibilities of the Audit Committee was expanded by the Board of Directors to cover on the financial reporting on Sustainability and Environmental, Social and Governance (ESG) matters. The Management Team regularly updated the Committee on how climate-related risks (CRROs) are identified, evaluated and managed ensuring that such risks are properly considered.

The Committee will continue its oversight responsibility to promote transparency and strengthen the reliability of sustainability reporting.

COMPLIANCE

The Committee received confirmation from the Managing Director and Director Finance on the Company's Operational and Financial status. This confirmation serves as the key endorsement of integrity and transparency of the financial records and that the financial statements accurately reflect the Company's operations and financial position.

The Committee obtained representations from the senior management personnel of the Company on the adequacy of provisions made for possible liabilities. Further the Committee has reviewed reports tabled by the Management on the compliance status with regard to relevant financial, secretarial and statutory requirements.

INTERNAL AUDIT

The Internal Audit division comprises of the Head of Internal Audit and Assistants who report regularly to the Managing Director. The Audit Committee is apprised by the Internal Auditor of any pertinent matters. Internal Auditors are empowered to examine and review the financial reporting systems, internal control procedures, accounting policies and compliance with accounting standards. It also reviews the adequacy of systems for compliance with legal, regulatory and ethical requirement and company policies. The Committee where required review the findings and recommendations of the Internal Audit together with Management responses on the observations and the recommendations for improvement.

EXTERNAL AUDIT

The Board of Directors have appointed KPMG as its external auditor and the services provided by them are segregated between audit/assurance services and other advisory services such as tax consultancy.

The Management Letters issued by the External Auditors with regard to the Financial Statements and Internal Controls are circulated for the review of the Audit Committee.

The Audit Committee has reviewed the non-audit services provided by the External Auditors to the Company to ensure that their independence as the External Auditors has not been compromised.

During the year under review, the Audit Committee assessed the independence and effectiveness of the External Audit function and is satisfied that the independence of the External Auditors, KPMG has not been impaired by any event or service that gives rise to a conflict of interest. The Audit Committee reviewed the nature of services provided by the External Auditor and the level of audit.

The Committee obtained written representation from the External Auditors that they have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements. The Auditors have expressed their willingness to continue as Auditors of the Company for the forthcoming financial year.

The current Auditors, KPMG has been functioning as the External Auditors for the Company for over 25 years. A Partner rotation of the External Auditors takes place periodically.

The Audit Committee has recommended to the Board of Directors the reappointment of KPMG as Auditors for the financial year ending 31st March 2027, subject to the approval of the shareholders at the Annual General Meeting.

CONCLUSION

The Audit Committee having reviewed Management's representations and conducted its own independent assessments, concludes that appropriate internal controls are established to protect the Companies' assets and ensure the integrity of the financial position.

K.G. Punchihewa
Chairman
Audit Committee

28th August 2026

Report of the Related Party Transactions Review Committee

During the financial year ended 31st March 2026, the Related Party Transactions Review Committee (RPTRC) of Kotagala Plantations PLC discharged its mandate in strict accordance with Section 9.14 of the Colombo Stock Exchange (CSE) Listing Rules, the Companies Act No. 7 of 2007, and SLFRS/IAS 24 'Related Party Disclosures', guided by the Company's commitment to uphold the highest standards of corporate governance and transparency.

The Committee exercised independent oversight over all related party arrangements entered into during the period. Each transaction was duly reviewed, authorised, and monitored to ensure it was conducted at arm's length, on normal commercial terms, and did not prejudice the interests of the Company or its shareholders, particularly the minority shareholders.

This report reflects the Committee's dedication to promoting trust, accountability, and sound fiduciary stewardship among all stakeholders.

COMPOSITION

The Related Party Transactions Review Committee of the Company comprises of the following members:

Mr. K.G. Punchihewa	-	Chairman - Independent Non-Executive Director
Mr. S.B. Perera	-	Member- Independent Non-Executive Director
Mr. Anushman Rajaratnam	-	Member- Non-Executive Director

The Committee has extensive experience in financial oversight, regulatory compliance and business acumen in order to carry out their role efficiently and effectively. All three members are finance professionals.

Brief profiles of the Committee members are given on pages 18 and 19.

The Company's Secretaries Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Related Party Transactions Review Committee.

MEETINGS OF THE COMMITTEE

The Related Party Transactions Review Committee of the Company has met in total on five occasions during the financial year ended 31st March 2026 and the attendance of the Committee was as follows:

Mr. K.G. Punchihewa - Chairman	–	5/5
Mr. S.B. Perera	–	5/5
Mr. Anushman Rajaratnam	–	4/5

Minimum of one meeting of the Related Party Transactions Review Committee has been held in each quarter of the financial year.

The RPTRC has reviewed and recommended to the Board for approval, Related Party Transactions during the financial year under review in a manner consistent with the Listing Rules and the activities views comments and observations of the Committee are communicated on a regular basis to the Board of Directors.

In addition to meetings, Related Party Transactions were referred to the members of the Related Party Transactions Review Committee and were reviewed and recommended by Resolutions in writing.

The Committee is free to seek external professional advice on matters within their purview when necessary.

Other members of the Board and Senior Management personnel of the Company were present at discussions where appropriate.

POLICIES, PROCEDURES AND FUNCTIONS OF THE COMMITTEE

The Policies and Procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

The Functions of the Committee are as follows;

- To identify the persons/entities considered to be Related Parties.
- Review all proposed Related Party Transactions. (Except for transactions which are exempt)
- Advise Management on Related Party Transactions and where necessary direct the transactions for Board approval/ Shareholder approval as deemed appropriate.

Report of the Related Party Transactions Review Committee

- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with Related Parties.
- Review and assess on an annual basis the transactions for compliance against the Committee guidelines
- Ensuring that immediate market disclosures and disclosures in the Annual Report are made as required by the applicable rules and regulations.

CONCLUSION

The Board of Directors have also declared in the Annual Report of the Board of Directors that there were non-recurrent related party transactions which exceeded the respective disclosure thresholds stated in Section 9.14 of the Colombo Stock Exchange Listing Rules.

The Company has complied with the requirements of Section 9.14 of the CSE Listing Rules on Related Party Transactions and details of Related Party Transactions are disclosed under Note No 32 to the financial statements in this Annual Report.

K.G. Punchihewa
Chairman
Related Party Transactions Review Committee

28th August 2026

Nominations & Governance Committee Report

During the financial year 2025/26, the Nominations & Governance Committee remained steadfast in upholding robust corporate governance standards in accordance with the Code of Best Practice on Corporate Governance issued by the SEC of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

According to the Committee's mandate was ensuring a balanced Board composition aligned with the Company's strategic objectives, driving effective succession planning, conducting rigorous Director evaluations, and reviewing governance policy frameworks, all underpinned by a deep commitment to transparency, ethical leadership, and sustainable value creation for our shareholders and broader stakeholders.

The Nominations & Governance Committee ensures that the governance framework of the Company aligns with the requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Company has a formal and transparent procedure for the appointment of new Directors to the Board, and the re-election and reappointment of current Directors which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee which is periodically reviewed and revised with the concurrence of the Board.

COMPOSITION

The Nominations & Governance Committee of the Company comprise of the following members:

Mr. K.G. Punchihewa	-	Chairman (Independent Non-Executive Director)
Mr. S.B. Perera	-	Member (Independent Non-Executive Director)
Mr. Anushman Rajaratnam	-	Member (Non- Executive Director)

Brief profiles of the Members are given on pages 18 and 19 of the Annual Report.

MEETINGS AND ATTENDANCE

The Nominations & Governance Committee has met on 02 occasions during the financial year ended 31st March 2026 and the attendance was as follows:

Mr. K.G. Punchihewa - Chairman	–	2/2
Mr. S.B. Perera	–	2/2
Mr. Anushman Rajaratnam	–	1/2

The other members of the Board, are invited to attend meetings as and when required. The proceedings of the Nominations and Governance Committee are reported to the Board.

The Company Secretaries Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Nominations and Governance Committee.

KEY RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Committee oversees the Corporate Governance structure of the organisation, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the Company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.

Whilst exercising the oversight with respect to the Corporate Governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, and the key management personnel taking into account the additional/new expertise required. The Committee reviewed the structure, size, composition and competencies (including the skills, knowledge and experience) of the Board members and made recommendations to the Board with regard to any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

Nominations & Governance Committee Report

COMMITTEE ACTIVITIES IN 2025/2026

Performance evaluations of the Board were conducted, reviewed by the Committee, and considered by the Board.

The policies have been documented, and recommendations have been made to the Board of Directors by the Committee when nominating Directors for re-election/ re-appointment at the forthcoming Annual General Meeting.

An annual update was given to Directors on Corporate Governance, Listing Rules, securities market regulations and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Directors and special meetings of the Board are held when the need arises to address such matters.

Mr. K.G. Punchihewa and Mr. S.B. Perera the Independent Non-Executive Directors have submitted their declarations and the said Independent Directors meet and continue to meet the criteria for independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

In terms of the Articles of Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one third or a number nearest to one third of the Directors in office, excluding the Managing Director, if any and the appointed Directors to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since his last election. The retiring Director is eligible for re-election by the Shareholders.

Accordingly, respective members of the Committee whilst refraining from participating in recommending their own re-election or re-appointment, in terms of the Articles of Association of the Company recommended the re-election of Mr. K.G. Punchihewa who retires by rotation, and to reappoint in terms of Section 211 of the Companies Act No. 7 of 2007, Mr. S.D.R. Arudpragasam and Mr. S.S. Poholiyadde who are over seventy years of age as Directors at forthcoming Annual General Meeting to be held on 25th September 2026, based on their performance and the contribution made to achieve the objectives of the Board.

In view of the pivotal leadership role played by Mr. S.D.R. Arudpragasam, Chairman, his management oversight skills, integrity, expertise, extensive experience and business acumen, the Committee has recommended to the shareholders to reappoint Mr. S.D.R. Arudpragasam who is over seventy years of age and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

The Committee also recommend to the shareholders the reappointment of Mr. S.S. Poholiyadde who is over seventy years of age and who retires in terms of Section 210 of the Companies Act No. 7 of 2007 in view of the extensive expertise in the Plantation Industry, the management oversight skills and integrity.

The Directors coming up for re-election or re-appointment do not have any close family relationship with the Directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares other than those disclosed hereunder.

Information of Directors who are to be re-elected/reappointed at the AGM are as follows:

RE-APPOINTMENTS/RE-ELECTIONS

Board Member	Date first appointed Director	Date last re-appointed / re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the Directors of Kotagala Plantations PLC the Company or its shareholders holding more than ten per-centum (10%) of the shares of Kotagala Plantations PLC
Mr. S.D.R. Arudpragasam - Chairman (Non – Executive)	15/05/1996	03/09/2025	Nominations & Governance Committee, Remuneration Committee (Up to 31.12.2024)	Mr. S.D.R. Arudpragasam is a Director of Consolidated Tea Plantations Limited which holds 51.43% of equity in Kotagala Plantations PLC as at 31.03.2026

Mr. S.S. Poholiyadde	07/09/2018	30/09/2019	-	Mr. S.S. Poholiyadde is a Director of Consolidated Tea Plantations Limited which holds 51.43% of equity in Kotagala Plantations PLC as at 31.03.2026
Mr. K.G. Punchihewa - Director (Independent Non – Executive)	01/11/2024	03/09/2025	Audit Committee, RPTRC, Nominations & Governance Committee, Remuneration Committee	Mr. K.G. Punchihewa is a Director of Consolidated Tea Plantations Limited which holds 51.43% of equity in Kotagala Plantations PLC as at 31.03.2026

The names, qualifications, principal commitments and other Directorships or Chairmanships of the aforesaid Directors coming up for re-election or re-appointment and of the rest of the Board members of Kotagala Plantations PLC are given in their profiles on pages 18 to 19 and under the caption "Details of Directors' other Directorships" appearing on pages 118 to 123.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 103 to 117.

K.G. Punchihewa
Chairman
Nominations and Governance Committee

28th August 2026

Statement of Directors' Responsibilities

The responsibilities of the Directors in relation to the Financial Statements of the Company are detailed below. The responsibility of the Auditors in relation to the Financial statements is set out in the Independent Auditor's Report appearing on pages 147 to 149.

The Directors are responsible under the provisions of the Companies Act to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit & Loss of the Company for the financial year. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgements and estimates have been made and Sri Lanka Accounting Standards have been followed.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and for ensuring that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act No. 07 of 2007 and the Rules of the Colombo Stock Exchange. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to the prevention and detection of fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to undertake whatever inspections they consider appropriate to enable them to submit their audit report.

The Directors confirm that they have complied with these requirements. They have a reasonable expectation, after making enquiries and following a review of the Company's budget for the ensuing year, including cash flows and borrowing facilities, that the Company has adequate resources to continue in operational existence for the foreseeable future, and therefore have continued to adopt the going concern basis in preparing the accounts.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge all statutory payments relating to employees and the Government that were due in respect of the Company as at the reporting date have been paid.

On behalf of the Board

S. S. Poholiyadde Director	**K. Mohideen** Director

Colombo
28th August 2026

Financial Information

Growth Realised, Value Sustained

Performance is measured not only by what is achieved, but by what is sustained. Our financial outcomes reflect a balance of efficiency and resilience; growth is realised through disciplined execution and value is preserved over time.

Financial Calendar

Quarterly Financial Statements	
03 Months ended 30th June 2025	14 August 2025
06 Months ended 30th September 2025	12 November 2025
09 Months ended 31st December 2025	6 February 2026
12 Months ended 31st March 2026	28 May 2026
Annual Report 2025/26	28 August 2026
33rd Annual General Meeting	25 September 2026

Independent Auditor's Report

KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF KOTAGALA PLANTATIONS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kotagala 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 31st March 2026, and the Statement of Profit or Loss and Other 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 policies and other explanatory information as set out on pages 150 to 232 of the annual report.

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 31st March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Emphasis of Matter - Restatement of Comparative Balances

We draw attention to Note 33 to the financial statements, which describes that amounts reported in the previously issued Financial Statements of the Group and the Company have been restated and disclosed as comparatives in these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. MEASUREMENT OF CONSUMABLE BIOLOGICAL ASSETS

Refer to the material accounting policy in Note 3.3.5 and explanatory Note 14.1.2 to the financial statements

Risk Description	Our Response
The Company has reported consumable biological assets carried at fair value less estimated cost to sell at harvest, amounting to Rs.2,379 Mn as of 31st March 2026. The commercially cultivated timber trees on estates managed by the Company classified as consumable biological assets and are measured at each reporting date at fair value less estimated cost to sell at harvest. The valuation of consumable biological assets requires significant levels of judgments and technical expertise in selecting appropriate valuation models and assumptions. Changes in the key assumptions used such as discount rate, estimation of height/girth of trees used to arrive volume of timber and value per cubic foot used for the valuation of consumable biological assets, could have a material impact on the fair value gain or loss for the year and the carrying value of consumable biological assets as of the reporting date. Management engaged a subject matter expert who is an incorporated valuer and a member of The Institute of Valuers of Sri Lanka to perform an independent valuation of the consumable biological assets of the Company as at reporting date. We considered measurement of consumable biological assets as a key audit matter due to the magnitude of the value and significant assumptions and judgments used in determining the fair value which could be subject to error or potential management bias.	Our audit procedures included, • Assessing the objectivity, independence, competence, qualifications and experience of subject matter expert engaged by the management. • Physical verification of actual girth and height pertaining to a selected sample of trees during our estate visits, in order to ascertain the accuracy of the average girth and height used in the valuation report. • Evaluating the key assumptions and methodology used in the valuation, in particular the discount rate, average market price and expected timber content at harvest. • Verifying the mathematical accuracy of the consumable biological asset valuation. • Assessing the adequacy of the disclosures in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and the key assumptions.

KPMG

2. RETIREMENT BENEFIT OBLIGATION

Refer to the material accounting policy in Note 3.5.1 and explanatory Note 24 to the financial statements.

Risk Description	Our Response
The Company has recognised retirement benefit obligation of Rs.1,289 Mn as at 31st March 2026. The valuation of the Company's retirement benefit obligation requires significant judgment and estimation to be applied across numerous assumptions, including salary increases, staff turnover rate, retirement age and discount rate. Minor changes in those assumptions could have a significant effect on the financial performance and financial position of the Company. Management engaged an independent actuary to assist them in the computation of retirement benefit obligation. We considered the computation of the retirement benefit obligation to be a key audit matter due to the magnitude of the amounts recognised in the financial statements as well as estimation uncertainty involved in determining the amounts.	Our audit procedures included, • Assessing the objectivity, independence, competence, qualifications and experience of subject matter expert engaged by the management. • Testing the samples of the employees' details used in the computation to the human resource records. • Assessing the key assumptions used in the valuation, in particular the discount rate, mortality rates, and future salary increment rate. • Involving internal valuation specialist to verify the accuracy of the retirement benefit obligation. • Assessing the adequacy of the disclosures in financial statements.

OTHER INFORMATION

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

28th August 2026

Colombo.

Consolidated Statement of Profit or Loss and Comprehensive Income

For the year ended 31st March	Notes	Group		Company	
		2026	2025	2026	2025
		Rs`000	Rs`000 Restated	Rs`000	Rs`000 Restated
Revenue	5	5,701,465	5,186,237	5,599,624	5,068,576
Cost of Sales		(4,918,758)	(4,266,519)	(4,820,975)	(4,165,076)
Gross Profit		782,707	919,718	778,649	903,500
Fair Value Gain on Biological Assets	14.1.3	176,747	230,231	176,747	230,231
Other Operating Income	6	77,450	178,146	207,044	179,887
Administrative Expenses		(366,811)	(354,694)	(369,113)	(349,206)
Results from operating activities		670,093	973,401	793,327	964,412
Finance Income	8	5,984	3,153	5,984	3,153
Finance Cost	8	(310,653)	(379,491)	(309,312)	(376,594)
Net Finance Costs		(304,669)	(376,338)	(303,328)	(373,441)
Share of Profit of equity accounted investee	15.2.1& 15.2.2	-	2,360	-	-
Profit before Income Tax Expense	7	365,424	599,423	489,999	590,971
Income Tax Expense	9	(17,023)	(234,000)	(17,023)	(234,000)
Profit for the year		348,401	365,423	472,976	356,971
Other Comprehensive Income / (Expense) net of tax					
Items that will not be reclassified to profit or loss					
Actuarial Loss on Retirement Benefit Obligation	24.1	(233,844)	(439,738)	(233,844)	(439,738)
Tax effect on Actuarial Loss on Retirement Benefit Obligation		70,153	131,921	70,153	131,921
Share of other comprehensive income of equity accounted investees, net of tax	15.2.1 & 15.2.2	-	115,094	-	
Revaluation Gain	13	-	569,865	-	569,865
Tax effect on Revaluation Gain		-	(170,959)	-	(170,959)
Items that are or may be reclassified subsequently to profit or loss					
Foreign Currency Translation (loss)/gain		(109)	28	-	-
Other Comprehensive (expense) /Income, net of tax		(163,800)	206,211	(163,691)	91,089
Total Comprehensive Income for the Year		184,601	571,634	309,285	448,060
Earnings Per Share (Rs.)	10.1	0.90	1.05	1.23	1.02
Diluted Earnings per Share (Rs.)	10.2	0.90	1.05	1.23	1.02

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 157 to 232 form an integral part of these Financial Statements

Consolidated Statement of Financial Position

As at	Notes	Group			Company		
		31/03/2026	31/03/2025	01/04/2024	31/03/2026	31/03/2025	01/04/2024
		Rs`000	Rs`000 (Restated)	Rs`000 (Restated)	Rs`000	Rs`000 (Restated)	Rs`000 (Restated)
ASSETS							
Non Current Assets							
Leasehold Right to Bare Land of JEDB/SLSPC Estates	11	1,061,120	1,068,774	934,048	1,061,120	1,068,774	934,048
Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land)	12	-	327	653	-	327	653
Tangible Assets (Other than Mature/Immature Plantations)	13	2,032,427	1,787,716	1,186,009	2,032,291	1,787,580	1,185,874
Biological Assets	14	5,419,233	5,449,806	5,304,417	5,419,233	5,449,806	5,304,417
Investment in Subsidiary	15.1	-	-	-	-	12,187	20,169
Investment in Associates	15.2	-	219,122	101,668	-	91,442	91,442
Fair value through OCI Investments		-	-	153,601	-	-	153,601
Total Non Current Assets		8,512,780	8,525,745	7,680,396	8,512,644	8,410,116	7,690,204
Current Assets							
Inventories	16	470,947	607,065	426,237	470,783	546,189	391,047
Trade & Other Receivables	17	518,000	313,959	371,063	520,504	311,467	348,239
Fair value gain on growing produce of bearer Biological assets	18	9,162	16,591	15,463	9,162	16,591	15,463
Amounts Due from Related Parties	19	209,899	879	8,493	210,021	1,001	8,493
Cash and Cash Equivalents	20	118,129	147,915	104,376	108,029	146,997	94,437
Total Current Assets		1,326,137	1,086,409	925,632	1,318,499	1,022,245	857,679
Total Assets		9,838,917	9,612,154	8,606,028	9,831,143	9,432,361	8,547,883
EQUITY AND LIABILITIES							
EQUITY							
Capital and Reserves							
Stated Capital	21	2,333,015	1,571,362	1,571,362	2,333,015	1,571,362	1,571,362
General Reserve	21.3	-	-	240,000	-	-	240,000
Foreign currency Translation Reserve	21.4	(11,470)	(11,361)	(11,389)	-	-	-
Fair value through Other Comprehensive Income Reserve	21.5	-	-	96,200	-	-	99,114
Revaluation Reserve	21.6	905,809	1,020,903	506,903	858,562	858,562	459,656
Retained Earnings		245,473	(54,331)	(448,137)	291,628	(17,657)	(405,925)
Total Equity		3,472,827	2,526,573	1,954,939	3,483,205	2,412,267	1,964,207

Consolidated Statement of Financial Position

As at	Notes	Group			Company		
		31/03/2026 Rs`000	31/03/2025 Rs`000 (Restated)	01/04/2024 Rs`000 (Restated)	31/03/2026 Rs`000	31/03/2025 Rs`000 (Restated)	01/04/2024 Rs`000 (Restated)
Liabilities							
Non Current Liabilities							
Interest Bearing Borrowings	23.1	377,542	407,680	1,085,225	377,542	407,680	1,085,225
Retirement Benefit Obligations	24	1,289,298	1,107,671	821,260	1,288,545	1,107,105	820,752
Deferred Income	22	278,090	287,696	293,616	278,090	287,696	293,616
Net Obligation to Lessor of JEDB/SLSPC	25	1,257,500	1,224,838	1,052,318	1,257,500	1,224,838	1,052,318
Deferred Tax Liability	26	1,680,800	1,733,930	1,460,892	1,680,800	1,733,930	1,460,892
Total Non Current Liabilities		4,883,230	4,761,815	4,713,311	4,882,477	4,761,249	4,712,803
Current Liabilities							
Interest Bearing Borrowings	23.2	435,224	762,633	461,434	435,224	762,633	461,434
Deferred Income	22	15,409	15,183	15,329	15,409	15,183	15,329
Net Obligation to Lessor of JEDB/SLSPC	25	13,882	11,629	8,606	13,882	11,629	8,606
Trade & Other Payables	27	802,919	1,138,773	1,067,436	800,374	1,126,687	1,024,811
Amounts due to Related Parties	28	215,426	349,207	335,439	200,572	296,372	311,159
Overdraft		-	46,341	49,534	-	46,341	49,534
Total Current Liabilities		1,482,860	2,323,766	1,937,778	1,465,461	2,258,845	1,870,873
Total Liabilities		6,366,090	7,085,581	6,651,089	6,347,938	7,020,094	6,583,676
Total Equity and Liabilities		9,838,917	9,612,154	8,606,028	9,831,143	9,432,361	8,547,883
Net Assets per share		8.21	7.46	5.78	8.23	7.13	5.80

Figures in brackets indicate deductions.

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

The Accounting Policies and Notes on pages 157 to 232 form an integral part of these Financial Statements.

G R N Perera
General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

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

S S Poholiyadde
Director

K Mohideen
Director

Colombo

28th August 2026

Consolidated Statement of Changes in Equity

Group	Notes	Stated Capital Rs`000	General Reserve Rs`000	Fair value through Other Comprehensive Income Reserves Rs`000	Foreign currency translation reserve Rs`000	Revaluation Reserve Rs`000	Retained Earnings Rs`000	Total Equity Rs`000
Balance as at 1st April 2024, as previously reported		1,571,362	240,000	96,200	(11,389)	506,903	(511,640)	1,891,436
Prior year adjustment	33.1	-	-	-	-	-	63,503	63,503
Restated balance as at 1st April 2024		1,571,362	240,000	96,200	(11,389)	506,903	(448,137)	1,954,939
Restated total comprehensive income for the year	33.1.2							
Restated profit for the year							365,423	365,423
Other comprehensive income / (expense)								
Share of other comprehensive income of equity accounted investees	15.2.1 & 15.2.2	-	-	-	-	115,094	-	115,094
Translation differences arising on Foreign operations		-	-	-	28	-	-	28
Revaluation Gain	13	-	-	-	-	569,865	-	569,865
Tax effect on Revaluation Gain		-	-	-	-	(170,959)	-	(170,959)
Actuarial Loss on Retirement Benefit Obligation	24	-	-	-	-	-	(439,738)	(439,738)
Tax effect on Actuarial Loss on Retirement Benefit Obligation	9.1	-	-	-	-		131,921	131,921
Restated total other comprehensive income/ (expense) for the Year		-	-	-	28	514,000	(307,817)	206,211
Transaction with owners of company, recognised directly in equity								
Transferred to Retained Earnings		-	(240,000)	-	-	-	240,000	-
Transfer of cumulative gain on equity instruments at fair value through other comprehensive income to accumulated losses		-	-	(96,200)	-	-	96,200	-
Total transaction with owners of company		-	(240,000)	(96,200)	-	-	336,200	-
Restated balance as at 31st March 2025		1,571,362	-	-	(11,361)	1,020,903	(54,331)	2,526,573
Balance as at 1st April 2025		1,571,362	-	-	(11,361)	1,020,903	(54,331)	2,526,573
Total comprehensive income for the Year								
Profit for the Year		-	-	-	-		348,401	348,401
								-
Other comprehensive income / (expense)								
Translation differences arising on Foreign operations		-	-	-	(109)	-	-	(109)
Actuarial loss on Retirement Benefit Obligation	24	-	-	-	-	-	(233,844)	(233,844)
Tax effect on Actuarial loss on Retirement Benefit Obligation	9.1	-	-	-	-		70,153	70,153
Total other comprehensive income/(expense) for the Year		-	-	-	(109)	-	(163,691)	(163,800)
Rights issue of shares	21.1	761,653	-	-	-	-	-	761,653
Disposal of equity accounted investee						(115,094)	115,094	-
Balance as at 31st March 2026		2,333,015	-	-	(11,470)	905,809	245,473	3,472,827

Figures in brackets indicate deductions

The Accounting Policies and notes on pages 157 to 232 form an integral part of these Financial Statements.

Consolidated Statement of Changes in Equity

Company	Notes	Stated Capital Rs`000	General Reserve Rs`000	Fair value through Other Comprehensive Income Reserves Rs`000	Revaluation Reserve Rs`000	Retained Earnings Rs`000	Total Equity Rs`000
Balance as at 1st April 2024, as previously reported		1,571,362	240,000	99,114	459,656	(469,428)	1,900,704
Prior year adjustment	33.1	-	-	-	-	63,503	63,503
Restated Balance as at 1st April 2024		1,571,362	240,000	99,114	459,656	(405,925)	1,964,207
Restated total comprehensive income for the Year							
Restated profit for the Year						356,971	356,971
Other comprehensive income / (expense)							
Revaluation gain	13				569,865		569,865
Tax effect on revaluation gain					(170,959)		(170,959)
Actuarial loss on Retirement Benefit Obligation	24					(439,738)	(439,738)
Tax effect on Actuarial gain on Retirement Benefit Obligation	9.1					131,921	131,921
Restated total other comprehensive income for the Year		-	-	-	398,906	(307,817)	91,089
Transaction with owners of company, recognised directly in equity							
Transfer to Retained earnings		-	(240,000)	-	-	240,000	-
Transfer of cumulative gain on equity		-	-	(99,114)	-	99,114	-
Total transaction with owners of company		-	(240,000)	(99,114)	-	339,114	-
Restated balance as at 31st March 2025		1,571,362	-	-	858,562	(17,657)	2,412,267
Balance as at 1st April 2025		1,571,362	-	-	858,562	(17,657)	2,412,267
Total comprehensive income for the Year							
Profit for the Year		-	-	-	-	472,976	472,976
Rights issue of shares		761,653	-	-	-	-	761,653
Other comprehensive income / (expense)							
Actuarial loss on Retirement Benefit Obligation	24					(233,844)	(233,844)
Tax effect on Actuarial Loss on Retirement Benefit Obligation	9.1					70,153	70,153
Total other comprehensive income/(expense) for the Year		-	-	-	-	(163,691)	(163,691)
Balance as at 31st March 2026		2,333,015	-	-	858,562	291,628	3,483,205

Figures in brackets indicate deductions

The Accounting Policies and Notes on pages 157 to 232 form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 31st March	Note	Group		Company	
		2026 Rs`000	2025 Rs`000 Restated	2026 Rs`000	2025 Rs`000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Income Tax Expense		365,424	599,423	489,999	590,971
Adjustments for :					
Depreciation/Amortisation	11/12/13/14	357,267	317,566	357,267	317,566
Fair Value Gain of Biological Assets	14.2.1	(176,747)	(230,231)	(176,747)	(230,231)
Profit on Disposal of Property, Plant and Equipment	6	-	(966)	-	(966)
Reversal of provision for obsolete Inventories	7	(5,987)	-	(5,987)	-
Provision for impairment of other receivables	7	572	2,428	572	2,428
Interest Income	8	(5,984)	(3,153)	(5,984)	(3,153)
Interest Expense	8	305,507	378,007	304,166	375,110
Exchange Loss	8	5,146	498	5,146	498
Profit on Disposal of Investment	6	(72)	-	(127,752)	-
Provision/ (Reversal) for impairment of amounts due from related parties	19.1	9,877	(5,052)	9,877	(5,052)
Provision for impairment of Investment in Subsidiaries	15.1.1	-	-	12,187	7,982
Provision for Retirement Benefit Obligation	24.1	200,362	168,419	200,175	168,361
Share of Profit of Equity Accounted Investee	15.2	-	(2,360)	-	-
Gain on derecognition of fair value through OCI Investments	6	-	(31,292)	-	(31,292)
Amortisation of Grants	22	(15,183)	(15,329)	(15,183)	(15,329)
Operating Profit before working capital changes		1,040,182	1,177,958	1,047,736	1,176,893
Decrease/(Increase) in Inventories	16	142,105	(180,828)	81,393	(155,142)
(Increase)/Decrease in Trade & Other Receivables	17	(204,613)	54,043	(209,609)	34,344
Decrease in Amounts Due from Related Parties	19	297	12,666	297	12,544
(Decrease)/Increase in Trade & Other Payables	27	(335,854)	71,337	(326,313)	101,876
(Decrease)/Increase in Amounts Due to Related Parties	28	(133,781)	13,768	(95,800)	(14,787)
Cash Generated from Operations		508,336	1,148,944	497,704	1,155,731

Consolidated Statement of Cash Flows

For the year ended 31st March	Note	Group		Company	
		2026 Rs`000	2025 Rs`000 Restated	2026 Rs`000	2025 Rs`000 Restated
Interest Paid		(342,187)	(425,285)	(340,846)	(423,023)
Gratuity Paid	24	(252,579)	(321,746)	(252,579)	(321,746)
Net Cash generated from Operating Activities		(86,430)	401,913	(95,721)	410,962
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	8	5,984	3,153	5,984	3,153
Purchase of Property, Plant and Equipment	13	(355,820)	(109,803)	(355,820)	(109,803)
Investment in Immature Plantations	14.1.1 & 14.1.2	(120,856)	(110,960)	(120,856)	(110,960)
Proceeds from Disposal of Property, Plant & Equipment	6	-	966	-	966
Disposal of investment in fair value through OCI investment		-	184,893	-	184,893
Proceeds From Sale of Timber Trees	14.1.2	180,991	53,883	180,991	53,883
Net cash (used in)/generated from Investing activities		(289,701)	22,132	(289,701)	22,132
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of Lease Capital	25	(11,966)	(9,756)	(11,966)	(9,756)
Proceeds from Long Term Borrowings	23.4	220,000	80,000	220,000	80,000
Grant received	22	5,803	9,263	5,803	9,263
Repayments of Long Term Borrowings	23.4	(476,312)	(382,879)	(476,312)	(382,879)
Repayment of Debenture	23.3	(106,383)	(73,969)	(106,383)	(73,969)
Proceeds from issue of right shares		761,653	-	761,653	-
Net Cash generated from/(used in) Financing Activities		392,795	(377,341)	392,795	(377,341)
Net Increase in Cash and Cash Equivalents		16,664	46,704	7,373	55,753
Cash and cash equivalents at the beginning of the year		101,574	54,842	100,656	44,903
Effect of exchange rate changes		(109)	28		
Cash and Cash Equivalents at the end of the year	20	118,129	101,574	108,029	100,656
Note A - Analysis of cash and cash equivalents					
Cash at Bank and Cash in Hand		118,129	147,915	108,029	146,997
Bank Overdraft		-	(46,341)	-	(46,341)
		118,129	101,574	108,029	100,656

The Accounting Policies and Notes on pages 157 to 232 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Kotagala Plantations PLC is a limited liability Company incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (reregistered under the Companies Act No. 7 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government Owned Business Undertaking into Public Companies Act No. 23 of 1987. The registered office of the Company is located at No 53-1/1, Sir Baron Jayathilaka Mawatha, Colombo 01 and Plantations are situated in the planting districts of Nuwara Eliya and Kalutara.

1.2 Historical Background

The Company was formed on 22nd June 1992 under the Companies Act No. 17 of 1982 (reregistered under the Companies Act No. 7 of 2007) in terms of the provisions of the conversion of Corporations and Government Owned Business Undertakings in to Public Companies Act No. 23 of 1987, to take over the plantations which were owned and Managed by Janatha Estate Development Board (JEDB) and the Sri Lanka Estate Plantation Corporation (SLSPC) both of which owned and managed a number of plantations and estates.

1.3 Parent and Ultimate Parent Company

The Group's immediate parent undertaking is Consolidated Tea Plantations Limited (previously known as Lankem Plantation Holdings Limited) which is incorporated in Sri Lanka as a limited liability Company, and the ultimate parent and the controlling party is The Colombo Fort Land and Building PLC.

1.4 Principal Activities and Nature of Operations

The principal activities of the Group are the cultivation, manufacture and sale of Tea, Rubber and cultivation and sale of Oil Palm.

There were no significant changes in the nature of the principal activities of the Group during the financial year under review.

1.5 Number of Employees

The number of employees at the end of the year was 4,437 (2024/25-4,743). There were no material issues pertaining to employees and industrial relations for the year ended 31st March 2026.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated financial statements of the Group and separate financial statements of the Company comprise of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows together with the material Accounting Policies and Notes to the Financial Statements.

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

* Sri Lanka Financial Reporting Standards ("SLFRS");
* Sri Lanka Accounting Standards ("LKAS");
* Statements of Recommended Practices (SoRPs);
* Statement of Alternate Treatment (SoATs) and
* Financial Reporting Guidelines issued by the CA Sri Lanka.
* The accounting Standards along with FAQs issued are available at the website of CA Sri Lanka. www.casrilanka.com

2.2 Statement of presentation

Further these financial statements have complied with the requirements of the Companies Act No.7 of 2007 and appropriate disclosures as stated by the listing rules of Colombo Stock Exchange (CSE).

2.3 Responsibilities for financial statements and approval of financial statements

The Board of Directors are responsible for preparation and presentation of these financial statements. The Group did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of the financial statements.

The Directors' responsibility over financial statements for the year ended 31 March 2026 is set out in detail in the Statement of Directors' Responsibility.

The financial statements of the Group for the year ended 31st March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 28th August 2026.

Notes to the Financial Statements

2.4 Basis of Measurement

The Financial Statements have been prepared on historical cost basis except for the following material items in the Statement of Financial Position:

- Consumable Mature Biological Assets are measured at fair value less costs to sell per - (LKAS 41 - Agriculture) - Note 14.1.2
- Liability for Retirement Benefit Obligation is recognised as the present value of the defined benefit obligation based on actuarial valuation per (LKAS 19 - Employee Benefits) - Note 24
- Agriculture produce harvested from biological assets are measured at fair value per (LKAS 41 - Agriculture) - Note 18
- Class of Buildings and land improvement under Property, Plant and Equipment is valued under Revaluation model per (LKAS 16 - Property, Plant and Equipment) - Note 13.5

2.5 Functional and Presentation Currency

Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest thousand, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard LKAS 1 on 'Presentation of Financial Statements'.

2.6 Presentation of Financial Statements

The assets and liabilities of the Group presented in the statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.7 Materiality and aggregation

Each material class of similar items are presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 1 – "Presentation of Financial Statements" and amendments to the LKAS 1.

Financial assets and financial liabilities are offset and the net amount report in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on net basis, or to realise the assets and settle the liability simultaneously. Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements are not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.8 Going Concern

The Group's Financial Statements have been prepared under the assumption of a going concern, as the Board of Directors is confident that the Group possesses sufficient resources to continue its operations into the foreseeable future. This confidence is based on directors' comprehensive assessment, which takes into account the uncertainties associated with the prevailing economic conditions, and their possible effects on the Group's business operations ,profitability, liquidity and capital.

2.9 Rounding

All Financials information presented in Sri Lankan Rupees have been rounded to the nearest thousand (Rs. '000), except where otherwise indicated, as permitted by the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements".

2.10 Use of Estimates and Judgements

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

Judgements 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 judgements and estimates.

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

Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following Notes:

Note 13 – Tangible assets other than Mature/Immature Plantations

Note 18 – Fair value gain on growing produce of bearer biological assets

Note 14.1.2 - Consumable Biological Assets

Note 3.3.7 - Impairment on non-financial assets.

Note 3.5.2/3.5.3/29/30 - Provisions for liabilities, commitments, and contingencies

Note 25 – Lease liability to SLSPC/JEDB

Note 3.5.1/24 – Retirement benefit obligations

Note 3.4.2.1.2/26 – Deferred tax liability

Note 2.8/35 - Going Concern

2.10.1 Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. "Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

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

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

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

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

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

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

Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

2.11 Fair value of non-financial assets

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES

The Company and Group have consistently applied the accounting policies to all periods presented in these financial statements, except if mentioned otherwise. Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding notes to the financial statements for the year ended 31st March 2026 of the current period's financial statements and to enhance the inter period comparability. The presentation and classification of the financial statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

The Company and the Group have consistently applied the following accounting policies to all periods presented in these financial statements.

3.1.1 Basis of Consolidation

The Financial Statements of the Company and Group comprise the Financial Statements of the Company and its Subsidiaries for the year ended 31st March 2026.

3.1.1.1 Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Notes to the Financial Statements

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment

Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards). then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination, This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The consolidated financial statements are prepared to a common financial year end of 31st March.

3.1.1.3 Non-Controlling Interests (NCI)

NCIs are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a Subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.1.1.5 Transactions eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.1.1.6 Investment In Associates

An Associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not have any control or joint control over those policies

At the date of acquisition, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

The results and assets and liabilities of associates are incorporated in the Consolidated Financial Statements using the equity method of accounting. Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of the investment.

The Group's share of profit or losses after tax are recognised in the consolidated income statement. Loss of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3.2 Foreign Currency Translations

Transactions in foreign currencies are translated to Sri Lankan Rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Sri Lankan Rupees at the exchange rates at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in Sri Lankan Rupees at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities which are stated at historical cost denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate at the dates of the transactions. Non-monetary assets and liabilities that are stated at fair value, denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate that the fair value was determined. Foreign exchange differences arising on translation are recognised in Comprehensive Income.

3.3 Assets and Bases of their Valuation

Assets classified as Current Assets in the Statement of Financial Position are Cash and Bank balances and those which are expected to be realised in cash during, the normal operating cycle of the Company's business, or within one year from the reporting date whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the reporting date.

3.3.1 Financial Instruments

3.3.1.1 Recognition and Initial Measurement

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

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

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

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

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

Financial Assets – Business Model Assessment

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

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

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

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable- rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3.3.1.2 Financial liabilities

Financial liabilities – Classification, subsequent measurement and gains and losses.

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

Financial assets - Subsequent measurement and gains and losses:

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

3.3.1.3 Derecognition

Financial assets

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

Financial liabilities

The Group and the Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3.1.4 Impairment – Financial assets

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market tor a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets.

For corporate customers, the Group 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 Group 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 Group 's procedures to recovery of amounts due.

3.3.2 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in their fair value, and are used by the Group and the Company in the management of its short term commitments

Bank overdrafts are shown under current liabilities. For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in Groups net of outstanding Group overdrafts. Interests paid and received are classified as operating cash flows for the purpose of presentation of Cash Flow Statement. The cash flow Statement reported is based on indirect method.

3.3.3 Right of Use Asset

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

The Group applies the cost model for the subsequent measurement of the ROU asset and accordingly, the right-of use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation Expenses

Depreciation expenses have been charged to income statement under other operating and administration expenses.

Lease Liabilities

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

Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a

Notes to the Financial Statements

change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment

Interest expenses on lease liabilities

Interest expense is calculated by using the effective interest rate method and is recognised as finance expenses in the Income Statement.

Presentation of ROU asset and lease liabilities

The Group presents right-of-use assets that do not meet the definition of investment property in separate line as Leasehold Right to Bare Land of JEDB/SLSPC Estates and Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land) lease liabilities within Net Obligation to Lessor of JEDB/SLSPC in the Statement of Financial Position

Short term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for short term leases. The Group recognises the lease payments associated with these leases as an expense on a straight – line basis over the lease term.

3.3.4 Property Plant and Equipment

3.3.4.1 Recognition and Measurement

The Property, Plant and Equipment except Buildings and land improvements are recorded at cost less accumulated depreciation and impairment losses.

The cost of Property, Plant and Equipment is the cost of purchase or construction together with any expenses incurred in bringing the assets to its working condition for its intended use. Expenditure incurred for the purpose of acquiring, extending or improving assets of permanent nature by means of which to carry on the businesses or to increase the earning capacity of the business has been treated as capital expenditure. The cost of property, plant and equipment is the cash price equivalent at the recognition date.

The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

A revaluation of buildings and land improvements is done when there is a substantial difference between the fair value and the carrying amount of the Buildings, and is undertaken by professionally qualified valuers every 5 years.

Increases in the carrying amount on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same individual asset are charged against revaluation reserve directly in equity. All other decreases are expensed in profit and loss.

Subsequent Costs/ Replacement of Parts.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

When revalued assets are disposed, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

3.3.4.2 Depreciation and Amortisation

Depreciation

Provision for depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, in order to write off such amounts over the estimated useful economic life of such assets. The leased assets are depreciated over the shorter of the lease term and their useful lives.

Owned Assets	Useful Life (Years)
Buildings & Land Improvements	40
Plant & Machinery	13 1/3
CTC Machinery	20
Furniture & Fittings	10
Motor Vehicles	5
Equipment	8
Water Projects & Sanitation	20

Mature Plantations	Useful Life (Years)
Tea	33 1/3
Rubber	20
Oil Palm	20

Assets of JEDB/ SLSPC Estates	Useful Life (Years)
Bare Land	53
Buildings	25
Plant & Machinery	15
Land Development Cost	30
Water Supply Scheme	30
Mature Plantations	
Tea & Rubber	30
Others	25

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Leased assets are depreciated over the shorter of the leased term and their useful lives. The useful life, residual values and depreciation methods of assets are reviewed, and adjusted if required, at the end of each financial year.

3.3.4.3 Leased Assets

Property, Plant and Equipment on finance leases, (which effectively transfer substantial risks and benefits incidental to ownership of the leased item) are capitalised at their cash price, and depreciated/amortised over the period the Group is expected to benefit from the use of the leased assets. The corresponding principal amount payable to the lessor is shown as a liability. The interest element of the rental obligation applicable to each financial year is charged to the Statement of Comprehensive Income over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The cost of improvements to the leased property is capitalised and depreciated over the unexpired period of the lease or the estimated useful lives of the improvements whichever is shorter.

3.3.4.3.1 Permanent Land Development Costs

Permanent land development costs are those costs incurred to make major changes to land contours to build new access roads and other major infrastructure development. Such expenditure on leasehold land has been capitalised and amortised over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Comprehensive Income in full or reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.3.4.3.2 Capital work-in-progress

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

3.3.4.3.3 Limited Life Land Development Costs

(Immature and Mature Plantations)

The cost of new planting, replanting, inter-planting and crop diversification incurred between the time of field development and being ready for commercial harvesting are classified as immature plantations. Further, the general charges incurred on the plantation are apportioned on the labor days spent on respective replanting and new planting and capitalised on the immature areas. The remaining portion of the general charges is charged to the Statement of Comprehensive Income in the year in which it is incurred.

No depreciation is provided for immature plantation. The total expenditure incurred on perennial crops (Tea Rubber and Oil Palm) which come into bearing during the year have been transferred to mature plantations and depreciated over its useful lifetime.

No depreciation has been charged on mature plantations in the year of transfer. Permanent impairments to land development costs are charged to the Statement of Comprehensive Income in full or reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.3.4.3.4 Infilling Cost

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

3.3.5 Biological Assets

Biological assets are classified as 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 are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include tea, rubber, oil palm and other bearer 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 those that are to be harvested as agricultural produce or sold as biological assets.

The Group recognises 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.

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

The managed timber is measured on initial recognition and at the end of each reporting periods 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. Timber trees are measured at fair value at date of reporting by the management or by an independent professionally qualified valuer if the board of directors determines necessary. All details of the valuation and the assumptions are given in note 14.1.3 to the financial statements.

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

The Group recognises its agricultural produce prior to harvest separately from its bearer plants. 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 recognised 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.

The volume of produce growing on bearer plants are measured considering the estimated crop of the last harvesting cycle of the year as follows:- Tea -three days crop (50% of 6 days cycle), Oil Palm -five days crop (50% of 10 days cycle) and Rubber - one day crop (50% of 2 days cycle). Produce that grows on mature bearer plantations are measured at fair value less cost of harvesting and transport. The fair value of the un-harvested green leaves is measured using the using the bought leaf formula recommended by the Sri Lanka Tea Board, the fair value of the un-harvested fresh fruit bunches (FFB) of Oil Palm is measured using the Bought Mill Price and the Rubber crop is fair valued using 95% of RSS 1 Price.

3.3.6 Inventories

Inventories other than produce stocks are valued at the lower of cost and estimated net realisable value, after making do allowance for obsolete and slow-moving items.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition. Cost is arrived as follows, Input Material At actual cost on FIFO basis. Growing Crop Nurseries At the cost of direct materials, direct labour, and an appropriate proportion of directly attributable overheads less provision for overgrown plants. Spares and Consumables At actual cost on FIFO basis. Produce Stocks Valued on the basis of estimated realisable price/since realised price or cost.

Nursery cost includes the cost of direct materials, direct labor and an appropriate proportion of directly attributable overheads.

3.3.7 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs to sell and its value in use.

Where 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 to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3.4 Revenue and Expenditure Recognition

3.4.1 Revenue Recognition

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

The Group considers sale of tea, rubber and other agricultural produce as one performance obligation and recognises revenue when it transfers control to the customer.

Disaggregation of Revenue

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

The following specific criteria are used for recognition of revenue:

a) In keeping with the practice in the Plantation Industry, revenue on Perennial crops are recognised in the financial period of harvesting. Revenue is recorded at invoice value net of brokerage, sale expenses and other levies related to revenue.

b) Gains or losses of a revenue nature have been accounted for in the Statement of Profit or Loss.

c) Interest income is recognised on accrual basis.

d) Other income is recognised on accrual basis.

3.4.2 Expenditure Recognition

a) All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in state of efficiency has been charged to the Statement of Comprehensive Income in arriving at the profit/(loss) for the year.

b) For the purpose of presentation of Statement of Comprehensive Income, the Directors are of the opinion that function of expenses method presents fairly the elements of the enterprise's performance and, hence such presentation method is adopted.

3.4.2.1 Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

3.4.2.1.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017. Relevant details are disclosed in note 9 to the Financial Statements.

3.4.2.1.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each Reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the Reporting date. Income tax relating to items recognised directly in equity is recognised 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.

Notes to the Financial Statements

3.4.2.2 Borrowing Cost

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the specific asset. Borrowing Costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Comprehensive Income. Borrowing costs incurred in respect of loans that are utilised for field development activities have been capitalised as a part of the cost of the relevant Immature Plantation. The capitalisation will cease when the crops are ready for commercial harvest. The amount so capitalised and the capitalisation rates are disclosed in the notes to the financial statements.

3.4.2.3 Earnings/ (Loss) Per Share (EPS)

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

3.5 Liabilities and Provision

3.5.1 Retirement Benefits to Employees

3.5.1.1 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Retiring Gratuity

The Retirement Benefit Plan adopted is as required under the Payment of Gratuity Act No. 12 of 1983. This item is grouped under Retirement Benefit Obligation in the Statement of Financial Position.

Provision for Gratuity on the employees of the Group is on an actuarial basis using the Projected Unit Credit Method (PUC Method) as recommended by Sri Lanka Accounting Standard 16 (Revised 2006), “Employee Benefits” which became effective from the financial year commencing after 1st July 2007. The Company continues to use actuarial method under Sri Lanka Accounting Standard 19, “Employee Benefits” effective from the financial year commencing on 1st January 2012.

A provision is recognised in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Group adopted LKAS 19 “Employee Benefits”(Revised in 2013) with effect from 1st January 2013 in accordance with the transitional provisions in the standard and changed its basis for determining the income or expense related to defined benefit plans;

The Group recognises all the re-measurements of the net defined benefit liability in other comprehensive income. Re measurements of the net defined benefit liability comprise an actuarial gain or loss.

The liability is not externally funded. However according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued services.

The Board of Directors of the Group confirm that, only the following number of permanent employees are entitled for retiring gratuity as at 31st March 2026 as per the provisions set out in the Payment of Gratuity Act No. 12 of 1983.

Description	Nos
Staff	437
Workers	4,000
Total	4,437

Defined Contribution Plans – EPF, ESPS, CPPS, ETF

All employees who are eligible for defined Provident Fund Contributions (EPF, ESPS and CPPS) and Employees Trust Fund Contributions are covered by relevant contributory funds in line with respective statutes.

3.5.2 Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.5.3 Capital Commitments and Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by occurrence or non-occurrence uncertain future events not wholly within the control of the Group or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not accounted in the

Statement of Financial Position but are disclosed unless they are remote.

Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes to the Financial Statements.

3.5.4 Non-derivative Financial Liabilities

3.5.4.1 Classification, Subsequent measurement and Gain and Losses

Financial liabilities are classified as measured at amortised cost.

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

3.5.4.2 Derecognition

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

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

3.5.4.3 Other Liabilities

Other Liabilities are stated at their cost

3.5.5 Deferred Income

Grants and subsidies are credited to the Statement of Comprehensive Income over the periods necessary to match them with the related costs, which they are intended to be compensated on a systematic basis. Grants related to Property, Plant and Equipment, including non-monetary grants at fair value is deferred in the Statement of Financial Statement and credited to the Statement of Comprehensive Income over the useful life of the related assets. Grants related to income are recognised in the Statement of Comprehensive Income in the period in which it is receivable.

3.6 Segmental reporting

A Segment is a distinguishable component of the Group that is engaged in providing services, which is subject to different risks and rewards.

The Group's core business is manufacturing and sale of Tea and this line of business accounts for the entire operation of the Group.

The Group's business is located in different geographical locations where the risks and rewards related to each segment could be identified. Revenue and expenses directly attributable to each segment are allocated intact 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 intact to the respective segments. Assets and Liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis whenever possible.

3.7 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method". Interest paid is classified as operating cash flows, interest and dividends received and government grants received are classified as investing cash flows while dividends paid is classified as financing cash flows for the purpose of presenting the Statement of Cash Flows.

3.8 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether or not a price is being charged. A detailed Related Party Transaction analysis is presented in Note 31.

3.9 Events Occurring After the Reporting Period

Events after the reporting period are those events, favourable and unfavourable, occurring between the end of the reporting period and the date when the Financial Statements are authorised for issue. The materiality of the events occurring after the reporting period is considered and appropriate adjustments or disclosures are made in the Financial Statements, where necessary.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

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

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

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

For the year ended 31st March	Group 2026 Rs`000	Group 2025 Rs`000	Company 2026 Rs`000	Company 2025 Rs`000
5. REVENUE				
Revenue from Contracts with customers				
Tea	4,174,978	3,894,801	4,174,978	3,894,801
Rubber	1,023,920	910,356	922,079	792,695
Oil Palm	502,567	381,080	502,567	381,080
	5,701,465	5,186,237	5,599,624	5,068,576

5.1 Performance Obligations

Type of product	Nature and timing of satisfaction of performance obligation	Revenue recognition under SLFRS 15
Tea (Auctioned Sales)	The Company is selling made tea to customers through brokers at the Colombo Tea Auction.	Revenue from tea is recognised at the time of confirmation of sale at the auction.
Other agricultural produce	The Company is selling Tea (local sales), rubber latex and Oil Palm to customers at the plantation.	Revenue from sale of other crops is recognised at the point in time when the control of the goods has been transferred to the customer, generally at the Estates.

5.2 Segmental analysis of Principal crops

5.2.1 Operating segments - Group

A segment is a distinguishable component of the Group that is engaged either in providing product or services (business segments), or in providing products or services within a particular economic environment (geographical segments), which is subject to risks and rewards that are different from those of other segments. Segment information is presented in respect of the Group's business. There are no distinguishable components to be identified as geographical segments for the Group. The business segments are reported based on the Group management and reporting structure.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Tea	Cultivation, Manufacture and sale of tea
Rubber	Cultivation, Manufacture and sale of rubber
Oil Palm	Cultivation, and sale of oil palm

	For the year ended 31st March	Tea		Rubber		Oil Palm		Other		Total	
		2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000
a)	**Revenue**	4,174,978	3,894,801	1,023,920	910,356	502,567	381,080	-	-	5,701,465	5,186,237
	Less: Cost of Sales	(3,615,216)	(3,136,701)	(1,103,199)	(951,108)	(200,343)	(178,709)	-	-	(4,918,758)	(4,266,519)
	Gross Profit	559,762	758,100	(79,279)	(40,752)	302,225	202,371	-	-	782,707	919,718
	Less: Unallocated Expenses	(534,994)	(567,380)	(107,168)	(130,809)	(29,318)	(30,483)	-	-	(671,480)	(728,672)
	Add: Other Income and fair value gain on biological Assets	3,892	15,626	66,701	115,551	1,271	(1,214)	182,333	278,413	254,197	408,377
	Profit before Income Tax Expenses	28,660	206,346	(119,747)	(56,011)	274,177	170,674	182,334	278,414	365,424	599,423
	Income Tax Expenses	-	-	-	-	-	-	(17,023)	(234,000)	(17,023)	(234,000)
	Profit for the Year	28,660	206,346	(119,747)	(56,011)	274,177	170,674	165,311	44,414	348,401	365,423
	Other Comprehensive Income from continued operation	(130,233)	71,518	(26,430)	130,851	(7,137)	3,842			(163,800)	206,211
	Total Comprehensive (Expense)/ Income for the year	(101,573)	277,863	(146,177)	74,840	267,040	174,516	165,311	44,414	184,601	571,634
b)	**Segmental Assets**										
	Non current assets	4,534,365	4,407,488	3,627,138	3,409,142	302,025	330,414	49,252	378,701	8,512,780	8,525,745
	Current assets	599,621	602,940	190,615	319,152	30,722	4,090	505,179	160,227	1,326,137	1,086,409
	Total Assets	5,133,986	5,010,428	3,817,753	3,728,294	332,747	334,504	554,431	538,928	9,838,917	9,612,154
c)	**Segmental Liabilities**										
	Non current liabilities	1,547,050	844,720	1,087,491	518,174	-	-	2,248,689	3,398,921	4,883,230	4,761,815
	Current liabilities	367,700	769,578	256,449	372,367	-	-	858,711	1,181,821	1,482,860	2,323,766
	Total Liabilities	1,914,750	1,614,298	1,343,940	890,541	-	-	3,107,400	4,580,742	6,366,090	7,085,581
d)	**Segmental Capital Expenditure**										
	Capital Expenditure	284,690	105,391	139,302	96,330	-	-	52,684	19,042	476,676	220,763
	Total Capital Expenditure	284,690	105,391	139,302	96,330	-	-	52,684	19,042	476,676	220,763
e)	**Segmental Depreciation**										
	Depreciation	129,258	100,479	194,241	179,104	28,389	28,389	5,379	9,594	357,267	317,566
	Total Depreciation	129,258	100,479	194,241	179,104	28,389	28,389	5,379	9,594	357,267	317,566

5.2.2 Operating segments - Company

Segmental analysis of Principal crops

	For the year ended 31st March	Tea		Rubber		Oil Palm		Other		Total	
		2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000	2026 Rs. `000	2025 Rs. `000
a)	**Revenue**	4,174,978	3,894,802	922,079	792,695	502,567	381,080	-	-	5,599,624	5,068,576
	Less: Cost of Sales	(3,615,216)	(3,136,702)	(1,005,416)	(849,666)	(200,343)	(178,709)	-	-	(4,820,975)	(4,165,076)
	Gross Profit	559,762	758,100	(83,338)	(56,971)	302,225	202,371	-	-	778,649	903,500
	Less: Unallocated Expenses	(534,994)	(567,380)	(108,128)	(124,784)	(29,318)	(30,483)	-	-	(672,441)	(722,647)
	Add: Other Income and fair value gain on biological Assets	3,892	15,626	66,701	115,551	1,271	(1,214)	311,928	280,155	383,791	410,118
	Profit before Income Tax Expenses	28,660	206,346	(124,766)	(66,204)	274,177	170,673	311,928	280,155	489,999	590,971
	Income Tax Expenses	-	-	-	-	-	-	(17,023)	(234,000)	(17,023)	(234,000)
	Profit for the Year	28,660	206,346	(124,766)	(66,204)	274,177	170,673	294,905	46,155	472,976	356,971
	Other Comprehensive Income from continued operation	(130,233)	71,518	(26,322)	15,729	(7,137)	3,842	-	-	(163,691)	91,089
	Total Comprehensive (Expense)/ Income for the year	(101,573)	277,864	(151,087)	(50,475)	267,040	174,516	294,905	46,155	309,285	448,060
b)	**Segmental Assets**										
	Non current assets	4,534,365	4,407,488	3,627,138	3,409,011	302,025	330,414	49,116	263,203	8,512,644	8,410,116
	Current assets	599,621	602,940	182,841	139,490	30,722	4,090	505,315	275,725	1,318,499	1,022,245
	Total Assets	5,133,986	5,010,428	3,809,979	3,548,501	332,747	334,504	554,431	538,928	9,831,143	9,432,361
c)	**Segmental Liabilities**										
	Non current liabilities	1,547,050	844,720	1,086,738	518,174	-	-	2,248,689	3,398,355	4,882,477	4,761,249
	Current liabilities	367,700	769,578	239,050	306,881	-	-	858,711	1,182,386	1,465,461	2,258,845
	Total Liabilities	1,914,750	1,614,298	1,325,788	825,055	-	-	3,107,400	4,580,741	6,347,938	7,020,094
d)	**Segmental Capital Expenditure**										
	Capital Expenditure	284,690	105,391	139,302	96,330	-	-	52,684	19,042	476,676	220,763
	Total Capital Expenditure	284,690	105,391	139,302	96,330	-	-	52,684	19,042	476,676	220,763
e)	**Segmental Depreciation**										
	Depreciation	129,258	100,479	194,241	179,104	28,389	28,389	5,379	9,594	357,267	317,566
	Total Depreciation	129,258	100,479	194,241	179,104	28,389	28,389	5,379	9,594	357,267	317,566

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
6. OTHER OPERATING INCOME				
Amortisation of Capital Grants	15,183	15,329	15,183	15,329
Profit on Disposal of Property, Plant and Equipment	-	966	-	966
Profit on Disposal of Investment	72	-	127,752	-
Sale of Rubber and Other Trees	41,970	71,982	41,970	71,982
Rent Income	12,104	10,157	14,018	11,898
Dividend income	-	17,643	-	17,643
Fair value through OCI Investments - Net Change in Fair Value	-	31,292	-	31,292
Sundry Income	8,121	30,777	8,121	30,777
	77,450	178,146	207,044	179,887

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
7. PROFIT BEFORE INCOME TAX				
Is stated after charging all the expenses including the following;				
Directors' Emoluments	18,000	18,000	18,000	18,000
Auditor's Remuneration - Statutory Audit fees - KPMG Auditors	8,600	8,000	8,600	8,000
- Non Audit Related Services	300	300	300	300
Provision for impairment in investment in subsidiaries	-	-	12,187	7,982
Provision for impairment on other receivable	572	2,428	572	2,428
Provision/(Reversal) for impairment on amounts due from related parties	9,877	(5,052)	9,877	(5,052)
Reversal of provision for obsolete inventories	(5,987)	-	(5,987)	-
Depreciation/Amortisation;				
- Leasehold rights to Bare Land	54,536	50,573	54,536	50,573
- Immovable Leased Assets	327	327	327	327
- Tangible Property, Plant and Equipment	111,109	77,963	111,109	77,963
- Mature Plantations	191,295	188,704	191,295	188,704
Personnel Cost Includes;				
- Salaries and Wages	2,318,162	2,022,384	2,313,471	2,017,894
- Defined Benefit Plan Cost - Retiring Gratuity	200,362	168,420	200,175	168,361
- Defined Contribution Plans - EPF, ETF,CPPS and ESPS	252,123	239,054	251,412	238,381

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
8. NET FINANCING COSTS				
Finance Income				
Interest Income	5,984	3,153	5,984	3,153
	5,984	3,153	5,984	3,153
Finance Cost on				
Bank Overdraft	(1,169)	(3,588)	(1,169)	(3,588)
Net Obligation to Lessor	(180,254)	(170,179)	(180,254)	(170,179)
Debentures	(4,663)	(9,357)	(4,663)	(9,357)
Bank Loans	(66,476)	(112,502)	(66,476)	(112,502)
Broker Loan	(381)	(1,910)	(381)	(1,910)
Broker Advances	(17,113)	(35,102)	(16,912)	(34,702)
Related Company Loans	(24,513)	(37,093)	(23,373)	(34,596)
Exchange Gain/Loss	(5,147)	(1,484)	(5,147)	(1,484)
Other interest	(10,937)	(8,276)	(10,937)	(8,276)
	(310,653)	(379,491)	(309,312)	(376,594)
Net finance cost	(304,669)	(376,338)	(303,328)	(373,441)

9. INCOME TAX EXPENSE

9.1 Current Taxation

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
Recognised in the Profit or Loss				
Income tax on Profits for the Year (Note 9.2)	-	-	-	-
Provision for Deferred Taxation (Note 26)	17,023	234,000	17,023	234,000
	17,023	234,000	17,023	234,000
Recognised in the Other Comprehensive Income				
Income tax on Profits for the Year	-	-	-	-
Provision for Deferred Taxation (Note 26)	(70,153)	39,038	(70,153)	39,038
	(70,153)	39,038	(70,153)	39,038

In accordance with Inland Revenue (Amendment) Act No.45 of 2022, the Company is liable to pay tax at the rate of 30% on its profits from both "Agro Processing" and " Investment Income".

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000 Restated	Rs`000	Rs`000 Restated
9.2 Reconciliation between accounting profit and Income tax				
Accounting Profit before Income Tax Expense	365,424	599,423	489,999	590,971
Deduct: Other sources of Income	(20,002)	(63,985)	(20,002)	(63,985)
Add: Aggregate disallowable items	212,206	947,211	84,454	955,663
Deduct: Aggregate allowable expenses	(642,728)	(829,126)	(642,728)	(829,126)
Exempt (loss) from agro business	(39,054)	-	(39,054)	-
Taxable (Loss)/Profit from the business	(124,154)	653,523	(127,331)	653,523
Other Sources of Taxable Income	20,002	15,050	20,002	15,050
Total Statutory (Loss)/ Income	(104,152)	668,573	(107,329)	668,573
Tax Losses claimed during the Year (Note 9.3)	-	(668,573)	-	(668,573)
Total Taxable Loss	(104,152)	-	(107,329)	-
Income Tax at the rate of 30%	-	-	-	-
Current Income Tax Expense	-	-	-	-

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
9.3 Accumulated Tax Losses				
Tax Loss Brought Forward		3,521,635		3,520,867
Tax losses for the year	(104,152)	-	(107,329)	-
Expired tax losses for the year		(2,853,062)		(2,852,294)
Tax Losses claimed during the year		(668,573)		(668,573)
Tax Loss Carried Forward	(104,152)	-	(107,329)	-

Tax losses amounting to Rs.2.8Bn, which was available for carry forward expired on 31st March 2025 and can no longer be utilised against future taxable income, have been removed from the accumulated tax losses.

10. EARNINGS PER SHARE

10.1 Basic Earnings Per Share

The computation of Earnings per Share is based on profit attributable to ordinary shareholders after tax for the year divided by the weighted average number of ordinary shares outstanding during the year and calculated as follows;

	Group		Company	
For the year ended 31st March	**2026**	**2025 Restated**	**2026**	**2025 Restated**
Amount used as the Numerator				
Profit attributable to Ordinary Shareholders (Rs.'000)	348,401	365,423	472,976	356,971
Amount used as the Denominator				
Weighted average number of Ordinary Shares ('000)	385,735	348,329	385,735	348,329
Basic Earnings per Share (Rs.)	0.90	1.05	1.23	1.02

The weighted average number of ordinary shares for the comparative period has been adjusted retrospectively using a bonus factor to ensure comparability of earnings per share between periods due to the rights issue of shares on 14th October 2025.

10.2 Diluted Earnings Per Share

There were no potential diluted ordinary shares outstanding at any time during the year. Therefore, diluted Earnings Per Share is the same as Basic Earnings per Share shown above.

	Group		Company	
For the year ended 31st March	**2026**	**2025 Restated**	**2026**	**2025 Restated**
Amount used as the Numerator				
Profit attributable to Ordinary Shareholders (Rs.'000)	348,401	365,423	472,976	356,971
Weighted average number of Ordinary Shares ('000)	385,735	348,329	385,735	348,329
Diluted Earnings per Share (Rs.)	0.90	1.05	1.23	1.02

11. LEASEHOLD RIGHT TO BARE LAND OF JEDB/SLSPC ESTATES

The leases of all the 23 estates have been executed and will be retroactive from 22nd June, 1992. The leasehold rights to land on all these estates have been taken into the books of the Company as at 22nd June, 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose, the Board decided at its meeting held on 8th March,1995 that these bare lands would be revalued, at the value established for these lands, by the valuation Specialist Mr.D.R.Wickramasinghe, just prior to the formation of the Company.

Millewa estate was acquired by the Urban Development Authority of Sri Lanka on the 26th of October 2017. During the financial year 2018/19 Leasehold right to bare land was written off since the company no longer has control of the said estate.

The lease rental is inflated annually by the Gross Domestic Product (GDP) deflator which results in remeasurement of right of use assets and lease liability.

Company / Group	Life of the Asset	As at 22.06.1992	Balance as at 31.03.2026	Balance as at 31.03.2025
	Rs. `000	Rs. `000	Rs. `000	Rs. `000
Capitalised value	53 years	358,928	1,431,364	1,246,065
Remeasurement During the Year			46,882	185,299
		358,928	1,478,246	1,431,364

Amortisation	Balance as at 01.04.2025	Charge for the year	Balance as at 31.03.2026
	Rs. `000	Rs. `000	Rs. `000
	362,590	54,536	417,126

Carrying Value	As at 31.03.2026	As at 31.03.2025
	Rs. `000	Rs. `000
	1,061,120	1,068,774

12. IMMOVABLE LEASED ASSETS OF JEDB/SLSPC ESTATES (OTHER THAN BARE LAND)

The leases of all the 23 estates have been executed and will be retroactive from 22nd June 1992. The leasehold rights to land on all these estates have been taken into the books of the Company as at 22nd June 1992 immediately after formation of the Company,in terms of the ruling obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka based on then existing accounting standards. For this purpose, the Board decided at its meeting held on 8th March 1995 that these bare lands would be revalued, at the value established for these lands , by the valuation Specialist Mr. D R Wickramasinghe , just prior to the formation of the Company. The value taken into 22nd June, 1992, statement of Financial Position and the amortisation of leasehold rights upto 31st March 2026 are as follows,

Millewa estate was acquired by the Urban development authority of Sri Lanka on the 26th of October 2017. During the financial year 2018/19 Leasehold right to Immovable Leased Assets was written off since the company no longer has control of the said estate.

The lease rental is inflated annually by the Gross Domestic Product (GDP) deflator which results in remeasurement of right of use assets and lease liability.

Company / Group Cost	Life of the Asset Rs. `000	As at 22.06.1992 Rs. `000	Balance as at 31.03.2026 Rs. `000	Balance as at 31.03.2025 Rs. `000
Land Development Cost	30 years	6,712	6,360	6,360
Buildings other than worker housing	25 years	26,519	25,174	25,174
Plant & Machinery	15 years	8,757	8,757	8,757
Water Projects and Sanitations	30 years	8,688	8,688	8,688
Mature Plantations				
- Tea	30 years	69,767	227,655	227,655
- Rubber	30 years	61,138	163,548	163,548
- Others	25 years	-	8,140	8,140
Immature Plantations				
- Tea		158,960	-	-
- Rubber		126,898	-	-
- Others		8,140	-	-
		475,579	448,322	448,322

Amortisation	Balance as at 01.04.2025 Rs`000	Charge for the year Rs. `000	Balance as at 31.03.2026 Rs. `000	Carrying Value As at 31.03.2026 Rs. `000	 As at 31.03.2025 Rs. `000
Land Development Cost	6,360		6,360	-	-
Buildings other than Worker Housing	25,174		25,174	-	-
Plant & Machinery	8,757		8,757	-	-
Water Projects and Sanitations	8,688		8,688	-	-
Mature Plantations					
- Tea	227,655		227,655	-	-
- Rubber	163,548		163,548	-	-
- Others	7,813	327	8,140	-	327
	447,995	327	448,322	-	327

Investment in Immature Plantations at the time of handing over to the Company by way of estate leases are shown under Immature Plantations as at 22.06.1992. Further investment in such plantations to bring them to maturity are shown under Note 14.

13. TANGIBLE ASSETS (OTHER THAN MATURE / IMMATURE PLANTATIONS)

13.1 Group

Description	Buildings and Land Improvements	Water Projects and Sanitations	Plant and Machinery	Motor Vehicles	Equipment	Furniture and Fittings	Work-in Progress	Total
			Freehold	Freehold				
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
Cost								
As at 1st April 2024	1,157,989	60,937	718,160	248,106	141,349	9,798	64,743	2,401,082
Additions during the year	9,997	-	1,219	-	16,637	-	81,950	109,803
Disposals during the year	-	-	-	(2,802)	-	-	-	(2,802)
Transfer during the year	3,145	-	22,940	-	-	-	(26,085)	-
Adjustment on Revaluation	(245,784)	-	-	-	-	-	-	(245,784)
Revaluation Gain	569,865	-	-	-	-	-	-	569,865
As at 31st March 2025	1,495,212	60,937	742,319	245,304	157,986	9,798	120,608	2,832,164
As at 1st April 2025	1,495,212	60,937	742,319	245,304	157,986	9,798	120,608	2,832,164
Additions during the year	11,802	-	6,663	44,374	25,447	350	270,875	359,511
Transfers during the year	6,053	-	80,801	-	-	-	(86,854)	-
Write-offs during the year	-	-	-	-	-	-	(3,690)	(3,690)
As at 31st March 2026	1,513,067	60,937	829,783	289,678	183,433	10,148	300,939	3,187,985
Accumulated Depreciation								
As at 1st April 2024	200,581	52,966	624,678	235,252	91,804	9,792	-	1,215,073
Charge for the year	45,203	1,680	18,475	3,340	9,257	6	-	77,963
Disposals during the year	-	-	-	(2,802)	-	-	-	(2,802)
Revaluation reversal of Cost	(245,784)	-	-	-	-	-	-	(245,784)
As at 31st March 2025	-	54,646	643,153	235,792	101,061	9,798	-	1,044,450
As at 1st April 2025	-	54,646	643,153	235,792	101,061	9,798	-	1,044,450
Charge for the year	73,918	1,451	19,850	5,105	10,761	23	-	111,108
As at 31st March 2026	73,918	56,097	663,003	240,897	111,822	9,821	-	1,155,558
Net Carrying Value								
As at 31st March 2026	1,439,149	4,840	166,780	48,781	71,612	327	300,939	2,032,427
As at 31st March 2025	1,495,212	6,292	99,166	9,514	56,925	-	120,608	1,787,716

Notes to the Financial Statements

13. TANGIBLE ASSETS (OTHER THAN MATURE / IMMATURE PLANTATIONS)

13.2 Company

Description	Buildings and Land Improvements	Water Projects and Sanitations	Plant and Machinery	Motor Vehicles	Equipment	Furniture and Fittings	Work-in Progress	Total
			Freehold	Freehold				
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
Cost								
As at 1st April 2024	1,157,989	60,937	717,769	248,106	140,670	9,798	64,743	2,400,012
Additions during the year	9,997	-	1,219	-	16,637	-	81,950	109,803
Adjustment on revaluation	(245,784)			-				(245,784)
Disposals during the year	-	-	-	(2,802)	-	-	-	(2,802)
Transfer during the year	3,145	-	22,940	-	-	-	(26,085)	-
Revaluation gain	569,865	-	-	-	-	-	-	569,865
As at 31st March 2025	1,495,212	60,937	741,928	245,304	157,307	9,798	120,608	2,831,095
As at 1st April 2025	1,495,212	60,937	741,928	245,304	157,307	9,798	120,608	2,831,095
Additions during the year	11,802	-	6,663	44,374	25,447	350	270,875	359,511
Transfers during the year	6,053	-	80,801	-	-	-	(86,854)	-
Write-offs during the year	-	-	-	-	-	-	(3,690)	(3,690)
As at 31st March 2026	1,513,067	60,937	829,392	289,678	182,754	10,148	300,939	3,186,916
Accumulated Depreciation								
As at 1st April 2024	200,581	52,966	624,819	234,968	91,039	9,765	-	1,214,138
Charge for the year	45,203	1,680	18,475	3,341	9,257	6	-	77,961
Adjustment on revaluation	(245,784)	-	-	-	-	-	-	(245,784)
Disposals during the year	-			(2,802)				(2,802)
As at 31st March 2025	-	54,646	643,294	235,507	100,296	9,771	-	1,043,514
As at 1st April 2025	-	54,646	643,294	235,507	100,296	9,771	-	1,043,514
Charge for the year	73,918	1,451	19,850	5,107	10,761	23	-	111,110
As at 31st March 2026	73,918	56,097	663,144	240,614	111,057	9,794	-	1,154,624
Net Carrying Value								
As at 31st March 2026	1,439,149	4,840	166,248	49,064	71,697	354	300,939	2,032,291
As at 31st March 2025	1,495,212	6,291	98,634	9,797	57,011	27	120,608	1,787,580

13.2.1 The cost of the fully depreciated items of Property, Plant & equipment which are still in use as at 31st March are as follows;

Asset Category	2026 Rs. `000	2025 Rs. `000
Water Projects and Sanitations	36,580	31,912
Plant and Machinery	484,532	478,982
Motor Vehicles	231,373	231,373
Equipment	79,397	77,400
Furniture and Fittings	9,720	9,708
	841,602	829,375

13.3 Capital Work-in-Progress

Capital Work-in-Progress include the Work-in-Progress pertaining to Improvements to Land & Buildings, Water Projects & Sanitations and Plant & Machinery.

13.4 Property, plant and equipment pledged as security for liabilities

The Property, Plant and Equipment which are pledged as securities as at 31st March 2026 disclosed under note 23.4.1

13.5 The Company has revalued its Buildings and Land Improvements as at 31st March 2025. The fair value of the buildings are determined by Mr. Fathihu A A M (FIV), an external independent property valuer, having appropriate recognised professional qualifications, experience in the category of the property being valued and the location of the asset as explained under note 13.5.1

The details of carrying amounts of revalued assets and the carrying value, if such assets were carried at historical cost less depreciations are as follows;

Property, plant and equipment category	Method of revaluation	Carrying value of revalued assets if carried at historical cost as at 31st March 2026 Rs'000	Carrying value of assets under Revaluation Model Rs'000
Buildings and land improvements	Market comparable method	375,980	1,439,149

Fair Value Hierarchy

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

Valuation technique and significant unobservable techniques

The following table shows the valuation technique used in measuring the fair value of property plant & equipment, as well as the significant unobservable inputs used;

Valuation Method	Significant unobservable input	Interrelationship Between Key Unobservable Inputs and Fair Value	Total Floor Area (Sq. Ft.)
Market comparable method	Gross replacement cost	Positively correlated sensitivity	6,074,256

Valuation Technique	Significant unobservable Inputs	Interrelationship Between Key Unobservable Inputs and Fair Value Measurements
Gross Replacement Cost	The cost to rebuild/replace the property as new after taking into consideration, depreciation due to use, age and obsolesce through market changes Rs.2,500- Rs.49Mn	The estimated fair value would increase (decrease) if: - Gross replacement cost is higher/ (lower) - Remaining useful life of the asset is higher/ (lower)

13.5.1 The details of Buildings and Land Improvements, which were revalued indicated below:

Name of Estate	Location	Number of Buildings	Floor Area (Sq. Ft.)	Fair Value Rs. `000
Kotagala Region				
Bogahawatte	Bogahawatta	36	215,725	49,256
Chrystler's Farm	Kotagala	38	231,628	67,266
Craigie Lea	Kotagala	49	301,948	91,498
Drayton	Kotagala	40	368,820	85,167
Kelliewatte	Patana	30	169,604	40,908
Mayfield	Hatton	48	556,396	91,895
Mount Vernon	Pattana	50	514,285	138,615
Stonycliff	Kotagala	63	521,898	110,279
Yulliefield	Hatton	61	486,578	110,982
Derryclare	Kotagala	15	279,168	28,572
Horana/ Kalutara Region				
Eduragala	Ingiriya	25	117,754	24,458
Hedigalla	Badureliya	16	37,679	17,183
Gikiyanakanda	Neboda	36	387,989	64,939
Rayigam	Ingiriya	53	413,310	136,737
Vogan	Matugama	46	307,441	60,897
Arapolakanda	Thebuwana	26	236,712	42,477
Dalkeith	Lathpandura	50	347,207	125,562
Padukka	Padukka	32	86,199	52,471
Paiyagala	Dodangoda	34	131,480	54,604
Sorana	Horana	38	216,370	69,227
Usk Valley	Badureliya	23	146,065	32,209
Total		809	6,074,256	1,495,212

There are no significant fluctuations in the fair values of these lands and buildings as at 31st March 2026 compared to the fair values as at 31st March 2025.

13.6 Impairment

The Company does not foresee any indications of impairment as at the reporting date due to the volatile economic conditions, and business unit functions under the business continuity plans as per the Group risk management strategy.

14. BIOLOGICAL ASSETS

14.1 Group/ Company

Asset Category	2026 Rs. `000	2025 Rs. `000
Bearer Biological assets (Note 14.1.1)	3,040,225	3,093,043
Consumable Biological assets (Note 14.1.2)	2,379,008	2,356,763
Total Biological Assets - Non Current Assets	5,419,233	5,449,806

14.1.1 Bearer Biological assets

	Mature Plantations			Immature Plantations				Total	
	Tea Rs. `000	Rubber Rs. `000	Oil palm Rs. `000	Tea Rs. `000	Rubber Rs. `000	Oil Palm Rs. `000	Other Rs. `000	2026 Rs. `000	2025 Rs. `000
Cost									
As at 1st April	1,228,757	2,721,010	567,769	197,387	564,680	-	8,399	5,288,002	5,147,388
Additions during the year	1,634	116,956		3,742	122,875	-	11,859	257,066	140,613
Transfer out during the year	-	-	-	(1,634)	(116,956)	-	-	(118,590)	-
As at 31st March	1,230,391	2,837,966	567,769	199,495	570,599	-	20,258	5,426,478	5,288,001
Depreciation									
As at 1st April	577,925	1,379,678	237,355	-	-	-	-	2,194,958	2,006,254
Charge for the year	39,080	123,826	28,389	-	-	-	-	191,295	188,704
As at 31st March	617,005	1,503,504	265,744	-	-	-	-	2,386,253	2,194,958
Carrying Value as at 31st March	613,386	1,334,462	302,025	199,495	570,599	-	20,258	3,040,225	3,093,043
Carrying Value as at 1st April	650,832	1,341,332	330,414	197,387	564,680	-	8,398	3,093,043	3,144,174

a) These are investments in mature/immature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 11 and 12. Further investment in Immature Plantations taken over by way of leases are shown in this note. When such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature under this note. A corresponding movement, from Immature to Mature, in respect of the investment undertaken by JEDB/SLSPC on the same plantation prior to the leases are shown under Note 12.

b) Borrowing costs amounting Rs. 2 million (2024/25-Rs.1.8Mn) on Tea, and Rs. 34 million (2024/25-Rs.46.1Mn) on Rubber incurred on term loans and overdrafts utilised to finance replanting expenditure of tea and rubber have been capitalised. The average rate of interest for capitalisation was 10.81% (2024/25 - 11.69%) The capitalisation will cease when crops are ready for harvest.

c) Other immature plantations includes other crops such as Cinnamon. Coconut etc. and are carried at cost less impairment.

14.1.2 Consumable Biological Assets

	2026 Rs. `000	2025 Rs. `000
Consumable Biological assets - Mature		
Balance as at 1st April	2,218,059	2,028,077
Transfer from consumable biological assets - immature	21,658	14,762
Income on Timber Harvesting	(180,991)	(53,883)
Fair value gain for the year	184,176	229,103
Balance as at 31st March	2,242,902	2,218,059
Consumable Biological assets - Immature		
Balance as at 1st April	138,704	135,206
Addition during the year	19,060	18,260
Transfer to consumable biological assets - Mature	(21,658)	(14,762)
Balance as at 31st March	136,106	138,704
Total Consumable Biological Assets	2,379,008	2,356,763

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees upto 5 years from as approximate fair value particularly on the grounds of 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 valued by Mr.Fathihu A A M (FIV), Incorporated Valuers by using following assumptions

Key assumptions used in valuation are as follows,

Timber Content	Estimated based on the girth,height and considering the growth and present age of the trees of each species in different geographical regions, factoring all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company approved by the Forestry Department. Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.
Economic Useful Life	Estimated based on normal life span of each species by factoring the forestry plan of the Company approved by the Forestry Department.
Selling Price	Estimated based on prevailing Sri Lankan market prices factoring all the conditions to be fulfilled in bringing the trees in to saleable condition. (price range per cu ft is Rs. 460-1150)
Discount rate	Future cash flows are discounted at the rate of 13.25%,14.26%,15.26% (2024/25-14%,15%,16%)

The Board of directors established that the fair value of consumable biological assets of the Company is comprised of only managed trees which fall under the purview of the forestry management plan of the company, since LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka.

During the year ended 31st March 2026, a physical verification of timber was carried out by the management covering all the estates and the actual number of trees available in the estates was ascertained. The actual number of commercially cultivated managed timber trees available as per the physical verification is included within the fair value of timber (consumable biological assets) as at 31st March 2026. .

The Company is exposed to the following risks relating to its timber plantations.

Regulatory and environmental risks

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

Supply and demand risk

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

Climate and other risks

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

14.1.3 Measurement of Fair Value

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

a) The fair value measurement for the consumable biological assets has been categorised as level 3 fair value based on inputs to the valuations used. Breakdown of the total gains recognised in respect of level 3 fair values of consumable biological assets namely, managed timber plantation, are given below.

	Group / Company	
As at 31st March	**2026**	**2025**
	Rs`000	**Rs`000**
Change in fair value of consumable biological assets (Note 14.1.2)	184,176	229,103
Change in fair value of growing produce of bearer biological assets (Note 18)	(7,429)	1,128
Total Gain for the year	176,747	230,231

b) Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques in measuring level 3 fair value of consumable biological assets as well as significant unobservable inputs used.

Type	Valuation techniques used	Significant unobservable Inputs	Inter relationship between key unobservable inputs and fair value measurements
Mature Timber	**Discounted Cashflows**	**Determination of Timber Content**	
Mature timber older than 5 years	The valuation model considers present value of future net cashflows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per tree basis. Expected cashflows are discounted using a high risk adjusted rates of ; 13.25% - Trees age to harvest 5 years or below 14.26% - Trees age to harvest 6 -14 years 15.26% - Trees age to harvest 15 years or above comprising a risk free rate of 10.76% A risk premium of 4.5% (2025-4.5%) was applied in deriving the above rates.	Species planted in separate blocks as at the reporting date have been identified by a qualified forestry officer of the company and the timber content has been estimated based on the age and current cubic content. Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size **Determination of Price of Timber** Price range per cu ft. is Rs. 460-1,150 Trees have been valued as per the current timber prices per cubic meter which is the recent selling price of a cubic meter of the specific species.	The estimated fair value at the time of harvesting each specific species is sensitive to the following variables, - The estimated timber content - The estimated timber prices per cubic meter - The estimated selling related costs - The estimated maturity age - The risk adjusted discount rate

14.1.4 Sensitivity Analysis

Sensitivity Variation on Sales Price and Discount Rate

The future cashflows are determined by reference to current timber prices

Increase/(Decrease) in the Discount Rate	Increase/(Decrease) in the Selling price of specific species	Sensitivity effect on the carrying value of Biological Assets As at 31st March 2026 Rs.000	Sensitivity effect on the carrying value of Biological Assets As at 31st March 2025 Rs.000
1%		(51,791)	(80,199)
-1%		56,724	80,199
	10%	224,770	220,698
	-10%	(224,770)	(220,698)

15. INVESTMENTS

15.1 Investments in Subsidiaries

As at 31st March	Holding %	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Consolidated Rubber Plantations PTE Ltd	100%	-	-	115	115
Cambodia Rubber Plantation Industries PTE Ltd	100%	-	-	115	115
Lanka Agro Plantations PTE Ltd	100%	-	-	115	115
Rubber & Allied Products (Colombo) Ltd	100%	-	-	30,060	30,060
		-	-	30,405	30,405
Less -Provision for impairment of Investments in Subsidiaries (Note 15.1.1)		-	-	(30,405)	(18,218)
		-	-	-	12,187

15.1.1 Provision for impairment of Investments in Subsidiaries

	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance as at 1st April	-	-	(18,218)	(10,236)
Charge for the year	-	-	(12,187)	(7,982)
Balance as at 31st March	-	-	(30,405)	(18,218)

15.1.2 The recoverable values of these subsidiaries were determined with reference to their net assets. The Company makes an assessment for the impairment in value of investments annually. Accordingly, the recoverable values were lower than the carrying values of these investments and required full impairment as at 31st March 2026.

Name of the Company	Nature of Business	Location	Ownership Percentage Rs.000	Carrying value Rs.000
Rubber & Allied Products (Colombo) Ltd	Manufacturing Centrifuged Latex	Colombo/Horana	100%	-
Consolidated Rubber Plantations PTE Ltd	Cultivation of Rubber	Cambodia	100%	-
Cambodia Rubber Plantation Industries PTE Ltd	Cultivation of Rubber	Cambodia	100%	-
Lanka Agro Plantations PTE Ltd	Cultivation of Rubber	Cambodia	100%	-
Total				-

15.1.2.1 Summarised financial information for Subsidiary Companies of the Group

	Rubber & Allied Products (Colombo) Ltd	Consolidated Rubber Plantations PTE Ltd.	Cambodia Rubber Plantation Industries PTE Ltd.	Lanka Agro Plantations PTE Ltd.
	Rs. `000	Rs. `000	Rs.000	Rs.000
Summary of the Statement of Comprehensive income of Subsidiary Companies				
Revenue	102,393	-	-	-
Loss after tax	(13,850)	-	-	-
Other comprehensive Income	-	-	-	-
Total Comprehensive Expense	(13,850)	-	-	-
Summary of the Statement of financial position of Subsidiary Companies				
Non Current Assets	4,622	-	-	-
Current Assets	11,534	506,470	31,361	-
Total Assets	16,156	506,470	31,361	-
Non Current Liabilities	753	-	-	-
Current Liabilities	17,066	909	165,593	373,147
Total Liabilities	17,819	909	165,593	373,147
Net Assets - Attributable to Non Controlling interests	-	-	-	-
Attributable to the Group	(1,663)	505,561	(134,232)	(373,147)
Summary of the Statement of Cash flows of Subsidiary Companies				
Net Cash inflow/(outflow) from Operating Activities	11,093	-	-	-
Net Cash inflow/(outflow) from Financing Activities	(1,914)	-	-	-
Net increase /(decrease) of cash and cash equivalents	9,179	-	-	-

As at 31st March	Holding %	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
15.2 Investments in Associates	Holding %				
Union Commodities (Private) Limited (Note 15.2.1)	15%	-	-	-	-
Imperial Hotels Ltd (Note 15.2.2)	0%	-	219,122	-	91,442
		-	219,122	-	91,442

15.2.1 Investment in Union commodities (Pvt) Ltd

	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance as at 1st April	36,745	36,745	236,250	236,250
Share of Loss for the year	-	-	-	-
Share of OCI for the year	-	-	-	-
Equity accounted investee before impairment	36,745	36,745	236,250	236,250
Provision for Impairment of Investments in Union Commodities (Pvt) Ltd (Note 15.2.1.1)	(36,745)	(36,745)	(236,250)	(236,250)
Balance at the year 31st March	-	-	-	-

15.2.1.1 Provision for impairment of investment in Union commodities (Pvt) Ltd

	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance as at 1st April	36,745	36,745	236,250	236,250
Charge for the year	-	-		
Balance as at 31st March	36,745	36,745	236,250	236,250

The recoverable values of this Associate Company was determined with reference to its net assets. The Company makes an assessment for the impairment in value of investments annually. Accordingly, the recoverable values were lower than the carrying values of these investments and required full impairment as at 31st March 2026

15.2.2 Investments in Imperial Hotels Limited

	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance as at 1st April	219,122	101,668	94,753	94,753
Share of Profit for the year	-	2,360		
Share of OCI for the year	-	115,094		
Disposal of shares	(219,122)		(94,753)	-
Provision for impairments in Associates (Note 15.2.2.1)			-	(3,311)
Balance at 31st March	-	219,122	-	91,442

15.2.2.1 Provision for impairment of investment in Imperial Hotels Limited

	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance as at 1st April	-	-	3,311	3,311
(Reversal)/ charge for the year	-	-	(3,311)	-
Balance as at 31st March	-	-	-	3,311

15.2.2.2 The Company had resolved to divest its 31.15% stake represented by 4,500,000 shares in Imperial Hotels Ltd. to Consolidated Tea Plantations Ltd.(CTPL), (Parent Company) for a consideration of Rs.219,195,000/- on 10th February 2026.

Name of the Company	Nature of Business	Location	Ownership Percentage Rs.000	Carrying value Rs.000
Union Commodities (Private) Limited	Tea Exports	Kelaniya	15%	-
Imperial Hotels Limited	Hospitality	Kandy	0%	-

As at 31st March	Group			
	2026		2025	
	Union Commodities (Private) Limited Rs. `000	Imperial Hotels Limited Rs. `000	Union Commodities (Private) Limited Rs. `000	Imperial Hotels Limited Rs. `000
15.2.3 Summarised financial information of Associate Company				
Summary of the statement of Profit or Loss and Comprehensive Income of the Associate Company				
Percentage of Ownership interest	15%	0%	15%	31.15%
Revenue	3,897,497	-	4,921,789	-
(Loss)/Profit After Tax	(516,597)	-	(275,049)	7,578
Other Comprehensive Income	247,238	-	22,093	369,485
Total Comprehensive (expense)/Income	(516,351)	-	(252,956)	377,063
Group's share of loss and Total Other Comprehensive (expense)/income	(77,452)	-	(37,943)	117,455
Non Current Assets	2,066,693	-	1,968,675	685,077
Current Assets	1,768,905	-	1,764,145	209,067
Total Assets	3,835,598	-	3,732,820	894,144
Non Current Liabilities	1,957,430	-	1,647,263	-
Current Liabilities	3,321,775	-	3,012,416	(190,602)
Total Liabilities	5,279,205	-	4,659,679	(190,602)
Net assets (100%)	(1,443,607)	-	(926,859)	703,542
Group share of Net assets	(216,541)	-	(139,029)	219,153
Goodwill	-	-	-	42
Unallocated share of loss	(216,541)	-	(139,029)	-
Carrying Amount of Interest in Associate	-	-	-	219,195

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
16. INVENTORIES				
Input Materials	66,840	88,551	66,840	87,370
Growing Crop Nurseries	14,259	4,064	14,259	4,064
Produce Stock (Tea and Rubber)	365,403	437,975	365,403	437,975
Spares and Consumables	36,120	94,137	35,956	34,442
	482,622	624,727	482,458	563,851
Provision for obsolete inventories	(11,675)	(17,662)	(11,675)	(17,662)
	470,947	607,065	470,783	546,189
16.1 Provision for Obsolete Inventories				
Balance as at 1st April	17,662	17,662	17,662	17,662
Reversal for the year	(5,987)	-	(5,987)	-
Balance as at 31st March	11,675	17,662	11,675	17,662

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
17. TRADE & OTHER RECEIVABLES				
Trade Receivables	248,239	83,848	251,172	83,513
Other Receivables				
Advances, Deposits, Prepayments & Other Receivables	235,951	171,984	235,522	169,827
Employee Advances	52,497	76,242	52,497	76,242
Less : Provision for impairment of other receivables (Note 17.1)	(18,687)	(18,115)	(18,687)	(18,115)
Total trade and other receivables	518,000	313,959	520,504	311,467
17.1 Provision for impairment of other receivables				
Balance as at 1st April	18,115	15,687	18,115	15,687
Charge for the year	572	2,428	572	2,428
Balance as at 31st March	18,687	18,115	18,687	18,115

17.2 Advances, deposits, prepayments and other receivables consists of a receivable from Urban Development Authority (UDA) related to Millewa estate amounting to Rs.134.9Mn, as at 31st March 2026.

Millewa estate was acquired by the Urban Development Authority (UDA) of Sri Lanka on the 26th of October 2017. This estate falls within the jurisdictions of the divisional secretaries of Padukka estate and Horana. All assets pertaining to Millewa estate were written off from the financial statements of the Company, since the Company no longer has control of the said estate and assets. Subject to the take of Millewa estate by the Government Kotagala Plantations PLC have, lodged a rightful compensation claim amounting to Rs. 660 Mn with UDA. The divisional secretariat has referred the matter to the Attorney General for determination in accordance with the provisions of Land Acquisition Act. Therefore the assets have been re-classified under other receivable balance due from Urban development authority of Sri Lanka. The liabilities pertaining to Millewa estate as at 26th of October 2017 have been retained within the financial statements of the Company, since the Company has an obligation that may arise during the course of business operations.

Description	Rs. `000
Property Plant and equipment	10,334
Leasehold Right to Bare Land	5,713
Immovable leased assets	48
Bearer Biological assets	118,807
	134,902

18 FAIR VALUE GAIN ON GROWING PRODUCE ON BEARER BIOLOGICAL ASSETS

	Group		Company	
As at 31st March	**2026 Rs.000**	**2025 Rs.000**	**2026 Rs.000**	**2025 Rs.000**
Balance as at 01st April	16,591	15,463	16,591	15,463
Change in fair value less cost to sell	(7,429)	1,128	(7,429)	1,128
As at 31st March	9,162	16,591	9,162	16,591

19. AMOUNTS DUE FROM RELATED PARTIES

		Group		Company	
As at 31st March	Relationship	**2026 Rs.000**	**2025 Rs.000**	**2026 Rs.000**	**2025 Rs.000**
Horton Plains Resorts & Spa Limited	Affiliate	107	107	107	107
Consolidated Tea Plantations Ltd	Affiliate	219,195	-	219,195	-
Marawila Resorts PLC	Affiliate	-	320	-	320
Far Eastern Extports (Colombo) Ltd	Affiliate	426	415	426	415
Lanka Agro Plantations Pte Ltd	Subsidiary	-	-	122	122
Lankem Plantations Services Ltd	Affiliate	48	37	48	37
		219,776	879	219,898	1,001
Less - Provision for impairment of amounts due from related parties (Note 19.1)		(9,877)	-	(9,877)	-
		209,899	879	210,021	1,001

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
19.1 Provision for Impairment of amounts Due from Related Parties				
Balance as at 1st April	-	(5,052)	-	(5,052)
Reversal during the year	-	5,052	-	5,052
Charge for the year	(9,877)	-	(9,877)	-
Balance as at 31st March	(9,877)	-	(9,877)	-

20. CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Cash in hand	1,220	81	1,170	50
Cash at bank	116,909	147,834	106,859	146,947
Total cash & cash equivalents	118,129	147,915	108,029	146,997
Bank Overdraft	-	(46,341)	-	(46,341)
Cash and cash equivalents for the cashflow for purposes	118,129	101,574	108,029	100,656

As at 31st March	2026 Rs.	2025 Rs.
21. STATED CAPITAL		
338,512,500 Ordinary Shares	1,571,362,500	1,571,362,500
Rights Issue of shares (Note 21.1)	761,653,125	-
01 Golden Share (Note 21.2)	10	10
	2,333,015,635	1,571,362,510

	No. of Shares 2026	No. of Shares 2025
Balance Ordinary Shares at the beginning of the year	338,512,500	338,512,500
Rights Issue During the year	84,628,125	-
Golden Share as at the end of the year	1	1
	423,140,626	338,512,501

21.1 Rights Issue

The Company made a Rights Issue of Eighty Four Million Six Hundred and Twenty Eight Thousand One Hundred and Twenty Five (84,628,125) Ordinary Shares at a price of Rs. 9.00 per share to the holders of the issued Ordinary Shares of the Company as at end of trading on 18th September, 2025 in the proportion of One (01) New Ordinary Share for every four (04) existing issued Ordinary Shares held in the Capital of the Company. The Issue closed on 14th October, 2025

21.2 Golden Shareholder

The total amount received by the Company in respect of issue of shares are referred to as Stated Capital. The Golden share is currently held by Secretary to the Treasury and should be owned either directly by the Government of Sri Lanka or by a 100% Government owned public Company. In addition to the rights of the normal ordinary shareholders, in terms of the Articles of the Company, following special rights are vested with the Golden Shareholder.

a) The Company shall obtain the written consent of the Golden Shareholder prior to sub-leasing, ceding or assigning its rights in part or all of the lands leased to the Company by the JEDB/SLSPC.

b) The Golden Shareholder shall be entitled to call upon the Board of Directors once in three months to meet him or his nominee to discuss matters of the Company of interest to the estate.

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

d) The company shall submit to the Golden Shareholder, within 60 days of the end of each quarter, a quarterly report relating to the performance of the Company during the said quarter in a pre- specified format agreed to by the Golden Shareholder and the Company

e) The Company shall submit to the Golden Shareholder, within 90 days of the end of each fiscal year, information related to the company in a pre-specified format agreed to by the Golden Shareholder and the Company.

21.3 General Reserve

General Reserve represents amounts set-aside from time to time by the Directors of the Company for the 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 utilised after appropriate Board Approvals.

	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance as at 1st April	-	240,000	-	240,000
Transferred to Retained earnings	-	(240,000)	-	(240,000)
Balance as at 31st March	-	-	-	-

The Board of Directors has approved the transfer of General Reserves to retained earnings during the year 2024/25.

21.4 Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve represented the differences between translated values of assets and liabilities of foreign operations at the exchange rate as at reporting date and historical rate.

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance as at 1st April	(11,361)	(11,389)	-	-
Translation differences arising on Foreign operations	(109)	28	-	-
Balance as at 31st March	(11,470)	(11,361)	-	-

21.5 Fair Value Through Other Comprehensive Income Reserve

Fair Value Through Other Comprehensive Income Reserve represented the change in fair value of investment in Agarapathana Plantations Limited and Investment in unit trust.

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance as at 1st April	-	96,200	-	99,114
Share of other comprehensive income of equity accounted investees	-	-	-	-
Transferred to Retained earnings	-	(96,200)	-	(99,114)
Balance as at 31st March	-	-	-	-

21.6 Revaluation Reserve

The revaluation reserve relates to leasehold and freehold buildings which have been revalued by the Company.

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance as at 1st April	1,020,903	506,903	858,562	459,656
Revaluation Gain	-	684,959	-	569,865
Deferred tax impact on revaluation reserve	-	(170,959)	-	(170,959)
Disposal of equity accounted investee	(115,094)			
Balance as at 31st March	905,809	1,020,903	858,562	858,562

22. DEFERRED INCOME

Grants and Subsidies

Group/ Company

As at 31st March	ADB-PRP Rs.`000	PDSP Rs.`000	PHDT Rs.`000	Others Rs.`000	2026 Rs.`000	2025 Rs.`000
As at 31st March	25,271	114,951	5,733	156,924	302,879	308,945
Received during the year	-	-	-	5,803	5,803	9,263
Amortisation for the year	(1,175)	(5,656)	(432)	(7,920)	(15,183)	(15,329)
As at 31st March	24,096	109,295	5,301	154,807	293,499	302,879
To be amortised after one year	22,922	103,805	4,860	146,503	278,090	287,696
To be amortised within one year	1,174	5,490	441	8,304	15,409	15,183

(i) Asian Development Bank - Plantation Reform Project (ADB - PRP)

The funds received are utilised for construction of Staff Quarters, Water Projects, Latrines, Farm Roads and purchase of Forestry Equipment.

(ii) Plantation Development Support Programme (PDSP)

The funds received are utilised for construction of Dispensaries, Staff Quarters, Water Projects and upgrading Creches.

(iii) Plantation Human Development Trust (PHDT)

The funds received are utilised for construction of Worker Housing, Water Projects and purchase of Ambulance.

(iv) Others

a) Ministry of Livestock Development and Estate Infrastructure

The funds received are utilised for construction of Community Centers, Agency Post Offices and Upgrading Farm Roads and Creches.

b) Sri Lanka Tea Board

Funds received are utilised for the construction of the CTC Tea Factory at Mount Vernon Estate.

c) Rubber Development Department

Funds received are utilised for replanting.

The amounts spent are capitalised under the relevant classification of Property Plant & Equipment and the corresponding grant component is reflected under deferred grants and subsidies and amortised over useful life span of the asset.

	As at 31st March		Group			Company		
			2026 Rs.000	2025 Rs.000 Restated	2024 Rs.000 Restated	2026 Rs.000	2025 Rs.000 Restated	2024 Rs.000 Restated
23.	**INTEREST BEARING BORROWINGS**							
	Debentures (Note 23.3)		78,784	185,167	259,132	78,784	185,167	259,132
	Term Loans (Note 23.4)		733,982	985,146	1,287,527	733,982	985,146	1,287,527
			812,766	1,170,313	1,546,659	812,766	1,170,313	1,546,659
23.1	**Payable after one year**							
	Debentures	23.3	-	83,252	185,136	-	83,252	185,136
	Term Loans	23.4	377,542	324,428	900,089	377,542	324,428	900,089
			377,542	407,680	1,085,225	377,542	407,681	1,085,225
23.2	**Payable within one year**							
	Debentures	23.3	78,784	101,915	73,996	78,784	101,915	73,996
	Term Loans	23.4	356,440	660,718	387,438	356,440	660,718	387,438
			435,224	762,633	461,434	435,224	762,633	461,434
	Total		812,766	1,170,313	1,546,659	812,766	1,170,313	1,546,659

23.3 Rated Secured Redeemable Listed Debentures

Debenture Type	Year of Issue	Original Year of Redemption	Restructured Period (Capital Repayment)	Colombo Stock Exchange Listing	Issued Value	Interest Payable Frequency	Interest Rate %	Outstanding Balance as at 31st March	
								2026 Rs`000	2025 Rs`000
C	2014	2020	From 2020 to 2025	Unlisted	Rs.250Mn	Monthly	7.50%	36,961	101,708
D1-D6	2014	2021	From 2021 to 2026	Listed	Rs.250Mn	Monthly	7.50%	41,823	83,459
								78,784	185,167

23.3.1 Trading at Colombo Stock Exchange

Debenture Type	Highest Value (Rs.)	Lowest Value (Rs.)	Last Traded Value (Rs.)
Type	Value (Rs.)	Value (Rs.)	Value (Rs.)
D1-D6	Not Traded	Not Traded	Not Traded

23.3.2 Comparable Interest Rate on Government Securities

1 year	- 8.41%

23.3.3 The Rating of listed debentures - CCC (lka) by Fitch Rating

23.4 Group /Company

Term Loans	National Development Bank	Sampath Bank	Peoples Bank	Standard Chartered Bank	Ceylon Tea Brokers	Forbes & Walker	Amana Bank	Pan Asia Bank PLC	Bank of Ceylon	Total 31.03.2026	Total 31.03.2025
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000 (Restated)
Balance as at 01st April	147,994	13,500	226,651	194,000	8,000	-	115,000	-	280,000	985,145	1,287,030
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	495
Restated balance as at 01st April	147,994	13,500	226,651	194,000	8,000	-	115,000	-	280,000	985,145	1,287,525
Loans Obtained during the year	-	-	-	-	-	20,000	-	200,000	-	220,000	80,000
Interest charge	9,005	109	9,765	1,913	117	264	5,870	9,754	30,060	66,857	114,412
Interest capitalisation	3,232	104	9,356	1,832	112	253	-	-	-	14,889	20,800
Exchange differences	5,149	-	-	-	-	-	-	-	-	5,149	499
Interest Repayments made during the year	(12,237)	(213)	(19,121)	(3,745)	(229)	(517)	(5,870)	(9,754)	(30,060)	(81,746)	(135,212)
Capital Repayments made during the year	(31,771)	(13,500)	(20,420)	(194,000)	(8,000)	(20,000)	(115,000)	(33,330)	(40,291)	(476,312)	(382,878)
Balance as at 31st March	121,372	-	206,231	-	-	-	-	166,670	239,709	733,982	985,146
Payable within one year	121,372	-	24,583	-	-	-	-	66,660	143,825	356,440	660,718
Payable after one year	-	-	181,648	-	-	-	-	100,010	95,884	377,542	324,428

23.4.1 Term Loans

	Bank	Amount Obtained Rs.'000	Balance 31.03.2026 Rs.'000	Balance 31.03.2025 Rs.'000	Rate of Interest %	Terms of Repayment	Securities Pledged
a)	**NDB**						
	Term Loan						
	Tranch 01	500,000	8,504	18,609	AWPR + 3%	Payable in 72 euqal monthly instalments of Rs.1,470,000/- with a final instalment of Rs. 2,347,942/-.	Primary Mortgage over the lease hold right, building & machinery of estates already mortgaged to NDB namely Stonycliff, Vogan, Gikiyanakande & Dalkieth.
	Tranch 02		8,504	18,609			
	Tranch 03		8,503	18,609			
	USD Loan						
	Tranch 01	204,470	31,954	30,723	LIBOR + 3%	Payable in 72 euqal monthly instalments of $7,100/- with a final instalment of $6,404/-.	Primary Mortgage over the lease hold right, building & machinery of estates already mortgaged to NDB namely Stonycliff, Vogan, Gikiyanakande & Dalkieth.
	Tranch 02		31,954	30,723			
	Tranch 03		31,953	30,721			
	Total	704,470	121,372	147,994			
b)	**Sampath Bank**						
	Term Loan	500,000	-	13,500	AWPLR + 3.5%	Payable in 71 euqal monthly instalments of Rs.6,950,000 and final instalment of Rs.6,550,000 with a capital grace period of 12 months.	Primary Mortgage Bond for Rs.500Mn over leasehold rights of Arapolakande Drayton and Kelliewatte Estates in Nuwara Eliya together with factory building therein.
	Total	500,000	-	13,500			
c)	**Peoples Bank**						
	Term Loan	250,000	206,231	226,651	AWPLR + 3.5%	Repayable within 120 instalments 02nd to 03rd Year - Rs.625,000 per month 04th Year - Rs.835,000 per month 05th Year - Rs.1,875,000 per month 06th Year - Rs. 2,083,335 per month 07th to 11th Year - Rs.2,958,000 per month Last repayment - Rs.2,957,980	Primary mortgage over lease hold rights of Mount vernon and Mayfiled estates
	Total	250,000	206,231	226,651			

Notes to the Financial Statements

	Bank	Amount Obtained Rs.'000	Balance 31.03.2026 Rs.'000	Balance 31.03.2025 Rs.'000	Rate of Interest %	Terms of Repayment	Securities Pledged
d)	**Standard Chartered Bank**						
	Term Loan	300,000	-	194,000	AWPLR	Payable within 60 instalments	Primary Mortgage Bond over leasehold rights of Hedigalle and Eduragala Estates together with factory building therein.
	Total	300,000	-	194,000			
e)	**Ceylon Tea Brokers PLC**						
	Term Loan		-	8,000	16%	Payable within 3 months	Tea stocks
	Total		-	8,000			
f)	**Amana Bank Loan**						
	Term Loan	230,000	-	115,000	AWPLR +2%	Payable within one year	Primary Mortgage Bond over leasehold rights of Padukka Estate and Corporate Guarantee of Lankem Ceylon PLC
	Total	230,000	-	115,000			
g)	**Bank of Ceylon**						
		280,000	239,709	280,000	AWPLR +2%	Payable within 24 months on or before 01/12/2027.	Assignment over 28,000,000 ordinary shares of Lankem developments PLC owned by Consolidated Tea Plantation Ltd and Corporate Guarantee of Consolidated Tea plantation Ltd
	Total	280,000	239,709	280,000			
h)	**Pan Asia Bank**						
		200,000	166,670	-	AWPLR +2%	35 equal capital payments of Rs.5,555,000 and a final payment of Rs.5,575,000.	Primary mortgage bond Rs.110 mn against the unexpired leasehold rights over the property namely "Yuilliefield Estate situated in Hatton Primary floating mortgage bond for Rs.115 mn against the unexpired leasehold rights over the property namely sorana estate situated in Horana
	Total	200,000	166,670	-			
	Grand Total	2,464,470	733,982	985,146			

The Company has not breached any loan covenants during the year.

23.5 Reconciliation of movement of liabilities to cashflows arising from financing activities

Group	Note	Liabilities				Equity				
		Bank overdrafts used for cash management purposes	Other loans and borrowings	Lease Liability	Total	Share capital	Reserves	Foreign currency translation Reserve	Retained earnings	Total
		Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs.000	Rs`000	Rs`000
Restated balance at 1 April 2025		46,341	1,170,313	1,236,467	2,453,121	1,571,362	1,020,903	(11,361)	(54,331)	2,526,573
Changes from financing cash flows										
Proceeds from loans and borrowings	23.4	-	220,000	-	220,000	-	-		-	-
Repayment of Debenture	23.3	-	(106,383)	-	(106,383)	-	-		-	-
Repayment of Lease capital	25	-	-	(11,966)	(11,966)					
Repayment of borrowings	23.4	-	(476,312)	-	(476,312)	-	-		-	-
Total changes from financing cash flows		-	(362,695)	(11,966)	(374,661)					
The effect of changes in foreign exchange rates	23.4	-	5,149	-	5,149	-	-		-	-
Changes in fair value		-	-		-	-	-	-	-	-
Other changes										
Liability-related										
Change in bank overdraft	20	(46,341)	-	-	(46,341)	-	-		-	-
Capitalised borrowing costs		1,119	19,356	-	20,475	-	-		-	-
Interest expense	8	1,169	71,520	180,254	252,943	-	-		-	-
Interest paid		(2,288)	(90,876)	(180,254)	(273,418)	-	-		-	-
Remeasurement of Right-of-Use Asset	11	-	-	46,882	46,882					
Equity-related										
Profit for the Year		-	-	-	-	-	-		348,401	348,401
Right issue		-	-	-	-	761,653	-		-	761,653
Translation differences arising on Foreign operations		-	-	-	-	-	-	(109)	-	(109)
Actuarial loss on Retirement Benefit Obligation	24.1	-	-	-	-	-	-	-	(233,844)	(233,844)
Tax effect on Actuarial Gain on Retirement Benefit Obligation	26	-	-	-	-	-	-	-	70,153	70,153
Disposal of equity accounted investee		-	-	-	-	-	(115,094)	-	115,094	-
Total liability-related other changes		(46,341)	-	46,882	541	-	-	-	-	-
Total equity-related other changes		-	-	-	-	761,653	(115,094)	(109)	299,804	946,254
Balance at 31st March 2026		-	812,766	1,271,382	2,084,148	2,333,015	905,809	(11,470)	245,473	3,472,827

Notes to the Financial Statements

Group	Note	Liabilities				Equity						
		Bank overdrafts used for cash management purposes	Other loans and borrowings	Lease Liability	Total	Share capital	Revaluation Reserves	General Reserve	Fair Value through OCI	Foreign currency translation Reserve	Retained earnings	Total
		Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs.000	Rs.000	Rs`000	Rs`000
Restated balance at 1 April 2024		49,534	1,546,658	1,060,924	2,657,116	1,571,362	506,903	240,000	96,200	(11,389)	(448,137)	1,954,939
Changes from financing cash flows						-	-				-	-
Proceeds from loans and borrowings	23.4	-	80,000	-	80,000							
Repayment of Debenture	23.3	-	(73,969)	-	(73,969)	-	-				-	-
Repayment of Lease capital	25	-	-	(9,756)	(9,756)							
Repayment of borrowings	23.4	-	(382,880)	-	(382,880)	-	-	-	-		-	-
Total changes from financing cash flows		49,534	(376,849)	(9,756)	(386,605)	-	-	-	-	-	-	-
The effect of changes in foreign exchange rates	23.4	-	499	-	499							
Changes in fair value												
Other changes						-	-				-	-
Liability-related						-	-				-	-
Change in bank overdraft	20	(3,193)	-	-	(3,193)	-	-				-	-
Capitalised borrowing costs		2,042	26,125	-	28,167	-	-				-	-
Interest expense	8	3,588	123,769	170,179	297,536							
Interest paid		(5,630)	(149,894)	(170,179)	(325,703)							
Remeasurement of Right-of-Use Asset	11		-	185,299	185,299	-	-					
Equity-related												
Profit for the Year					-	-	-				365,423	365,423
Share of other comprehensive income of equity accounted investees							115,094					115,094
Revaluation gain					-	-	569,865	-	-		-	569,865
Tax effect on prior year revaluation gain adjustment							(170,959)	-	-			(170,959)
Translation differences arising on Foreign operations										28		28
Actuarial loss on Retirement Benefit Obligation	24.1				-	-	-	-	-		(439,738)	(439,738)
Tax effect on Actuarial Gain on Retirement Benefit Obligation	26				-	-	-	-	-		131,921	131,921
Transferred to Retained earnings								(240,000)	(96,200)		336,200	-
Total liability-related other changes		(3,193)	-	185,299	182,106							
Total equity-related other changes						-	514,000	(240,000)	(96,200)	28	393,806	571,634
Balance at 31st March 2025		46,341	1,170,313	1,236,467	2,453,121	1,571,362	1,020,903	-	-	(11,361)	(54,331)	2,526,573

Company	Note	Liabilities				Equity			
		Bank overdrafts used for cash management purposes	Other loans and borrowings	Lease Liability	Total	Share capital	Reserves	Retained earnings	Total
		Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
Restated balance at 1 April 2025		46,341	1,170,313	1,236,467	2,453,121	1,571,362	858,562	(17,657)	2,412,267
Changes from financing cash flows									
Proceeds from loans and borrowings	23.4	-	220,000	-	220,000	-	-	-	-
Repayment of Debenture	23.3	-	(106,383)	-	(106,383)	-	-	-	-
Repayment of Lease capital	25	-	-	(11,966)	(11,966)				
Repayment of borrowings	23.4	-	(476,312)	-	(476,312)	-	-	-	-
Total changes from financing cash flows		-	(362,695)	(11,966)	(374,661)				
The effect of changes in foreign exchange rates	23.4	-	5,149	-	5,149	-	-	-	-
Changes in fair value									
Other changes									
Liability-related									
Change in bank overdraft	20	(46,341)	-	-	(46,341)	-	-	-	-
Capitalised borrowing costs		1,119	19,356	-	20,475	-	-	-	-
Interest expense	8	1,169	71,520	180,254	252,943	-	-	-	-
Interest paid		(2,288)	(90,876)	(180,254)	(273,418)	-	-	-	-
Remeasurement of Right-of-Use Asset	11	-	-	46,882	46,882				
Equity-related									
Profit for the Year		-	-	-	-	-	-	472,976	472,976
Right issue		-	-	-	-	761,653	-	-	761,653
Actuarial loss on Retirement Benefit Obligation	24.1	-	-	-	-	-	-	(233,844)	(233,844)
Tax effect on Actuarial Gain on Retirement Benefit Obligation	26	-	-	-	-	-	-	70,153	70,153
Other comprehensive income									
Total liability-related other changes		(46,341)	-	46,882	541	-	-	-	-
Total equity-related other changes						761,653	-	309,285	1,070,938
Balance at 31st March 2026		-	812,766	1,271,382	2,084,148	2,333,015	858,562	291,628	3,483,205

Company	Note	Liabilities				Equity					
		Bank overdrafts used for cash management purposes	Other loans and borrowings	Lease Liability	Total	Share capital	Revaluation Reserves	General Reserve	Fair Value through OCI	Accumulated losses	Total
		Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs.000	Rs.000	Rs`000
Restated balance at 1 April 2024		49,534	1,546,658	1,060,924	2,657,116	1,571,362	459,656	240,000	99,114	(405,925)	1,964,207
Changes from financing cash flows											
Proceeds from loans and borrowings	23.4	-	80,000	-	80,000	-	-			-	-
Repayment of Debenture	23.3	-	(73,969)	-	(73,969)	-	-			-	-
Repayment of Lease capital	25	-	-	(9,756)	(9,756)						
Repayment of borrowings	23.4	-	(382,880)	-	(382,880)	-	-			-	-
Total changes from financing cash flows		-	(376,849)	(9,756)	(386,605)	-	-	-	-	-	-
The effect of changes in foreign exchange rates	23.4	-	499	-	499	-	-	-	-	-	-
Changes in fair value		-		-	-	-	-	-	-	-	-
Other changes											
Liability-related											
Change in bank overdraft	20	(3,193)	-	-	(3,193)	-	-			-	-
Capitalised borrowing costs		2,042	26,125	-	28,167	-	-			-	-
Interest expense	8	3,588	123,769	170,179	297,536	-	-			-	-
Interest paid		(5,630)	(149,894)	(170,179)	(325,703)	-	-			-	-
Remeasurement of Right-of-Use Asset	11		-	185,299	185,299						
Equity-related											
Profit for the Year					-	-	-			356,971	356,971
Revaluation gain					-	-	569,865	-	-	-	569,865
Tax effect on prior year revaluation gain adjustment							(170,959)	-	-		(170,959)
Actuarial loss on Retirement Benefit Obligation	24.1				-	-	-	-	-	(439,738)	(439,738)
Tax effect on Actuarial Gain on Retirement Benefit Obligation	26				-	-	-	-	-	131,921	131,921
Transferred to Retained earnings								(240,000)	(99,114)	339,114	-
Total liability-related other changes		(3,193)	-	185,299	182,106						
Total equity-related other changes						-	398,906	(240,000)	(99,114)	388,268	448,060
Balance at 31st March 2025		46,341	1,170,313	1,236,467	2,453,121	1,571,362	858,562	-	-	(17,657)	2,412,267

As at 31st March	Group		Company	
	2026 Rs`000	2025 Rs`000	2026 Rs`000	2025 Rs`000

24. RETIREMENT BENEFIT OBLIGATIONS

	Group 2026 Rs`000	Group 2025 Rs`000	Company 2026 Rs`000	Company 2025 Rs`000
Balance at the beginning of the year	1,107,671	821,260	1,107,105	820,752
Provision made during the year (Note 24.1)	434,206	608,157	434,019	608,099
	1,541,877	1,429,417	1,541,124	1,428,851
Payments made during the year	(252,579)	(321,746)	(252,579)	(321,746)
Balance at the end of the year	1,289,298	1,107,671	1,288,545	1,107,105

24.1 Provision for the year consists of the following

	Group 2026 Rs`000	Group 2025 Rs`000	Company 2026 Rs`000	Company 2025 Rs`000
Recognised in Profit & Loss				
Interest cost	121,968	98,548	121,781	98,490
Current service cost	78,394	69,871	78,394	69,871
Recognised in Other Comprehensive Income				
Actuarial (Gain)/Loss	233,844	439,738	233,844	439,738
	434,206	608,157	434,019	608,099

The actuarial valuation had been carried out by M/S Actuarial & Management Consultants (Pvt) Ltd.

The Key assumptions used by the Actuary include the following,

		2026 Rs.`000	2025 Rs.`000
1	Rate of Interest		
	A long-term treasury bond rate 10.5% p.a (2025-11%) was used to discount future liabilities taking into consideration the remaining working life of employees.	10.5%	11.00%
2	Retirement age		
	Workers	60 years	60 years
	For other categories of staff	60 years	60 years
3	The Staff Turnover Rate	2%- 7%	2%-7%
	The Company will continue in business as a going concern		

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

Maturity profile of defined benefit obligation

Future working life Time	Defined benefit obligation (Rs.)		Total
	Staff Rs.000	Workers Rs.000	Rs.000
Within the next 12 Months	8,373	138,633	147,006
Between 2- 5 years	52,392	232,343	284,735
Beyond 5 years	83,685	773,119	856,804
Total	144,450	1,144,095	1,288,545

The sensitivity analysis on the total comprehensive expenses and financial position based on the assumed rates for salary increment and discount rate as at 31st March 2026 is given below.

Discount Rate	Salary escalation rate	Present value of defined benefit obligation (Rs.)	
		Staff Rs.000	Workers Rs.000
One percentage point increase	As stated above	134,219	1,057,706
One percentage point decrease	As stated above	156,137	1,242,651
As stated above	One percentage point increase	153,402	1,246,669
As stated above	One percentage point decrease	136,251	1,052,716

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
25. NET OBLIGATION TO LESSOR (JEDB/SLSPC ESTATES)				
At the beginning of the year	1,236,467	1,060,924	1,236,467	1,060,924
Remeasurement of Right-of-Use Asset	46,882	185,299	46,882	185,299
	1,283,349	1,246,223	1,283,349	1,246,223
Interest Charge for the year	180,254	170,179	180,254	170,179
Lease capital paid for the year	(11,967)	(9,756)	(11,967)	(9,756)
Lease interest paid for the year	(180,254)	(170,179)	(180,254)	(170,179)
Net Lease Obligation	1,271,382	1,236,467	1,271,382	1,236,467
Payable within one year				
Gross Lease Obligation	193,996	186,893	193,996	186,893
Less: Finance cost applicable for future periods	(180,114)	(175,264)	(180,114)	(175,264)
Net Lease Obligation	13,882	11,629	13,882	11,629
Payable within two to five years				
Gross Lease Obligation	775,983	373,786	775,983	373,786
Less: Finance cost applicable for future periods	(696,267)	(345,032)	(696,267)	(345,032)
Net Lease Obligation	79,716	28,754	79,716	28,754
Payable after five years				
Gross Lease Obligation	2,764,438	3,223,903	2,764,438	3,223,903
Less: Finance cost applicable for future periods	(1,586,654)	(2,027,819)	(1,586,654)	(2,027,819)
Net Lease Obligation	1,177,784	1,196,084	1,177,784	1,196,084
Net lease obligations payable after one year	1,257,500	1,224,838	1,257,500	1,224,838
Amount recognised in Profit or Loss				
Interest on lease liabilities	180,254	170,179	180,254	170,179
Depreciation charged for Right of Use Assets	54,536	50,573	54,536	50,573
Amount recognised in Statement of Cash Flows	234,790	220,752	234,790	220,752
Total cash outflow for leases	192,220	179,935	192,220	179,935
Maturity analysis of contractual undiscounted cash flows				
Within One Year	193,996	186,893	193,996	186,893
2-5 years	775,983	373,786	775,983	373,786
More than 5 years	2,764,438	3,223,903	2,764,438	3,223,903
Total undiscounted lease liabilities	3,734,417	3,784,582	3,734,417	3,784,582

Notes to the Financial Statements

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs`000	Rs`000	Rs`000	Rs`000
26. DEFERRED TAX LIABILITY				
Balance at the beginning of the year	1,733,930	1,460,892	1,733,930	1,460,892
Charged in the profit & loss under income tax	17,023	234,000	17,023	234,000
Charged in the other comprehensive income	(70,153)	39,038	(70,153)	39,038
Balance at the end of the year	1,680,800	1,733,930	1,680,800	1,733,930

26.1 The average tax rate used to calculate deferred tax liability/asset as at 31st March 2026 is 30% (31st March 2025-30%).

26.2 The closing deferred tax liability arises as follows,

As at 31st March	Group/Company			
	2026		2025	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs`000	Rs`000	Rs`000	Rs`000
Temporary differences on;				
Property plant and equipment (Excluding Revaluation gain on buildings)	439,851	131,955	361,799	108,540
Revaluation gain on buildings	1,261,078	378,323	1,261,078	378,323
Consumable biological assets	2,379,008	713,703	2,356,763	707,029
Bearer Biological Assets	3,040,225	912,067	3,093,043	927,913
Lease Hold right on bare land at JEDB/SLSPC	1,061,120	318,336	1,068,774	320,633
Net obligation to Lessor JEDB/SLSPC	(1,271,382)	(381,415)	(1,236,467)	(370,941)
Provision for impairment of other receivables	(18,687)	(5,606)	(18,115)	(5,435)
Retirement benefit obligation	(1,288,545)	(386,563)	(1,107,105)	(332,132)
	5,602,668	1,680,800	5,779,770	1,733,930

26.3 Unrecognised Deferred Tax Asset

The company has not recognised deferred tax asset in respect of the following items as the Board of directors are of the opinion that the reversal of Deferred Tax Asset (disclosed below) will not be crystalised in the foreseeable future.

As at 31st March 2026,	Group		Company	
	Temporary Difference Rs. `000	Tax Effect Rs. `000	Temporary Difference Rs. `000	Tax Effect Rs. `000
Tax loss carried forward	104,152	31,246	107,329	32,199
Provision for impairment of amounts due from related parties	9,877	2,963	9,877	2,963
Retirement Benefit Obligation	753	266	-	-

As at 31st March 2025,	Group		Company	
	Temporary Difference Rs. `000	Tax Effect Rs. `000	Temporary Difference Rs. `000	Tax Effect Rs. `000
Retirement Benefit Obligation	566	170	-	-

In accordance with LKAS 12 Income Tax, deferred tax asset should be recognised for all the deductible temporary differences to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. However, the management of the company is of the opinion that deferred tax assets arising from its subsidiaries should not be recognised in the Group financial statements.

As at 31st March	Group		Company	
	2026 Rs`000	2025 Rs`000 (Restated)	2026 Rs`000	2025 Rs`000 (Restated)
27. TRADE & OTHER PAYABLES				
Trade Payables	245,138	228,253	245,828	218,944
Other Payables (Note 27.1)	432,687	794,399	429,452	791,622
Payable to Employees	125,094	116,121	125,094	116,121
	802,919	1,138,773	800,374	1,126,687
27.1 Other Payables				
Government Departments and Statutory bodies	134,427	136,820	134,427	136,820
Refundable Deposits Received	23,898	42,263	23,898	42,263
Others including Provisions and Accrued charges	274,362	615,316	271,127	612,539
	432,687	794,399	429,452	791,622

As at 31st March	Relationship	Group 2026 Rs`000	Group 2025 Rs`000	Company 2026 Rs`000	Company 2025 Rs`000
28. AMOUNTS DUE TO RELATED PARTIES					
Colombo Fort Group Services (Pvt) Ltd	Affiliate	840	507	840	507
Agarapatana Plantations PLC	Affiliate Co.	44,076	208,047	29,222	89,068
Rubber & Allied Products Colombo Ltd	Subsidiary			-	66,144
Lankem Ceylon PLC	Affiliate Co.	3,249	15,781	3,249	15,781
Consolidated Tea Plantations Ltd	Affiliate Co.	-	83,852	-	83,852
E B Creasy & Co., PLC	Affiliate Co.	167,261	41,020	167,261	41,020
		215,426	349,207	200,572	296,372

29. COMMITMENTS

There have been no material capital commitments contracted but not provided for , or authorised by the Board but not contracted for, as at the reporting date.

30. CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at the reporting date which require adjustments or disclosure to the Financial Statements.

31. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the reporting date, no material circumstances have arisen which require adjustments to or disclosure in these Financial Statements.

32. RELATED PARTY DISCLOSURES

The company carried out transactions in the ordinary course of business at commercial rates with the following related entities

No	Ralated Party	Name of Director	Details of Transaction	Amount (paid)/ received 2026 Rs.000	Amount (paid)/ received 2025 Rs.000	Balance as at 31 March 2026 Rs.000	Balance as at 31 March 2025 Rs.000
1)	**Transactions with Ultimate Parent Company** The Colombo Fort Land & Building PLC	S D R Arudparagaam K G Punchihewa Anushman Rajaratnam S B Pererea S .S. Poholiyadde (Appointed w.e.f. 01.01.2026)	Office Rental Settlement of Office Rental and Expenses	(10,061) 10,061	(9,986) 12,068	-	-
2)	**Transactions with Intermediate Parent Company** Lankem Ceylon PLC	S D R Arudparagaam Anushman Rajaratnam K G Punchihewa S B Pererea	Share of group expenses reimbursed Commission on Corporate Guarantee Settlement	- (3,249) 15,781	(15,000) (5,663) 11,250	(3,249)	(15,781)
3)	**Transactions with Other Related Companies** a. Lankem Tea & Rubber Plantations (Pvt) Limited	S D R Arudpragasam S S Poholiyadde Anushman Rajaratnam K Mohideen	Settlement	-	(694)	-	-
	b. Agarapatana Plantations PLC	S D R Arudpragasam S S Poholiyadde Anushman Rajaratnam K G Punchihewa S B Pererea K Mohideen	Loan taken Interest charge Settlement Advance taken	- (7,303) 173,144 (105,994)	(70,200) (9,886) - (13,442)	(29,221)	(89,068)
	c. Lankem Plantation Services Limited	S D R Arudpragasam	Advance given	11	11	48	37
	d. Ceylon Tea Brokers PLC	C P R Perera	Interest charged Loan Granted Advance Taken Settlement of Loan Sale of Tea Transferred to trade & other payable	- - - - - -	(16,999) (20,000) (626,922) 6,500 699,037 62,053	-	-
	e. Lanka Agro Plantations Pte Ltd	Anushman Rajaratnam		-	-	122	122
	f. Rubber & Allied Products (Colombo) Limited	S D R Arudpragasam Anushman Rajaratnam S S Poholiyadde K Mohideen	Sale of Rubber Settlement Advance given Interest charged on loans	- 69,068 2,811 (5,735)	43,934 - 3,800 (13,984)	-	(66,144)
	g. Far Eastern Exports (Colombo) Limited	S D R Arudpragasam Anushman Rajaratnam	Advance given	11	11	426	415
	h. Horton Plains Resort & Spa Limited	Anushman Rajaratnam		-	-	107	107

Notes to the Financial Statements

No	Ralated Party	Name of Director	Details of Transaction	Amount (paid)/ received		Balance as at 31 March	
				2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
i.	Union Commodities (Pvt) Ltd	S D R Arudpragasam Anushman Rajaratnam S S Poholiyadde K Mohideen	Settlement	-	(6,692)	-	-
j.	Colombo Fort Group Services (Pvt) Ltd	S D R Arudpragasam Anushman Rajaratnam	IT Consultancy Fee Settlement	(6,596) 6,263	(9,709) 8,482	(840)	(507)
k.	E B Creasy & Company PLC	S D R Arudpragasam K G Punchihewa S B Pererea	Settlement Share of group expenses reimbursed Sale of trading goods	41,020 - (167,261)	- (15,000) -	(167,261)	(41,020)
l.	Marawila Resorts PLC	S D R Arudpragasam Anushman Rajaratnam S B Pererea	Settlement	(320)	-	-	320
m.	Consolidated Tea Plantations Ltd	S D R Arudpragasam S S Poholiyadde Anushman Rajaratnam K G Punchihewa S B Pererea K Mohideen	Advances given Interest charged on loan Professional consultancy fee Settlement Sale of Investment	(155,000) (10,334) (27,000) 276,186 219,195	- (10,726) - - -	219,195	(83,852)

4) Non Recurrent Related Party Transactions

There were no non-recurrent related party transactions the value of which exceeded 10% of the Equity or 5% of the Total Assets of the Group, other than that disclosed below.

Name of the Related Party	Relationship	Value of the Related Party Transactions entered into during the financial year (Rs'000)	Value of Related Party Transactions as a % of Equity and as a % of Total Assets	Terms & Conditions of the Related Party Transactions	The rationale for entering into the transactions
Consolidated Tea Plantations Ltd	Parent	219,195	2% of Total Assets 6% of Total Equity	The Company had resolved to divest its 31.15% stake represented by 4,500,000 shares in Imperial Hotels Ltd. to Consolidated Tea Plantations Ltd.(CTPL), Parent Company for a consideration of Rs.219,195,000/-. The transaction took effect consequent to the execution of the Share Sale & Purchase Agreement on, 6th February, 2026 and the consideration would be settled within a period of one year from the date of the execution of the Share Sale & Purchase Agreement as per the terms and conditions in the said Agreement.	In accordance with the strategic decision of The Colombo Fort Land and Building Group (Ultimate Parent),to restructure the shareholdings of the Companies within the Hotels Sector of the Group

5) **Transactions with Key Managerial Personnel**

According to the LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly Board of Directors (including executive and non-executive Directors) have been classified as Key Management Personnel of the Group.

Compensation of Key Management Personnel of the Group

As at 31st March	Group	
	2026 Rs`000	2025 Rs`000
Short Term Employee Benefits paid to Key management Personnel	18,000	18,000
Post employment benefits	-	-

Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children of the KMPs domestic partner and dependents of the KMPs domestic partner. During the year, no transactions have been done with CFMs

There were no other related party transactions and balances other than those disclosed in notes 28 & 19 to the Financial Statements.

33. COMPARATIVE INFORMATION

Comparative information is restated or reclassified wherever necessary to conform with the current year's classification in order to provide better presentation.

33.1 Restatement of prior period error

The Group and the Company have erroneously recognised the restructured bank loan in the year ended 31st March 2024. As per SLFRS 9 - Financial Instruments, this restructure should have been identified as a significant modification of financial liabilities and the fair value of the bank loan should have been recorded at the restructure date of 29th May 2023

As a result of correction of this error, the modification gain of Rs.64 Mn in relation to the restructured bank loan have been recorded in the opening accumulated losses as at 1st April 2024.

These errors have now been corrected by restating each of the affected financial statement line items for the prior period. The following tables summarise the impacts on the Group and Company's financial statements.

Notes to the Financial Statements

33.1.1 Statement of Financial Position

1st April 2024	Group			Company		
	As Previously Reported Rs`000	Adjustments Rs`000	As Restated Rs`000	As Previously Reported Rs`000	Adjustments Rs`000	As Restated Rs`000
ASSETS						
Non Current Assets						
Leasehold Right to Bare Land of JEDB/ SLSPC Estates	934,048	-	934,048	934,048	-	934,048
Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land)	653	-	653	653	-	653
Tangible Assets (Other than Mature/Immature Plantations)	1,186,009	-	1,186,009	1,185,874	-	1,185,874
Biological Assets	5,304,417	-	5,304,417	5,304,417	-	5,304,417
Investment in Subsidiary	-	-	-	20,169	-	20,169
Investment in Associates	101,668	-	101,668	91,442	-	91,442
Fair value through OCI Investments	153,601	-	153,601	153,601	-	153,601
Total Non Current Assets	7,680,396	-	7,680,396	7,690,204	-	7,690,204
Current Assets						
Inventories	426,237	-	426,237	391,047	-	391,047
Trade & Other Receivables	371,063	-	371,063	348,239	-	348,239
Fair value gain on growing produce of bearer Biological assets	15,463	-	15,463	15,463	-	15,463
Amounts Due from Related Parties	8,493	-	8,493	8,493	-	8,493
Cash and Cash Equivalents	104,376	-	104,376	94,437	-	94,437
Total Current Assets	925,632	-	925,632	857,679	-	857,679
Total Assets	8,606,028	-	8,606,028	8,547,883	-	8,547,883
EQUITY AND LIABILITIES						
Capital and Reserves						
Stated Capital	1,571,362	-	1,571,362	1,571,362	-	1,571,362
General Reserve	240,000	-	240,000	240,000	-	240,000
Foreign currency Translation Reserve	(11,389)	-	(11,389)	-	-	-
Fair value through Other Comprehensive Income Reserve	96,200	-	96,200	99,114	-	99,114
Revaluation Reserve	506,903	-	506,903	459,656	-	459,656
Accumulated Losses	(511,640)	63,503	(448,137)	(469,428)	63,503	(405,925)
Total Equity	1,891,436	63,503	1,954,939	1,900,704	63,503	1,964,207

1st April 2024	Group			Company		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
LIABILITIES						
Non Current Liabilities						
Interest Bearing Borrowings	1,085,225	-	1,085,225	1,085,225	-	1,085,225
Retirement Benefit Obligations	821,260	-	821,260	820,752	-	820,752
Deferred Income	293,616	-	293,616	293,616	-	293,616
Net Obligation to Lessor of JEDB/SLSPC	1,052,318	-	1,052,318	1,052,318	-	1,052,318
Deferred Taxation	1,460,892	-	1,460,892	1,460,892	-	1,460,892
Total Non Current Liabilities	4,713,311	-	4,713,311	4,712,803	-	4,712,803
Current Liabilities						
Interest Bearing Borrowings	460,939	495	461,434	460,939	495	461,434
Deferred Income	15,329	-	15,329	15,329	-	15,329
Net Obligation to Lessor of JEDB/SLSPC	8,606	-	8,606	8,606	-	8,606
Trade & Other Payables	1,131,434	(63,998)	1,067,436	1,088,809	(63,998)	1,024,811
Amounts Due to Related Parties	335,439	-	335,439	311,159	-	311,159
Bank Overdraft	49,534	-	49,534	49,534	-	49,534
Total Current Liabilities	2,001,281	(63,503)	1,937,778	1,934,376	(63,503)	1,870,873
Total Liabilities	6,714,592	(63,503)	6,651,089	6,647,180	(63,503)	6,583,676
Total Equity and Liabilities	8,606,028	-	8,606,028	8,547,883	-	8,547,883

Notes to the Financial Statements

31st March 2025	Group			Company		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
ASSETS						
Non Current Assets						
Leasehold Right to Bare Land of JEDB/ SLSPC Estates	1,068,774	-	1,068,774	1,068,774	-	1,068,774
Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land)	327	-	327	327	-	327
Tangible Assets (Other than Mature/Immature Plantations)	1,787,716	-	1,787,716	1,787,580	-	1,787,580
Biological Assets	5,449,806	-	5,449,806	5,449,806	-	5,449,806
Investment in Subsidiary	-	-	-	12,187	-	12,187
Investment in Associates	219,122	-	219,122	91,442	-	91,442
Fair value through OCI Investments	-	-	-	-	-	-
Total Non Current Assets	8,525,745	-	8,525,745	8,410,116	-	8,410,116
Current Assets						
Inventories	607,065	-	607,065	546,189	-	546,189
Trade & Other Receivables	313,959	-	313,959	311,467	-	311,467
Fair value gain on growing produce of bearer Biological assets	16,591	-	16,591	16,591	-	16,591
Amounts Due from Related Parties	879	-	879	1,001	-	1,001
Cash and Cash Equivalents	147,915	-	147,915	146,997	-	146,997
Total Current Assets	1,086,409	-	1,086,409	1,022,245	-	1,022,245
Total Assets	9,612,154	-	9,612,154	9,432,361	-	9,432,361
EQUITY AND LIABILITIES						
Capital and Reserves						
Stated Capital	1,571,362	-	1,571,362	1,571,362	-	1,571,362
General Reserve	-	-	-	-	-	-
Foreign currency Translation Reserve	(11,361)	-	(11,361)	-	-	-
Fair value through Other Comprehensive Income Reserve	-	-	-	-	-	-
Revaluation Reserve	1,020,903	-	1,020,903	858,562	-	858,562
Accumulated Losses	(97,496)	43,165	(54,331)	(60,822)	43,165	(17,657)
Total Equity	2,483,408	43,165	2,526,573	2,369,102	43,165	2,412,267

31st March 2025	Group			Company		
	As Previously Reported Rs`000	Adjustments Rs`000	As Restated Rs`000	As Previously Reported Rs`000	Adjustments Rs`000	As Restated Rs`000
LIABILITIES						
Non Current Liabilities						
Interest Bearing Borrowings	449,463	(41,783)	407,680	449,463	(41,783)	407,680
Retirement Benefit Obligations	1,107,671	-	1,107,671	1,107,105	-	1,107,105
Deferred Income	287,696	-	287,696	287,696	-	287,696
Net Obligation to Lessor of JEDB/SLSPC	1,224,838	-	1,224,838	1,224,838	-	1,224,838
Deferred Taxation	1,733,930	-	1,733,930	1,733,930	-	1,733,930
Total Non Current Liabilities	4,803,598	(41,783)	4,761,815	4,803,032	(41,783)	4,761,249
Current Liabilities						
Interest Bearing Borrowings	763,832	(1,199)	762,633	763,832	(1,199)	762,633
Deferred Income	15,183	-	15,183	15,183	-	15,183
Net Obligation to Lessor of JEDB/SLSPC	11,629	-	11,629	11,629	-	11,629
Trade & Other Payables	1,138,956	(183)	1,138,773	1,126,870	(183)	1,126,687
Amounts due to Related Parties	349,207	-	349,207	296,370	-	296,372
Overdraft	46,341	-	46,341	46,341	-	46,341
Total Current Liabilities	2,325,148	(1,382)	2,323,766	2,260,227	(1,382)	2,258,845
Total Liabilities	7,128,746	(43,165)	7,085,581	7,063,259	(43,165)	7,020,094
Total Equity and Liabilities	9,612,154	-	9,612,154	9,432,361	-	9,432,361

33.1.2 Statement of Comprehensive Income

31st March 2025	Group			Company		
	As Previously Reported Rs`000	Adjustments Rs`000	As Restated Rs`000	As Previously Reported Rs`000	Adjustments Rs`000	As Restated Rs`000
Revenue	5,186,237	-	5,186,237	5,068,576	-	5,068,576
Cost of Sales	(4,266,519)	-	(4,266,519)	(4,165,076)	-	(4,165,076)
Gross Profit	919,718	-	919,718	903,500	-	903,500
Fair Value Gain on Biological Assets	176,348	53,883	230,231	176,348	53,883	230,231
Other Operating Income	232,029	(53,883)	178,146	233,770	(53,883)	179,887
Administrative Expenses	(334,917)	(19,777)	(354,694)	(329,429)	(19,777)	(349,206)
Finance Income	3,153	-	3,153	3,153	-	3,153
Finance Cost	(378,930)	(561)	(379,491)	(376,033)	(561)	(376,594)
Share of Profit / (Loss) of equity accounted investee	2,360	-	2,360	-	-	-
Profit before Income Tax Expense	619,761	-	599,423	611,309	-	590,971
Income Tax (Expense) / Reversal	(234,000)	-	(234,000)	(234,000)	-	(234,000)
Profit for the year	385,761	-	365,423	377,308	-	356,971
Other Comprehensive Income / (Expense)						
Items that will not be reclassified to profit or loss						
Actuarial loss on Retirement Benefit Obligation	(439,738)	-	(439,738)	(439,738)	-	(439,738)
Tax effect on Actuarial loss on Retirement Benefit Obligation	131,921	-	131,921	131,921	-	131,921
Fair value through OCI Investments - Net Change in Fair Value						
Share of other comprehensive income of equity accounted investees	115,094	-	115,094		-	
Revaluation gain	569,865	-	569,865	569,865	-	569,865
Tax effect on revaluation gain	(170,959)	-	(170,959)	(170,959)	-	(170,959)
Items that are or may be reclassified subsequently to profit or loss						
Foreign Currency Translation Loss	28	-	28	-	-	-
Other Comprehensive Income / (Expense) for the Year	206,211	-	206,211	91,089	-	91,089
Total Comprehensive Income for the Year	591,972	-	571,634	468,396	-	448,059

33.1.3 Statement of Cash Flows

For the year ended 31st March 2025	Group			Company		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before Income Tax Expense	619,761	(20,338)	599,423	611,309	(20,338)	590,971
Adjustments for :						
Depreciation/Amortisation	317,566	-	317,566	317,566	-	317,566
Fair Value Gain of Biological Assets	(176,348)	(53,883)	(230,231)	(176,348)	(53,883)	(230,231)
Profit on Disposal of Property, Plant and Equipment	(966)	-	(966)	(966)	-	(966)
Reversal of provision for obsolete Inventories	-	-	-	-	-	-
Provision for impairment of other receivables	2,428	-	2,428	2,428	-	2,428
Interest Income	(3,153)	-	(3,153)	(3,153)	-	(3,153)
Interest Expense	378,007	-	378,007	375,110	-	375,110
Exchange (gain)/ Loss	(62)	560	498	(62)	560	498
Reversal for impairment of amounts due from related parties	(5,052)	-	(5,052)	(5,052)	-	(5,052)
Provision for impairment of Investment in Subsidiaries	-	-	-	7,982	-	7,982
Provision for Retirement Benefit Obligation	168,419	-	168,419	168,361	-	168,361
Share of Profit of Equity Accounted Investee	(2,360)	-	(2,360)	-	-	-
Gain on derecognition of fair value through OCI Investments	(31,292)	-	(31,292)	(31,292)	-	(31,292)
Amortisation of Grants	(15,329)	-	(15,329)	(15,329)	-	(15,329)
Operating Profit before working capital changes	1,251,619	(73,661)	1,177,958	1,250,554	(73,661)	1,176,893
Increase in Inventories	(180,828)	-	(180,828)	(155,142)	-	(155,142)
Decrease in Trade & Other Receivables	54,043	-	54,043	34,344	-	34,344
Decrease in Amounts Due from Related Parties	12,666	-	12,666	12,544	-	12,544
Increase in Trade & Other Payables	51,558	19,779	71,337	82,100	19,779	101,879
Increase/(Decrease) in Amounts Due to Related Parties	13,768	-	13,768	(14,787)	-	(14,787)
Cash Generated from Operations	1,202,826	(53,882)	1,148,944	1,209,613	(53,882)	1,155,731
Interest Paid	(425,285)	-	(425,285)	(423,023)	-	(423,023)
Gratuity Paid	(321,746)	-	(321,746)	(321,746)	-	(321,746)
Net cash generated from Operating Activities	455,795	(53,882)	401,913	464,844	(53,882)	410,962

For the year ended 31st March 2025	Group			Company		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000	Rs`000
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	3,153	-	3,153	3,153	-	3,153
Purchase of Property, Plant and Equipment	(109,803)	-	(109,803)	(109,803)	-	(109,803)
Investment in Immature Plantations	(110,960)	-	(110,960)	(110,960)	-	(110,960)
Proceeds from Disposal of Property, Plant & Equipment	966	-	966	966	-	966
Disposal of investment in fair value through OCI investment	184,893	-	184,893	184,893	-	184,893
Proceeds From Sale of Timber Trees	-	53,883	53,883	-	53,883	53,883
Net cash (used in)/generated from Investing Activities	(31,751)	53,883	22,132	(31,751)	53,883	22,132
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments of Lease Capital	(9,756)	-	(9,756)	(9,756)	-	(9,756)
Proceeds from Long Term Borrowings	80,000	-	80,000	80,000	-	80,000
Grant received	9,263	-	9,263	9,263	-	9,263
Repayments of Long Term Borrowings	(382,879)	-	(382,879)	(382,879)	-	(382,879)
Repayment of Debenture	(73,969)	-	(73,969)	(73,969)	-	(73,969)
Net Cash used in Financing Activities	(377,341)	-	(377,341)	(377,341)	-	(377,341)
Net Increase in Cash and Cash Equivalents	46,704	-	46,704	55,753	-	55,753
Cash and cash equivalents at the beginning of the year	54,842	-	54,842	44,903	-	44,903
Effect of exchange rate changes	28	-	28		-	
Cash and Cash Equivalents at the end of the year	101,574	-	101,574	100,656	-	100,656
Note A - Analysis of cash and cash equivalents						
Cash at Bank and Cash in Hand	147,915	-	147,915	146,997	-	146,997
Bank Overdraft	(46,341)	-	(46,341)	(46,341)	-	(46,341)
	101,574	-	101,574	100,656	-	100,656

33.1.4 Basic Earnings per Share and Diluted Earnings per Share

As a result of Cumulative impacts of the above adjustments and the rights issue of shares disclosed in note 10 to the financial statements, the basic and diluted earnings per share for the year ended 31st March 2025 are restated as follows;

For the year ended 31st March 2025	Group		
	As previously reported	Increase/ (Decrease)	As Restated
Basic Earnings per Share	1.14	(0.09)	1.05
Diluted Earnings per Share	1.14	(0.09)	1.05

For the year ended 31st March 2025	Company		
	As previously reported	Increase/ (Decrease)	As Restated
Basic Earnings per Share	1.11	(0.09)	1.02
Diluted Earnings per Share	1.11	(0.09)	1.02

33.2 Reclassification

Following reclassifications have been made for comparative figures to facilitate comparison and better presentation.

These reclassifications have not resulted in any changes to the net assets or profits of the Group/ the Company reported previously.

For the year ended 31st March	Group		
	2026	2025	2025
	Current Presentation		As previously reported
	Rs`000	Rs`000	
Fair value gain on Biological Assets	176,747	230,231	176,348
Other operating income	77,450	178,146	232,029

For the year ended 31st March	Company		
	2026	2025	2025
	Current Presentation		As previously reported
	Rs`000	Rs`000	
Fair value gain on Biological Assets	176,747	230,231	176,348
Other operating income	207,044	179,887	233,769

The Group/Company has reclassified an amount of Rs.54 Mn from other operating income to fair value gain on Biological Assets for better presentation.

34. FINANCIAL RISK MANAGEMENT

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The groups audit committee oversees how management monitors compliance with the groups risk management policies and procedures , and reviews and adequacy of the risk management in framework in relation to the risks faced the Group.

The Groups audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and this principally arises from the Group's receivables from customers.

Credit rating on the Bank of which the cash was invested

Bank	Fitch Rating	Group Bank Balance as at 31st March 2026 Rs`000	Company Bank Balance as at 31st March 2026 Rs`000
BOC	CCC+	19,047	19,047
Amana Bank	BBB	3,184	3,184
Deutsche Bank	A+	31,824	31,824
Peoples Bank	AA	5,472	5,472
Commercial Bank	AA	10,993	943
Pan Asia Bank	BBB	23,332	23,332
Seylan Bank	A+	13,295	13,295
Sampath Bank	AA	136	136
Standard Charted Bank	AAA	240	240
National Development Bank	A	68	68
Hatton National Bank	AA	49	49
Nation Trust Bank	A	9,269	9,269
		116,909	106,859

Exposure to Credit Risk

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

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2026 Rs`000	2025 Rs`000	2026 Rs`000	2025 Rs`000
Trade receivables	248,239	83,848	251,172	83,513
Advances, prepayments and other receivables	217,264	153,869	216,835	151,712
Employee advances	52,497	76,242	52,497	76,242
Amount due from related companies	209,899	879	210,021	1,001
Cash at Bank	118,129	147,915	108,029	146,997
	846,028	462,753	838,554	459,465

(a) Trade and other receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. The Group's credit policy is monitored at the Board level. The new customers are analysed individually for credit worthiness before group's standard payment and delivery terms and conditions are offered. Group review includes external ratings when available and in some cases, bank references, purchase limit etc., which also subject to under review on quarterly basis. The past experience of the management is considered when revisions are made to terms and conditions.

The group has a minimal credit risk of its trade receivables from Produce Brokers, as the repayment is guaranteed within seven days by the Tea and Rubber Auction systems.

The movement in the allowance for impairment in respect of financial assets and contract assets during the year is as follows;

As at 31st March	Balance as at 1st April 2025 Rs.000	Amount recognised in profit/ loss Rs.000	Balance as at 31st March 2026 Rs.000
Group			
Other receivables	18,115	572	18,687
Amounts Due from Related Parties	-	9,877	9,877
	18,115	10,449	28,564
Company			
Other receivables	18,115	572	18,687
Amounts Due from Related Parties	-	9,877	9,877
	18,115	10,449	28,564

(iv) Liquidity Risk

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

The following are the contractual maturities of financial liabilities.

Company	Carrying amount Rs'000	Less than 1 year Rs'000	More than 1 year Rs'000	Total Contractual Cash Flows Rs'000
31st March 2026				
Non-derivative financial liabilities				
Interest bearing borrowings	812,766	447,630	943,831	1,391,461
Trade and other payables	800,374	800,374	-	800,374
Amounts due to related companies	200,572	200,572	-	200,572
Lease liability to SLSPC and JEDB	1,271,382	193,996	3,540,421	3,734,417
Bank overdraft	-	-	-	-
	3,085,094	1,642,572	4,484,252	6,126,824
31st March 2025				
Non-derivative financial liabilities				
Interest bearing borrowings	1,170,313	853,808	507,365	1,361,173
Trade and other payables	1,126,687	1,126,687	-	1,126,687
Amounts due to related companies	296,372	296,372	-	296,372
Lease liability to SLSPC and JEDB	1,236,467	186,893	3,597,689	3,784,582
Bank overdraft	46,341	46,341	-	46,341
	3,876,180	2,510,101	4,105,054	6,615,155

Group	Carrying amount Rs'000	Less than 1 year Rs'000	More than 1 year Rs'000	Total Contractual Cash Flows Rs'000
31st March 2026				
Non-derivative financial liabilities				
Interest bearing borrowings	812,766	447,630	943,831	1,391,461
Trade and other payables	802,919	802,919	-	802,919
Amounts due to related companies	215,426	215,426	-	215,426
Lease liability to SLSPC and JEDB	1,271,382	193,996	3,540,421	3,734,417
Bank overdraft	-	-	-	-
	3,102,493	1,659,971	4,484,252	6,144,223
31st March 2025				
Non-derivative financial liabilities				
Interest bearing borrowings	1,170,313	853,808	507,365	1,361,173
Trade and other payables	1,138,773	1,138,773	-	1,138,773
Amounts due to related companies	349,207	349,207	-	349,207
Lease liability to SLSPC and JEDB	1,236,467	186,893	3,597,689	3,784,582
Bank overdraft	46,341	46,341	-	46,341
	3,941,101	2,575,022	4,105,054	6,680,076

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(v) Market risk

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

(a) Currency risk

The group is exposed to currency risk mostly on purchases that are denominated in a currency other than Sri Lankan rupees (LKR). The foreign currencies in which these transactions primarily denominated are United States Dollars (USD)

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings as explained in the above paragraph, are denominated in currencies that match the cash flows generated by the underlying operations of the Group and Company, primarily USD. This provides an economic hedge without the need of derivatives being entered into.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

As at 31st March	2026 USD	2025 USD
Group		
Cash and Cash Equivalent	159	163
Interest bearing loans & borrowings	(241,886)	(308,510)
Gross Statement of Financial Position exposure	(241,727)	(308,347)
Company		
Cash and Cash Equivalent	159	163
Interest bearing loans & borrowings	(241,886)	(308,510)
Gross Statement of Financial Position exposure	(241,727)	(308,347)

As at 31st March	Average Rate		Reporting Date Spot Rate	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
USD	315.54	291.81	315.19	292.07

Sensitivity Analysis

A strengthening of the LKR, as indicated below, against the USD at 31st March 2026 would have increased/ (decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group			
	Strengthening		Weakening	
As at 31st March	Profit/(Loss) Rs`000	Equity Rs`000	Profit/(Loss) Rs`000	Equity Rs`000
As at 31st March 2026				
USD (15% movement)	11,428	11,428	(11,428)	(11,428)
As at 31st March 2025				
USD (15% movement)	13,509	13,509	(13,509)	(13,509)

As at 31st March	Company			
	Strengthening		Weakening	
	Profit/(Loss) Rs`000	Equity Rs`000	Profit/(Loss) Rs`000	Equity Rs`000
As at 31st March 2026				
USD (15% movement)	11,428	11,428	(11,428)	(11,428)
As at 31st March 2025				
USD (15% movement)	13,509	13,509	(13,509)	(13,509)

(b) Interest rate risk

The Group has obtained a fixed interest rate loans and variable rate loans. The Group has opted not to mitigate its interest rate risk in the case that the market interest rate were to be lower than the fixed interest rate that the Group has already committed to.

At the reporting date, the Company's interest-bearing financial instruments were as follow:

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2026 Rs`000	2025 Rs`000 Restated	2026 Rs`000	2025 Rs`000 Restated
Fixed Rate Instruments				
Financial Liabilities				
Interest bearing loans and borrowings	78,784	419,818	78,784	419,818
	78,784	419,818	78,784	419,818
Variable Rate Instruments				
Financial Liabilities				
Interest bearing loans and borrowings	733,981	750,495	733,981	750,495
Related party interest bearing loans and borrowings	-	83,852	-	149,996
Bank Overdrafts	-	46,341	-	46,341
	733,981	880,688	733,981	946,832

Notes to the Financial Statements

Cash flow sensitivity analysis for variable rate instruments

The Group and Company is exposed to changes in market interest rates through Bank overdraft and other bank borrowings which were borrowed at a variable interest rate

Group	Profit or Loss		Equity	
As at 31st March	**100 bp increase Rs`000**	**100 bp decrease Rs`000**	**100 bp increase Rs`000**	**100 bp decrease Rs`000**
31st March 2026				
Variable rate instruments	(7,340)	7,340	(7,340)	7,340
	(7,340)	7,340	(7,340)	7,340
31st March 2025				
Variable rate instruments	(8,807)	8,807	(8,807)	8,807
	(8,807)	8,807	(8,807)	8,807

Company	Profit or Loss		Equity	
As at 31st March	**100 bp increase Rs`000**	**100 bp decrease Rs`000**	**100 bp increase Rs`000**	**100 bp decrease Rs`000**
31st March 2026				
Variable rate instruments	(7,340)	7,340	(7,340)	7,340
	(7,340)	7,340	(7,340)	7,340
31st March 2025				
Variable rate instruments	(9,468)	9,468	(9,468)	9,468
	(9,468)	9,468	(9,468)	9,468

(vi) Capital management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders.

The Group's and Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

As at 31st March	Group		Company	
	2026 Rs`000	2025 Rs`000 Restated	2026 Rs`000	2025 Rs`000 Restated
Total Liabilities	6,366,090	7,085,581	6,347,938	7,020,094
Less: Cash and Cash Equivalents	(118,129)	(147,915)	(108,029)	(146,997)
Net Debt	6,247,961	6,937,666	6,239,909	6,873,097
Total Equity	3,472,827	2,526,573	3,483,205	2,412,267
Net Debt to Equity Ratio	180%	275%	179%	285%

There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements

(vii) Fair values

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

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

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates. The objective of the valuation technique is to arrive at a fair value determination that reflect the price of the financial instrument at the reporting date, that would have determined by the market participants acting at the arms length.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, forward rated contracts that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities and government securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair values versus the Carrying amounts

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

	Group 31st March 2026		Company 31st March 2026		Group 31st March 2025		Company 31st March 2025	
	Carrying Amount Rs`000	Fair Value Rs`000	Carrying Amount Rs`000	Fair Value Rs`000	Carrying Amount Rs`000 Restated	Fair Value Rs`000 Restated	Carrying Amount Rs`000 Restated	Fair Value Rs`000 Restated
Assets carried at amortised cost								
Trade and Other Receivable	518,000	518,000	520,504	520,504	313,959	313,959	311,467	311,467
Amounts Due from Related Parties	209,899	209,899	210,021	210,021	879	879	1,001	1,001
Cash and Cash Equivalents	118,129	118,129	108,029	108,029	147,915	147,915	146,997	146,997
	846,028	846,028	838,554	838,554	462,753	462,753	459,465	459,465
Liabilities carried at amortised cost								
Trade and Other Payables	802,919	802,919	800,374	800,374	1,138,773	1,138,773	1,126,687	1,126,687
Interest Bearing Borrowings	812,766	812,766	812,766	812,766	1,170,313	1,170,313	1,170,313	1,170,313
Net Obligation to lessor of JEDB/SLSP	1,271,382	1,271,382	1,271,382	1,271,382	1,236,467	1,236,467	1,236,467	1,236,467
Amounts Due to Related Company	215,426	215,426	200,572	200,572	349,207	349,207	296,372	296,372
Bank Overdraft	-	-	-	-	46,341	46,341	46,341	46,341
	3,102,493	3,102,493	3,085,094	3,085,094	3,941,101	3,941,101	3,876,180	3,876,180

Financial Instruments not carried at Fair Value and Valuation Bases

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

As at 31st March 2026	Group					Company				
	Carrying amount Rs`000	Level 1 Rs`000	Level 2 Rs`000	Level 3 Rs`000	Total Rs`000	Carrying amount Rs`000	Level 1 Rs`000	Level 2 Rs`000	Level 3 Rs`000	Total Rs`000
Financial Assets Carried at amortised Cost										
Trade & Other Receivables	518,000	-	-	518,000	518,000	520,504	-	-	520,504	520,504
Amounts due from Related Parties	209,899	-	-	209,899	209,899	210,021	-	-	210,021	210,021
Cash and cash equivalents	118,129	-	118,129	-	118,129	108,029	-	108,029	-	108,029
	846,028	-	118,129	727,899	846,028	838,554	-	108,029	730,525	838,554
Other Financial Liabilities										
Net obligation to Lessor of JEDB/ SLSPC	1,271,382	-	-	1,271,382	1,271,382	1,271,382	-	-	1,271,382	1,271,382
Interest bearing Borrowings	812,766	-	812,766	-	812,766	812,766	-	812,766	-	812,766
Trade & Other Payables	802,919	-	-	802,919	802,919	800,374	-	-	800,374	800,374
Amounts due to Related Parties	215,426	-	-	215,426	215,426	200,572	-	-	200,572	200,572
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
	3,102,493	-	812,766	2,289,727	3,102,493	3,085,094	-	812,766	2,272,328	3,085,094

As at 31st March 2025	Group					Company				
	Carrying amount Rs.000	Level 1 Rs.000 Restated	Level 2 Rs.000 Restated	Level 3 Rs.000 Restated	Total Rs.000	Carrying amount Rs.000	Level 1 Rs.000 Restated	Level 2 Rs.000 Restated	Level 3 Rs.000 Restated	Total Rs.000
Financial Assets Carried at amortised Cost										
Trade & Other Receivables	313,959	-	-	313,959	313,959	311,467	-	-	311,467	311,467
Amounts due from Related Parties	879	-	-	879	879	1,001	-	-	1,001	1,001
Cash and cash equivalents	147,915	-	147,915	-	147,915	146,997	-	146,997		146,997
	462,753	-	147,915	314,838	462,753	459,465	-	146,997	312,468	459,465
Other Financial Liabilities										
Net obligation to Lessor of JEDB/ SLSPC	1,236,467	-	-	1,236,467	1,236,467	1,236,467	-	-	1,236,467	1,236,467
Interest bearing Borrowings	1,170,313	-	1,170,313	-	1,170,313	1,170,313	-	1,170,313	-	1,170,313
Trade & Other Payables	1,138,773	-	-	1,138,773	1,138,773	1,126,687	-	-	1,126,687	1,126,687
Amounts due to Related Parties	349,207	-	-	349,207	349,207	296,372	-	-	296,372	296,372
Bank Overdraft	46,341	-	46,341	-	46,341	46,341	-	46,341	-	46,341
	3,941,101	-	1,216,654	2,724,447	3,941,101	3,876,180	-	1,216,654	2,659,526	3,876,180

Cash and Cash Equivalents

The carrying amount of the cash and cash equivalents and balances with banks approximate the fair value as theses are short term in nature.

Trade and Other Receivables

Trade and other receivables are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Amounts Due to/Due From Related Parties

Amounts due from Related Parties are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Trade and Other Payables

Trade and other payables are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Interest Bearing Borrowings

A majority of loans outstanding as at the reporting date are floating rate instruments which are repriced upon changes in economic conditions. Therefore the carrying amount of interest bearing borrowings are approximate to the fair value.

Valuation models

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

Valuation models

The Company has an established control framework with respect to the measurement of fair values. This framework which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements.

Supplementary Information

Lasting Insight, Lasting Clarity

Clarity strengthens understanding, and insight completes the narrative. Each element presented here adds depth to our narrative, bringing together the details that reinforce transparency and support informed perspectives.

Ten Year Summary

	2025/26 Rs.000	2024/25 Rs.000	2023/24 Rs.000	2022/23 Rs.000	2021/22 Rs.000
Revenue	5,599,624	5,068,576	4,978,624	5,038,854	3,472,020
Gross Profit/(Loss)	778,649	903,500	655,418	1,335,002	368,325
Fair Value Of Biological Assets	176,747	230,231	238,554	100,471	35,349
Other Operating Income	207,044	179,887	164,592	80,455	173,855
Operating Profit/(loss) Before Interest	793,327	964,412	692,290	1,150,384	417,874
Profit/(loss) Before Income Tax	489,999	590,971	324,402	770,503	104,159
Total Comprehensive Income(Expense)	309,285	448,060	(221,862)	181,047	452,808
STATEMENT OF FINANCIAL POSITION					
Non-Current Assets	8,512,644	8,410,116	7,690,204	7,115,648	7,193,148
Current Assets	1,318,499	1,022,245	857,679	1,179,448	794,537
	9,831,143	9,432,361	8,547,883	8,295,096	7,987,685
Stated Capital	2,333,015	1,571,362	1,571,362	1,571,362	1,571,362
Share Application Money	-	-	-	-	-
Revalution Gain	858,562	858,562	459,656	459,656	594,443
Fair Value Reserve	-	-	99,114	68,394	51,369
General Reserves	-	-	240,000	240,000	240,000
Retained Earnings	291,628	(17,657)	(405,925)	(216,847)	(821,981)
Shareholders Funds	3,483,205	2,412,267	1,964,207	2,122,565	1,635,193
Deferred Income	278,090	287,696	293,616	316,081	328,132
Interest Bearing Borrowings	377,542	407,680	1,085,225	1,012,035	954,413
Retirement Benefit Obligations	1,288,545	1,107,105	820,752	597,732	658,471
Net Liability To Lessor	1,257,500	1,224,838	1,052,318	720,953	672,689
Deferred Tax	1,680,800	1,733,930	1,460,892	1,053,074	358,102
Current Liabilities	1,465,461	2,258,845	1,870,873	2,472,656	3,380,685
	9,831,143	9,432,361	8,547,883	8,295,096	7,987,685
Net Cash Flow					
From/(Used In) Operating Activities	(95,721)	410,962	510,828	511,523	(340,047)
From/(Used In) Investing Activities	(289,701)	22,132	(213,702)	(188,982)	(130,982)
From/(Used In) Financing Activities	392,795	(377,341)	(314,522)	223,210	484,398
Increase/(Decrease) In Cash & Cash Equivalents	7,373	55,753	(17,397)	545,751	13,369
Per Share-Rs					
Earnings/(Loss)	1.23	1.02	(0.39)	0.70	0.56
Dividends	-	-	-	-	-
Net Assets (Year End)	8.23	7.13	4.71	5.37	4.83
Market Value (Year End)	8.00	9.00	6.30	6.10	4.20

	2020/21 Rs.000	2019/20 Rs.000	2018/19 Rs.000	2017/18 Rs.000	2016/17 Rs.000
	3,156,490	2,667,995	3,232,576	3,816,830	3,086,410
	198,837	(341,612)	(212,972)	316,830	10,067
	198,130	143,064	141,968	139,486	54,375
	99,327	466,875	197,106	202,268	338,342
	183,402	(355,484)	126,102	359,723	158,372
	(190,514)	(827,378)	(1,015,610)	(102,204)	(350,830)
	(127,306)	(221,738)	(1,216,495)	(11,296)	(374,110)
	7,242,937	7,211,606	6,024,991	6,141,152	7,156,987
	640,145	463,593	963,856	1,583,207	1,407,330
	7,883,082	7,675,199	6,988,847	7,724,359	8,564,317
	781,500	781,500	781,500	781,500	680,000
	-	-	-	-	-
	594,443	594,443	-	-	-
	46,583	26,509	17,944	79,447	5,663
	240,000	240,000	240,000	240,000	240,000
	(1,270,002)	(1,122,622)	(490,113)	664,879	749,959
	392,524	519,830	549,331	1,765,826	1,675,622
	323,403	330,309	328,357	333,814	335,031
	1,045,930	1,186,219	1,194,716	1,582,892	2,165,239
	886,613	873,812	757,556	634,712	661,880
	654,595	644,539	348,146	356,072	363,695
	419,209	403,004	303,637	215,320	170,927
	4,160,808	3,717,486	3,507,104	2,835,724	3,191,923
	7,883,082	7,675,199	6,988,847	7,724,359	8,564,317
	210,624	281,768	453,087	(576,740)	749,811
	(80,036)	(85,951)	(191,566)	856,865	217,008
	(53,931)	(318,347)	(314,296)	(455,679)	(744,749)
	76,657	(122,530)	(52,775)	(175,554)	(227,778)
	(2.69)	(11.02)	(14.77)	(3.13)	(7.32)
	-	-	-	-	-
	5.22	6.91	7.30	23.47	(41.89)
	5.30	5.00	7.00	7.90	(10.10)

Our Plantations

Estate	Crop	Planting District	Area in Tea (Ha.)		Area in Rubber (Ha.)		Oilpalm (Ha.)	Others (Timber Cinnamon Coconut Nurseries etc) (Ha.)	Total cultivated (Ha.)	Earmarked for Future Planting (Ha.)	Building/ Roads Rocky/ Marshy Forestry/ Conservation/ Un suitable for cultivation/ sub Leased etc (Ha.)	Present Estate Total Extent (Ha.)	Land released for Public purposes (Ha.)	Total (Ha)
			Mature	Immature	Mature	Immature	Immature							
Kotagala Region														
Kotagala Region														
Bogahawatte	Tea	Nuwara Eliya	127.50	-	-	-		19.55	147.05		91.99	239.04	3.96	243.00
Chrystler's Farm	Tea	Nuwara Eliya	116.45	-	-	-		37.10	153.55		34.84	188.39	-	188.39
Craigie Lea	Tea	Nuwara Eliya	229.55	-	-	-		57.78	287.33		73.72	361.05	2.95	364.00
Drayton	Tea	Nuwara Eliya	230.95	-	-	-		36.71	267.66		74.84	342.50	0.37	342.87
Kelliewatte	Tea	Nuwara Eliya	84.18	-	-	-		36.54	120.72		24.14	144.86	1.25	146.11
Mayfield	Tea	Nuwara Eliya	278.65	-	-	-		90.68	369.33		167.57	536.90	0.35	537.25
Mount Vernon	Tea	Nuwara Eliya	377.42	0.40	-	-		125.57	503.39		132.79	636.18	5.75	641.93
Stonycliff	Tea	Nuwara Eliya	298.00	-	-	-		232.25	530.25		61.75	592.00	9	601.00
Yulliefield	Tea	Nuwara Eliya	283.00	-	-	-		246.84	529.84		127.91	657.75	3.25	661.00
Derryclare	Tea	Nuwara Eliya	184.83	-				55.90	240.73		53.27	294.00	2.21	296.21
Regional Total			2,210.53	0.40	-	-	-	938.92	3,149.85	-	842.82	3,992.67	29.09	4,021.76
Horana/Kalutara Region														
Eduragala	Tea/Rubber	Kalutara	17.68		117.06	25.75		31.39	191.88	186.20	142.74	520.82	16.47	537.29
Hedigalla	Tea/Rubber/Oil Palm	Kalutara	7.00		95.21	14.83	59.71	35.85	212.60	174.80	188.52	575.92	0.89	576.81
Gikiyanakanda	Tea/Rubber/Oil Palm	Kalutara	35.59	0.40	179.90	23.30	52.00	43.86	335.05	337.81	92.82	765.68	16.21	781.89
Rayigam	Tea/Rubber/Oil Palm	Kalutara	76.26	0.40	158.19	31.37	18.00	37.73	321.95	226.81	115.43	664.19	26.82	691.01
Vogan	Tea/Rubber/Oil Palm	Kalutara	40.98	1.43	205.08	23.50	15.00	7.61	293.60	249.17	261.94	804.71	42.29	847.00
Arapolakanda	Rubber/Oil Palm	Kalutara			138.54	31.66	29.47	40.81	240.48	131.57	243.47	615.52	12.20	627.72
Dalkeith	Rubber/Oil Palm	Kalutara			233.08	30.25	159.14	46.51	468.98	402.45	321.87	1,193.30	10.70	1,204.00
Sorana	Rubber/Oil Palm	Kalutara			221.80	25.00	63.06	5.32	315.18	135.16	182.51	632.85	111.15	744.00
Usk Valley	Rubber/Oil Palm	Kalutara			139.49	8.00	129.50	30.36	307.35	181.12	285.42	773.89	26.66	800.55
Padukka	Rubber	Colombo			159.64	62.20		10.13	231.97	149.73	49.28	430.98	1.83	432.81
Paiyagalla	Rubber	Kalutara			166.92	59.14		41.23	267.29	128.07	71.64	467.00	35.08	502.08
Millewa	Rubber	Kalutara							-			-	376.19	376.19
Pearth									-			-	690	690.00
Regional Total			177.51	2.23	1,814.91	335.00	525.88	330.80	3,186.33	2,302.89	1,955.64	7,444.87	1,366.49	8,811.35
Company Total			2,388.04	2.63	1,814.91	335.00	525.88	1,269.72	6,336.18	2,302.89	2,798.46	11,437.53	1,395.58	12,833.11

Crop and Yield

For the year ended 31st March	Crop (KG '000)						Yield (KG /Ha)					
	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21
TEA												
Western High Grown												
Bogahawatte	221	199	163	154	192	212	1,339	1,261	1,253	1,191	1,485	1,639
Chrystlers' Farm	215	188	222	163	166	212	1,845	1,615	1,903	1,366	1,425	1,822
Craigie Lea	312	304	345	284	348	422	1,361	1,323	1,452	1,200	1,515	1,833
Derryclare	243	221	221	190	258	326	1,316	1,198	1,195	1,060	1,415	1,787
Drayton	298	324	361	318	405	486	1,291	1,401	1,564	1,379	1,754	2,103
Kelliewatte	103	89	93	87	118	139	1,221	1,052	1,109	1,037	1,365	1,652
Mayfield	399	406	450	393	484	522	1,432	1,447	1,503	1,290	1,568	1,715
Mount Vernon	677	633	710	430	794	906	1,792	1,677	1,882	1,140	2,103	2,401
Stonycliff	389	414	386	371	528	497	1,304	1,389	1,296	1,260	1,789	1,685
Yuillefield	324	378	276	274	380	435	849	1,042	970	966	1,333	1,510
Sub Total	3,181	3,156	3,228	2,666	3,674	4,157	1,378	1,371	1,438	1,189	1,640	1,860
Low Grown												
Eduragala	20	23	25	24	26	25	1,159	1,322	1,416	1,367	1,491	1,438
Hedigalle	4	5	7	7	7	7	599	740	1,018	995	955	1,060
Gikiyanakanda	75	145	154	36	110	50	906	864	1,101	1,068	1,241	1,152
Rayigam	367	261	219	123	200	181	1,033	1,112	1,212	1,155	1,579	1,198
Vogan	39	44	43	40	122	68	953	1,110	989	925	1,323	1,565
Sub Total	505	479	448	231	465	331	984	1,068	1,148	1,085	1,416	1,282
Total-Tea	3,687	3,635	3,677	2,897	4,139	4,488	1,349	1,349	1,417	1,181	1,623	1,810
RUBBER												
Arappolakande	95	101	92	110	120	181	583	501	565	595	538	795
Dalkeith	115	110	120	150	173	205	495	447	488	571	655	706
Eduragala	66	57	56	65	73	95	566	459	435	462	466	513
Gikiyanakande	78	66	79	91	114	102	431	368	422	444	554	733
Hedigalla	24	26	30	28	43	47	249	291	345	250	358	230
Padukka	129	112	110	121	131	165	809	614	579	618	665	1,380
Paiyagala	139	122	134	184	198	205	759	636	576	700	713	888
Rayigam	97	91	92	110	102	155	612	554	516	773	715	516
Sorana	130	114	102	126	124	138	585	530	487	590	552	527
Uskvalley	58	50	58	79	92	121	414	357	395	464	483	847
Vogan	92	84	97	103	115	167	450	406	473	438	466	750
Total -Rubber	1,022	932	970	1,167	1,284	1,581	549	480	491	549	571	680
OIL PALM												
Arapolakande	648	548	523	386	468	382	21,974	18,600	17,749	13,114	15,866	12,958
Dalkieth	1,127	1,091	946	851	843	531	7,080	6,853	5,947	5,346	5,300	3,993
Uskvalley	987	974	982	918	886	552	7,620	7,522	7,585	7,087	6,839	4,266
Gikiyanakanda	526	468	508	475	330	231	10,119	9,003	9,762	9,131	6,338	10,504
Sorana	871	880	828	568	636	471	13,806	13,947	13,126	9,007	10,080	7,910
Rayigam	182	139	164	143	127	85	10,111	7,737	9,136	7,938	7,028	4,727
Hedigalla	406	301	287	282	357	189	6,804	5,040	4,814	4,717	5,981	3,163
Vogan	129	108	116	103	86	41	8,590	7,217	7,739	6,835	5,711	2,713
Total-Oil Palm	4,875	4,509	4,355	3,725	3,731	2,482	9,270	8,574	8,281	7,083	7,095	5,324

Shareholder & Investor Information

1. MARKET VALUE

The issued ordinary shares of the Company are listed with the Colombo Stock Exchange

2. DISTRIBUTION OF ORDINARY SHARES

No. of Shares Held	31st March 2026			31st March 2025		
	No of Shareholders	Total Holding	% of Total Shares	No of Shareholders	Total Holding	% of Total Shares
1 - 1,000	14,418	3,013,142	0.71	13,645	2,758,767	0.81
1,001 - 10,000	2,304	9,272,932	2.19	1,547	6,475,145	1.91
10,001 - 100,000	1,144	38,022,367	8.99	664	21,057,408	6.22
100,001 - 1,000,000	215	55,821,604	13.19	128	35,022,139	10.35
Over 1,000,000	32	317,010,580	74.92	15	273,199,041	80.71
	18,113	423,140,625	100.00	15,999	338,512,500	100.00

CATEGORIES OF SHAREHOLDERS

	31st March 2026			31st March 2025		
	No of Shareholders	Total Holding	% of Total Shares	No of Shareholders	Total Holding	% of Total Shares
Individuals	17,881	117,090,634	27.67	15,813	70,771,305	20.91
Institutions	232	306,049,991	72.33	186	267,741,195	79.09
	18,113	423,140,625	100.00	15,999	338,512,500	100.00

3. PUBLIC HOLDING

The Percentage of shares held by the public as at 31st March 2026 was 45.45%. (31st March 2025 - 43.34%.)

The applicable option under Colombo Stock Exchange Rule 7.13.1(i) (a) on minimum public holding is option 5 and the Float Adjusted Market Capitalisation as of 31.03.2026 was Rs. 1,538,539,312.50

4. PUBLIC SHAREHOLDERS

The number of Public Shareholders as at 31st March 2026 was 18,103 (31st March 2025 - 15,989)

5. MARKET VALUE

The market value of the Company's ordinary shares was

	31/03/2026 (Rs.)	31/03/2025 (Rs.)
Highest	12.30	10.70
Lowest	7.50	5.30
Close	8.00	9.00

6. MAJOR SHAREHOLDERS

No.	No. of Shares Held	31st March 2026		31st March 2025	
		No.of Shares	Share Percentage	No.of Shares	Share Percentage
1	CONSOLIDATED TEA PLANTATIONS LIMITED	217,617,146	51.43	183,823,231	54.3
2	EMFI CAPITAL LIMITED	15,863,280	3.75	-	-
3	SAMPATH BANK PLC/SENTHILVERL HOLDINGS (PVT) LTD	13,464,390	3.18	54,671,433	16.15
4	LANKEM TEA & RUBBER PLANTATIONS (PVT) LIMITED	6,849,009	1.62	5,550,000	1.64
5	COMMERCIAL BANK OF CEYLON PLC/W.JINADASA	6,154,614	1.45	-	-
6	SECRETARY TO THE TREASURY	5,700,834	1.35	5,700,834	1.68
7	PEOPLE S LEASING AND FINANCE PLC/ L.K.N.K.KULAWARDENA	5,095,244	1.20	-	-
8	MRS. RAJENDRAN RAJANI	3,130,000	0.74	-	-
9	HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	2,875,000	0.68	1,000,000	0.30
10	HATTON NATIONAL BANK PLC/WETHTHINGE JINADASA	2,500,000	0.59	-	-
11	SEYLAN BANK PLC/W.D.N.H.PERERA	2,500,000	0.59	-	-
12	MR. POODDIWELA MARAGE WIMAL CHANDANA KUMARA	2,475,000	0.58	-	-
13	MR. NAVANEETHA RAJAH SELVADURAI	2,379,398	0.56	2,379,398	0.70
14	MR. TIKITHANTHIRI MAHASAMILAGE PANDULA GUNASEKARA	2,340,000	0.55	-	-
15	MR. NADESHAN PARAMESWARAN	2,250,000	0.53	1,800,000	0.53
16	DFCC BANK PLC/B. SUTHARSHAN	2,200,000	0.52	1,815,149	0.54
17	HATTON NATIONAL BANK PLC-ARPICO ATARAXIA EQUITY INCOME FUND	2,028,058	0.48	-	-
18	MR. SUNIL SOMINDRANATH POHOLIYADDE	2,000,082	0.47	266,115	0.08
19	MR. WELLAPPULI ARACHCHIGE SATHIRA LIMAL PRABHU WELLAPPULIARACHCHI	2,000,000	0.47	1,219,264	0.36
20	MR. SUPPIAHPILLAI KARUNAMOORTHY	1,800,000	0.43	-	-
	TOTAL	301,222,055	71.17	258,225,424	76.28

7. DISCLOSURE REGARDING STATUS OF UTILISATION OF RIGHTS ISSUE PROCEEDS AS AT 31.03.2026

The Company made a Rights Issue of Eighty Four Million Six Hundred and Twenty Eight Thousand One Hundred and Twenty Five (84,628,125) Ordinary Shares at a price of Rs. 9.00 per share to the holders of the issued Ordinary Shares of the Company as at end of trading on 18th September, 2025 in the proportion of One (01) New Ordinary Share for every four (04) existing issued Ordinary Shares held in the Capital of the Company. The Issue closed on 14th October, 2025

The issue was fully subscribed and the consideration received was Rs. 761,653,125/-.

Subsequent to the Rights Issue of Shares the Company's Stated Capital amounts to Rs. 2,333,015,635/- .

	Objective as per circular	Amount allocated as per circular in LKR	Proposed date of utilisation as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilised in LKR (B)	% of proceeds utilised against allocation (B/A)	Clarification, if not fully utilised including where funds are invested (eg. Whether lent to related party etc.)
1	To settle Related Parties debts amounting to Rs. 296, 371,761/- as at 31st March, 2025	296,371,761	Immediately after the conclusion and finalisation of the Right Issue	296,371,761	39%	296,371,761	100%	Fully utilised for the purpose.
2	To repay Broker Borrowings amounting to Rs.369,145,325/- as at 31st March, 2025	369,145,325	Immediately after the conclusion and finalisation of the Right Issue	369,145,325	48%	369,145,325	100%	Fully utilised for the purpose.
3	The balance of Rs. 96,136,039 /-will be held for future working capital requirements	96,136,039	Will be used within six months from the conclusion and finalisation of the Rights Issue	96,136,039	13%	96,136,039	100%	Fully utilised for the purpose.

Glossary of Financial and Non Financial terms

FINANCIAL TERMS

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

Contingent Liabilities

A possible obligation that arises from past events and 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. A measure of liquidity.

Debt/Equity Ratio

Total Interest Bearing Borrowings to Shareholders' Fund.

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.

Dividends

Distribution of profits to holders of equity investments in proportion to their holdings of a particular class of capital.

Dividend Cover

Profit attributable to Ordinary Shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Yield

Dividend per Share as a percentage of the market price. A measure of return on Investment.

Earnings per Share

Profit attributable to shareholders divided by the weighted average number of ordinary shares in issue during the period

EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation.

ROCE

Profit after Tax plus interest on loans and finance leases divided by the shareholders' funds and interest bearing loans and borrowings.

Gearing

Proportion of borrowings to capital employed.

Interest Cover

Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Market Capitalisation

Number of shares in issue multiplied by the market value of a share at the reported date.

Net Assets per Share

Shareholders' Funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation

Price Earnings Ratio

Market price of a share divided by earnings per share as reported at that date.

Related parties

Parties who could control or significantly influence the financial and operating policies of the business.

Segment

Constituent business units grouped in terms of similarity of operations and locations.

Value Additions

The quantum of wealth generated by the activities of the Company measured as the difference between turnover and the cost of materials and services bought in.

Working Capital

Capital required to finance the day-to-day operations computed as the excess of current assets over current liabilities.

NON FINANCIAL TERMS

COP

Cost of producing a kilo of Tea/Rubber.

CTC

Crush, Tear & Curl. A manufacturing method.

HACCP

Hazard Analysis Critical Control Point System. A standard for safety of foods.

Immature Plantation

The extent of plantation which is not taken in to the bearing and is in the process of development.

ISO

International Standard Organisation.

Mature Plantation

The extent of plantation from which crop is being harvested.

NSA

Net Sales Average. Measures the average value of net selling price of a kilo of Tea/Rubber.

RRI

Rubber Research Institute.

Seedling Tea

Tea grown from a seed.

TRI

Tea Research Institute.

VP Tea

Vegetatively Propagated. Tea grown from a cutting of a branch of tea plant.

YPH

Yield per Hectare. The measure of average yearly output of produce from a hectare of mature plantation.

Notice of Meeting

Notice is hereby given that the Thirty Third Annual General Meeting of Kotagala Plantations PLC will be held on 25th September 2026, at 10.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 for the following purposes, namely;

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. K.G. Punchihewa who retires in accordance with Articles 92 and 93 of the Articles of Association.
3. To reappoint Mr. S.D.R. Arudpragasam who is over seventy years of age as a Director. Special Notice has been received from a Shareholder of the intention to pass a resolution which is set out below in relation to his reappointment. (see Note No. 6)
4. To reappoint Mr. S.S. Poholiyadde who has attained the age of seventy years as a Director. Special Notice has been received from a Shareholder of the intention to pass a resolution which is set out below in relation to his reappointment. (see Note No. 7)
5. To authorise the Directors to determine contributions to charities.
6. To re-appoint as Auditors, KPMG, Chartered Accountants and to authorise the Directors to determine their remuneration.
7. Special Business:

   To consider and if thought fit to pass the following Special Resolution to amend the Articles of Association of the Company in the manner following;.

   Special Resolution
   Resolved –
   "That the existing Article 32 be deleted and the following be substituted therefor:

   32. The company shall not register more than three persons as joint holders (including the principal holder) of any shares, except in the case of executors, administrators, or heirs of a deceased member."

By Order of the Board,

CORPORATE MANAGERS & SECRETARIES (PRIVATE) LTD.
Secretaries

Colombo
28th August 2026

Notes:

1. A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed for this purpose.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited at No.8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than forty-eight hours before the time fixed for the meeting.
4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company Secretaries in accordance with the instructions given on the reverse of the Form of Proxy.
5. Please refer the "Circular to Shareholders" dated 28th August 2026 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

   Resolved –

   "That Mr. S.D.R. Arudpragasam who is seventy five years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. S.D.R. Arudpragasam."

7. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

   Resolved –

   "That Mr. S.S. Poholiyadde who has attained the age of seventy years be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. S.S. Poholiyadde."

Form of Proxy

I/We ....

of ....

being a member/ members* of Kotagala Plantations PLC, hereby appoint ....

.... of ....

.... whom failing

1.	Sri Dhaman Rajendram Arudpragasam	of Colombo or failing him
2.	Sunil Somindranath Poholiyadde	of Colombo or failing him
3.	Anushman Rajaratnam	of Colombo or failing him
4.	Kowdu Mohideen	of Colombo or failing him
5.	Kamal Gardiye Punchihewa	of Colombo or failing him
6.	Shrihan Blaise Perera	of Colombo or failing him
7.	Dr. Laksman Saman Kumara Hettiarachchi	of Colombo

as my/our *proxy to represent me/us*,and to vote as indicated hereunder for me/us* and on my/our* behalf at the Thirty Third Annual General Meeting of the Company to be held on 25th September 2026 at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon		
2.	To re-elect Mr. K.G. Punchihewa as a Director		
3.	To re-appoint Mr. S.D.R. Arudpragasam as a Director		
4.	To re-appoint Mr. S.S. Poholiyadde as a Director		
5.	To authorise the Directors to determine contributions to charities.		
6.	To re-appoint as Auditors, KPMG, Chartered Accountants and to authorise the Directors to determine their remuneration.		
7.	Special Business: To amend the Articles of Association of the Company as set out in the Notice of Meeting.		

Signed this .... day of ....Two Thousand and Twenty Six.

....

Signature

Note: *Please delete the inappropriate words.

1. A Proxy need not be a member of the Company.
2. If no words are struck out or there is in view of the Proxy doubt (by reason of the way in which the instructions contained in the Form of Proxy have been completed) as to the way in which the Proxy should vote, the Proxy will vote as he thinks fit.
3. Instructions as to completion are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. Please write legibly, your name, address and date, and sign in the space provided.

2. The completed Form of Proxy should be received at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Pvt) Ltd at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than 48 hours before the time appointed for the holding of the meeting.

3. In the case of a Company/Corporation, this Form of Proxy shall be executed either under its Common Seal or by its Attorney or by an Officer on behalf of such Company/ Corporation duly authorised in writing.

4. In the case of Proxy signed by an Attorney, the relevant Power of Attorney must be deposited at the Registered Office of the Company's Secretaries for registration.

Corporate Information

Name of the Company	:	Kotagala Plantations PLC		
Legal Form	:	A Quoted Public Company with Limited Liability		
Date of Incorporation	:	22nd June 1992		
Company Registration No.	:	PQ 174		
Principal Activities	:	Cultivation, Manufacture and Sale of Tea, Rubber and Cultivation and Sale of Oil Palm		
Stock Exchange Listing	:	The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka		
Registered Office	:	53-1/1, Sir Baron Jayatilaka Mawatha, Colombo 1.		
E-mail	:	info@lankemplantations.lk		
Web	:	https://lankemplantations.lk/kotagala-plantations/		
Directors	:	Mr. S.D.R. Arudpragasam	-	Non - Executive (Chairman)
		Mr. S.S. Poholiyadde	–	Executive (Managing Director)
		Mr. Anushman Rajaratnam	-	Non – Executive
		Mr. K. Mohideen	-	Executive (Director Finance)
		Mr. K.G. Punchihewa	-	Independent Non-Executive
		Mr. S.B. Perera	-	Independent Non-Executive
		Dr. L.S.K. Hettiarachchi	-	Executive
Chief Executive Officer	:	C.J. De Costa	-	Up Country
Senior Management	:	S.S. Poholiyadde	-	Managing Director - F.I.P.M
		K. Mohideen	-	Finance Director - FCMA/FCA
		L S K Hettiarachchi	-	Director, Technological Innovations-BSc Hons LK, PhD UK, C.Chem., F.I.P.M)
		C.J. De Costa	-	CEO - Up Country
		Nissanka Seneviratne	-	Director Operations Low Country - N.I.P.M/ N.IB.M
		M Ganeshan	-	Head of Internal Audit
		G R N Perera	-	General Manager - Finance (ACMA)
		S Bandaranayake	-	Consultant/ Engineer
		D Iddamalgoda	-	General Manager-Legal MHRM(Kelaniya), LLB (Sri Lanka), B Sc. (Marine Science) Attorney-at-Law, Notary Public Commissioner for Oaths & Company Secretary
Secretaries	:	Corporate Managers & Secretaries (Private) Limited 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.		
Auditors	:	KPMG Chartered Accountants, P.O. Box 186, Colombo 3.		
Bankers	:	Bank of Ceylon Pan Asia Bank PLC People's Bank Amana Bank		
Legal Advisors	:	Messrs Julius & Creasy Attorneys-at-law P.O. Box 154, Colombo 1.		

KOTAGALA PLANTATIONS PLC
53 1/1, Sir Baron Jayatilaka Mawatha, Colombo 01,
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